

JUDGE GERALD MAGER

SENIOR JUDGE

POST OFFICE BOX 14216

FORT LAUDERDALE, FLORIDA 33302

FORMER CHIEF JUDGE
4TH DISTRICT COURT OF APPEAL
CERTIFIED MEDIATOR

TELEPHONE:

(954) 766-8400

FAX: (954) 766-8411

PAGER: 269-0808

96 JAN 24 P12:14

Original to
Jim D.

January 23, 1996

FEDERAL EXPRESS

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

Re: Budget Impasse

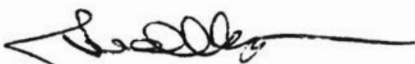
Dear Mr. President:

At the present time, I occupy the position of Senior Judge and devote my time primarily in the area of mediation.

May I offer you a suggestion regarding the current budget impasse. Perhaps, you might be able to persuade the opposition to accept your version of the Entitlements Program or at least some minor modification thereof, for a period of two (2) to three (3) years. At the conclusion of that "trial" period, the progress of the deficit reduction would be revisited to see whether or not the Entitlements Program, in place, have had an adverse impact upon the seven (7) year deficit reduction. In other words, if all other cutbacks, restrictions, etc., are working, then the Entitlements Program might remain in place or might be slightly modified. On the other hand, if the Entitlements Program is "too generous", the matter could be revisited. At least this phased approach would not only get the country by the current impasse, but would give you an opportunity to see whether or not your approach to deficit reduction will work and if not, it can be revisited and corrected.

Good luck and best wishes for every success.

Sincerely,


Gerald Mager

GM/mea

cc: Honorable Leon Panetta

1/24/96
Todd -
Adam, COS Ofc, sent
this to us for appropriate
action.

Send to Tyson/Sterling
Yes ☒ Quinn
No ☐

Donskind coordinate a
reply? Yes ☒

C -

To Jocelyn
for handling
as they wish.

T

—

THE WHITE HOUSE
WASHINGTON

01/24/96

JOCELYN JOLLEY:

For your appropriate handling.

Thanks.

Todd Stern

original card
To Jocelyn
J.

Best Wishes
For the Holiday Season and all
Through the Coming Year

SENATOR AND MRS. JIM EXON



1615 Brent Boulevard
Lincoln, NE 68506

07

DEC 12

DEC 12 1995

THE PRESIDENT HAS SEEN
1/22/96
THE WHITE HOUSE
WASHINGTON

January 19, 1996

96 JAN 19 P 6 : 42

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT^{SS} & ANNE WALLEY^{az}
SUBJECT: SCHEDULING DECISIONS

Accept:

Date of Event:

Description of Event:

1/22/96 - 1/26/96

Meeting to Sign Filing Papers For
the Re-Elect

2/7/96

Address the National Association of
Independent Colleges & Universities,
Washington, DC

2/7/96

Reception For Democratic Members
of the National Conference of State
Legislators @ WH

2/8/96

Remarks to National Conference of
State Legislators @ WH

2/12/96

Drop By Briefing For Secretaries
of State @ WH

2/20/96

Meeting With NATO Secretary
General Javier Solana

2/21/96

Reception For White House
Community Empowerment Zone
Conference

3/4/96

Michigan Fundraiser For Senator
Carl Levin

3/20/96 - 4/15/96

Joint Fundraiser For the DNC &
Representative Bob Torricelli

Pending:

Date of Event:

Description of Event:

1/22/96 - 2/15/96

Meeting With the Alaskan Delegation
to Discuss the Arctic National Wildlife
Reserve

1/27/96 - 1/29/96

Satellite Feed to the National Association
of Homebuilders Annual Convention

2/1/96 - 3/1/96

Interview With Hugh Sidey of Time
For New Book Entitled The Presidency

2/9/96

Meeting With Irish Deputy Prime Minister
Dick Spring

Regret:

Date of Event:

Description of Event:

Jan. - Feb.

Speech to US Attorneys on Gangs

Jan. - Feb.

Presidential Rank Awards

The Presidential Rank Awards were
created in 1978 to salute a small group of
career senior executives who have
repeatedly demonstrated their commitment
to public service.

2/12/96

American Hellenic Educational Progressive
Association Banquet

4/18/96

Host Reception for the American
Society of Newspaper Editors @ WH

4/19/96

Speech to the American Society of
Newspaper Editors

You will be in Japan and Russia during
this time. We will be sure to send
a surrogate on your behalf.

VICTOR
KOVNER

212 489 8340

212 489 8230
phone

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Victor Kovner
Fax Number: 212-489-8340 Phone Number: 212-489-8230
FROM: Todd Stern
SUBJECT: Resume of Jane Francavilla
DATE: January 22, 1996
NUMBER OF PAGES (including cover sheet): 3
MESSAGE:

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

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THE WHITE HOUSE
WASHINGTON

January 22, 1996

Victor --

Here's the resume of Jane Francavilla, the young woman I mentioned to you on the phone today. She worked directly for me for about 14 months on Senator Leahy's staff, and she is absolutely great. Bright, political, completely competent, discrete and responsible, willing to work all hours and a pleasure to have on any staff.

She is eager to get into the campaign and would like to do it in New York if that's possible. No one who brings her on will ever be sorry.

I appreciate your willingness to chat with her. Hope all is well.



Todd Stern
Assistant to the President
and Staff Secretary

JANE FRANCAVILLA

316 East 77th Street, Apartment 2A
New York, NY 10021
212-472-4833

EXPERIENCE:

ZURICH CENTRE INVESTMENTS

Account Manager, Centre ReSource, April 1995-present

Corporate communications. Develop, design and deliver marketing campaigns and materials for a group of financial and insurance companies. Develop appropriate agendas, messages and presentation materials for client-sponsored events, conferences, and meetings.

Investor relations. Coordinate with the director of investor relations to administer shareholder relations program and provide customer service to shareholders. Respond to inquiries, coordinate press releases, update company analyses, and implement yearly plan for management to meet with analysts, shareholders and potential investors.

Business Development Analyst, Zurich Reinsurance Centre, January 1994-April 1995

Managed the development of information on client and broker activity and supported the cultivation of positive broker and client relationships. Contributed to the development and design of the annual marketing plan.

OFFICE OF SENATOR PATRICK LEAHY

Legislative Correspondent, March 1992-December 1993

Conducted research, prepared memoranda, attended hearings and monitored legislation on economic, tax, banking, trade, energy and transportation issues. Assisted Vermont businesses and non-profit organizations with grant applications to federal government agencies. Responded to all constituent inquiries in relevant issue areas. Maintained detailed database on Senator Leahy's voting record.

**UNITED STATES SENATE JUDICIARY COMMITTEE
SUBCOMMITTEE ON TECHNOLOGY AND THE LAW**

Staff Assistant, January 1991-March 1992

Primary responsibility for District and Circuit Court nominations, including briefing and staffing Senator Leahy. Assisted legislative counsels in preparation of memoranda, speeches and hearing materials. Coordinated and responded to constituent mail, and conducted basic legislative research. Responsible for various administrative duties.

CAMPAIGN EXPERIENCE:

Clinton for President, 1992

Canvassed for Governor Clinton in New Hampshire. Assisted team that researched prospective cabinet appointments. Aided in research and preparation of briefing book for Transition of the First Lady.

Vermont Coordinated Democratic Campaign, October 1992-November 1992

Aided in coordinating get-out-the-vote activities for Governor Clinton, state and local candidates in Bennington County, Vermont.

EDUCATION:

Franklin and Marshall College, Lancaster, PA

Bachelor of Arts, May 1990

Government Major, strong concentration in Physical Sciences

Honors include Dean's List for four years and Pi Sigma Alpha Political Honor Society

resorted to

Thank you for sharing your views regarding the federal budget dispute. I regret that some in Congress have used the tactic of shutting down parts of the government, hurting both those who rely on important government services and the federal employees who provide those services.

We must balance the budget in a way that strengthens our economy, protects Medicare, Medicaid, and the environment, and continues our investment in education -- without raising taxes on working families. My seven-year balanced budget proposal would do that and build on our successful record of deficit reduction.

I appreciate your interest in this issue.



Ok w Herbst.

10: 20 RSK, or 0

typ/misc/budget.card

Thank you for sharing your views regarding the federal budget. I regret that some in Congress put ~~important government services~~ ^{these who depend upon} and hardworking federal employees in the middle of the budget dispute. It was wrong and should never happen again. ^{dispute.}

We must balance the budget in a way that strengthens our economy, protects Medicare, Medicaid, and the environment, and continues our investment in education -- without raising taxes on working families. My seven-year balanced budget proposal reflects these ^{values} ~~these~~ and builds on our successful record of deficit reduction. ^{services}

~~As we continue working to move our nation forward, I am grateful for your involvement.~~

I appreciate
your interest
in this issue.

parts of the
have used the tactic of shutting
down cutting off ~~important~~ government
~~services and~~ hunting both those
who rely on important government
services and the ~~hardworking~~
federal employees who provide
these services.

102
words, per
spell check

7230
000

TO: Dan
Buckhardt

FR: T. STERN

EXECUTIVE OFFICE OF THE PRESIDENT



FACSIMILE TRANSMITTAL SHEET

Number of pages including cover 3

Date 1/22/96

To Carol Cleveland

FAX Number 62215

Comments Please have Todd review
this as soon as possible.
Thanks

From Jan for Jim D

OFFICE OF THE DIRECTOR
Presidential Correspondence
The White House
Washington, DC 20500
Phone: 202-456-7610
Fax: 202-456-2993

POLITICS

Clinton starts winning back his '92 supporters

By Patrick Pexton
Times staff writer

WASHINGTON — In 1992, just weeks before the election, 21 senior retired generals and admirals gathered to endorse Bill Clinton for the presidency, a brassy show of public support that helped the young Arkansan diffuse his image as a Vietnam draft dodger.

Three years later, a reporter called that group of 21 to gauge their support for Clinton.

At first, things looked bleak for the president. The first phone call went to retired Army Lt. Gen. William Odom, director of national security studies at The Hudson Institute, an Indianapolis think tank with offices in Washington.

Reporter: "Would you endorse Bill Clinton today for re-election in 1996?"

Odom: "The answer is NO, NO, NO, NO, NO, NO! Is that answer clear enough?"

Reporter: "Yes, general, but could you explain..."

Odom: "End of comment. Thank you." Click.

The second phone call went to retired Air Force Chief of Staff Michael Dugan, who was fired by George Bush in 1990 for openly challenging Desert Storm strategy.

Reporter: "General, would you endorse Bill Clinton again for the White House in 1996?"

Dugan (Very long silence. Finally): "You didn't get ahold of me."

But that was the end of the bad news for the president. The responses got much more positive after those first two phone calls, and in the end, 13 still support Clinton, one opposes him, one said he is unsure and six would not comment.

A year ago, the poll results might not have been the same. Many of those who continue to support Clinton said they are much happier with the past year than they were with his first two as commander in chief.

Budget kudos

Almost all of the endorsers gave Clinton high praise for his recent leadership on Bosnia, the economy, and for appointing Defense Secretary William Perry in place of the late Les Aspin. And, interestingly, he got high praise on the budget battle, with the flag and general officers saying the Republicans are going too far with cuts to Medicare, Medicaid and retiree benefits.

Keep in mind, however, that out of those 13, three have jobs in the Clinton administration and six serve in unpaid positions on various executive branch advisory boards.

Only one said he would take a

wait-and-see attitude — retired Army Lt. Gen. Calvin Waller, the second highest ranking officer in Desert Storm. Waller said he was deeply worried about the Bosnia and Haiti operations.

But the majority were positive, saying Clinton has not been given the credit he deserves for tackling tough issues. And in military and foreign affairs, most said the Clinton administration had improved markedly from its early months.

Retired Adm. William Crowe, former chairman of the Joint Chiefs of Staff and now Clinton's ambassador to London, was the leader in organizing the officers for Clinton in 1992. Not surprisingly, he still supports his boss.

"While I would not suggest his performance has been flawless, on foreign and domestic issues he has had some considerable success, some of which he has not gotten credit for," Crowe said. Examples: The declining budget deficit and the creation of new jobs in the U.S.

Crowe said Clinton, especially in the past year, has grown into the job. He is winning a reputation abroad as a peacemaker, as evidenced by his recent reception in Ireland and Europe, which Crowe called "incredible and overwhelming." Clinton is probably more popular in Europe than he is at home, Crowe said — just like Winston Churchill was more popular in the United States than in Great Britain during the war years.

Crowe, like all of the 13 endorsers, strongly backed Clinton's actions on Bosnia, saying Americans should understand that Europeans still look to the United States for leadership.

"They think our country is the only country in the world that can craft a world that is pluralist and stable, and they think Bill Clinton can do it," Crowe said.

Worries over Bosnia

Doubts about Clinton were best expressed by Waller, now the head of an environmental clean-up effort in the West, who said that although he has not been briefed by the White House on the details of the operation, Bosnia worries him.

"I have absolutely a feeling deep in my stomach that we'll lose a lot of great young Americans over there," Waller said. "I don't like the fact that we're spreading them over a long space

like a picket fence."

Waller said Haiti was a "downer" and might still fail. He is concerned about "constant flip-flops" by Clinton. And, "I was devastated that the first thing he did was to take on guys in the military. I felt there were far more important issues to take on than that."

On the plus side, however, Waller praised Clinton for standing firm on the budget.

"Let's don't devastate all the social programs that the Republicans want to do. Thank God there is someone pushing back on that because that doesn't make sense," Waller said.

Overall, those who favored Clinton said he was finally beginning to live up to the expectations they had of him three years ago, when he came across as a bright, middle-of-the-road newcomer.

"I have to be very frank," said retired Rear Adm. Thomas Brooks, the former director of naval intelligence. "I voted for and supported President Clinton because I liked his message: he was young, energetic, very bright, moderate and would do good

things. It is now three years later and finally, I guess, I can say I am pleased he has fairly well lived up to my expectations. But it took a long time coming."

Female support

As in the general population, Clinton also gets support from military women, in this case women generals.

Retired Marine Corps Brig. Gen. Gail Reals, and retired Army Brig. Gen. E.

Pat Foote, both praised Clinton for taking on tough issues, such as health care, that many presidents have avoided. They also gave him high marks for genuinely putting more money into programs that benefit military people.

"In many cases, he has been a better friend to the military than people who were touting themselves as strong supporters of

weapons systems," Reals said.

Foote said that Clinton came into office in a time of great change and international instability and has done well despite it.

"I wish he had been more assertive and far less seeming to please all parties and trying to offend no one," Foote said. "But on the main he has a great deal of courage, and he has faced other topics that other presidents wouldn't touch with a 10-foot pole."

"Now he is showing very strong leadership in the international arena. And he is acting more and more as the real commander in chief of the armed forces and is less intimidated by the fact that he has no military experience."

Indeed, firmness and certitude is the advice that virtually all of the generals and admirals have for Bill Clinton as he heads into 1996.

Crowe said Clinton should emulate Harry Truman's methods more often: "Make the decisions in the privacy of your own office and in your own mind, and then pursue that with persistence," he counsels. "And don't worry much about politics or the polls."



Reals

THE PRESIDENT HAS SEEN

11/22/96

Tony
I want to discuss
this — what is Bosnia's
problem? — Be

Maybe the Gap Between Pay, Productivity Isn't So Big

By John M. Berry
Washington Post Staff Writer

Labor Secretary Robert B. Reich has complained frequently during the past couple of years that American workers are being shortchanged because their paychecks haven't kept pace with their increased productivity. He and others say employers appear to be fattening their profits by playing on workers' job insecurities to hold down inflation-adjusted wages.

But that may not be so. The Bureau of Labor Statistics (BLS) will soon revise its official figures to show that productivity—output per hour worked—has gone up only about half as fast over the past three years as previously reported.

The revisions are likely to halve average annual gains to 1 percent or less from just over 2 percent,

according to BLS officials.

The new figures also will undercut claims by some economists that productivity growth, which flattened noticeably after 1972, improved significantly in the 1990s. This group of analysts has suggested that recent faster productivity growth means that the economy can now expand more rapidly than it could in the 1980s without sparking inflation.

The chart at the right shows that the revisions, which involve two separate adjustments to current numbers, will have little effect on the productivity picture for 1991 and 1992 but a large impact on every year since.

For each year, the bar on the left shows the current estimate for the increase in output per hour worked.

See TRENDLINES, D10, Col. 3

TRENDLINES, From D9

The middle bar shows the result of a technical change in the measure of output the Bureau of Labor Statistics uses for the productivity calculation. The change has become necessary, BLS officials say, because estimates of U.S. incomes—which are based on such items as wages and salaries, rents and corporate profits—have been growing faster than estimates of U.S. production—which are based on spending by consumers, businesses and governments.

Ideally, the income and spending figures, both of which are put together by the Commerce Department's Bureau of Economic Analysis (BEA), should equal each other. But they are derived from different sources, so they rarely are equal.

To get around that, the BEA analysts have a fudge factor—known as the statistical discrepancy—in their calculations. The productivity estimators have been happy with those numbers until recently because in some years the discrepancies were positive and in other years negative, and over long periods of time they generally added up to zero.

But the past two years, for inexplicable reasons, the statistical discrepancy has gotten steadily larger and consistently negative. This has had the effect of boosting the BLS figures for output and thus for productivity growth. To get rid of this distortion, BLS is going to switch to an output estimate that does not include the statistical discrepancy.

On that basis, as the middle

bars show, the productivity gain in 1994 would have been 1.3 percent rather than 1.9 percent. And based on annualized quarterly changes through September 1995, a 3.1 percent rise would be dropped to 1.4 percent.

The third bar, on the right, shows the additional impact from the other pending change, a switch by Commerce's BEA to use of a "chain-weighted" price index for adjusting the gross domestic product estimates for inflation. This switch, which BEA was about to make official when the government shutdown began last month, will eliminate problems associated with calculating inflation-adjusted GDP numbers by stating them in terms of a particular base year's prices.

The current GDP estimates use a 1987 base. Since prices of computers have dropped very sharply since 1987, the current estimates exaggerate the amount of money being spent for computers after adjustment for inflation. And that has caused the official GDP numbers to overstate the amount of goods and services being produced in the United States—and therefore caused BLS to overstate the rate of productivity growth.

This final adjustment shows sharply lower productivity gains for each of the last three years and modestly lower ones for 1991 and 1992. From 1991 through 1994, productivity gains averaged 1.2 percent a year rather than 1.8 percent, as the current figures show, BLS officials said.

Once Commerce revises the GDP numbers—and those revisions will include more than just switching to a new price

index—BLS will recalculate its productivity figures. Once that happens, there likely will still be a gap of the sort Reich has been complaining about, though it should be much smaller.

But there is a good statistical reason for that remaining gap as well, according to BLS economist Michael Harper. In an unpublished analysis, Harper notes that the BLS compensation-per-hour figures are adjusted for inflation using the consumer price index. On the other hand, the productivity gains to which the increases in real compensation have been compared relate to more than what's measured by the CPI and include goods purchased by businesses and governments as well.

That means, Harper says, that for purposes of comparing productivity and compensation, the latter should be adjusted for inflation by using not the CPI but changes in a broader price index covering the full range of goods and services produced by U.S. businesses.

As mentioned above, official productivity gains averaged 1.8 percent annually for 1991 through 1994. Official figures for real compensation show gains averaging only 0.7 percent annually—the 1.1 percentage point gap about which Reich has complained. The pending productivity revisions would reduce that gap from 1.1 percentage points to 0.5 percentage points.

Using a comparable measure of inflation and base year would cut that remaining half-point gap to only 0.1 percentage point, according to Harper.

Laura

THE PRESIDENT HAS SEEN

1/22/96

Lava

William Raspberry

Business Is Great—You're Fired

X This was my 1995: I made some money in the stock market (who didn't?) as Wall Street hit a Cal Ripken-like streak of record highs. And I graduated two children (one from graduate school) who have yet to find jobs that justify the tuition outlays.

The Raspberry household is not exactly a microcosm of the U.S. economy, but it does serve to make a point about it: It is possible to do very well and quite badly at the same time.

The newest evidence is the announcement a few days ago that AT&T plans to eliminate 40,000 jobs. That cut, according to the consulting firm Challenger, Gray & Christmas Inc., puts the communications behemoth in the No. 3 spot on the Top 10 list of corporate downsizers since 1993. IBM, which cut 63,000 jobs, leads the pack, followed by Sears, with 50,000.

That, any way you cut 'em, is a lot of jobs. And yet, as I say, the stock market has been roaring. Corporations have been making good money. Productivity is up. Inflation is holding steadily low, and interest rates are trending down. The economy is going

great guns while people are losing their jobs hand over fist. The outlook is for more good economic news (as measured by the Dow)—and for less security for workers and bleaker prospects for next year's graduates.

"I truly wish we didn't have to do this downsizing," AT&T's chairman, Robert Allen, told his employees. "But the actions we are announcing today are absolutely essential if our businesses are to be competitive. Regrettably, unlike other downsizings at AT&T, when we've been able to place people in other jobs within the company, this time we won't see as many internal opportunities because the reductions are across the board."

You can guess the reaction among the mostly white-collar employees. Here was the reaction on Wall Street the day of the announcement: ATT up \$2.50 to \$67.25.

Investors understand what the rest of us are likely to see as merely aberrational, some weird case of cognitive dissonance: that increasing productivity can improve the corporate bottom line while it simultaneously devastates workers. They understand

that AT&T won't be doing less business; it will simply be doing it with fewer employees.

There is something else that all of us need to understand: the increasing irrationality of looking to technology and an ever-expanding economy to

"The outlook is for more good economic news (as measured by the Dow)—and for less security for workers."

maintain our standard of living, build our personal security and solve our social problems.

But where do we look for all these things?

That's the question that has hardly been on the table. Some of us have seen the insanity of using the threat

of reduced welfare benefits to force AFDC mothers to go to work during a time when college-educated youngsters are waiting tables. But the real issues are far more basic. Should we accept as a given the unsustainability of our living standard (or at any rate an end to its improvement)? Should we put our emphasis less on policies that promote business growth and more on policies that create jobs? Should we welcome the technology-led increases in productivity and profits and busy ourselves figuring out some device, other than full-time employment, for spreading the wealth?

But while we haven't thought seriously about these questions, we nevertheless propose policies that assume we know the answers. Work as the solution to the welfare dilemma, for instance, or job training as the solution to joblessness.

Three years ago, in a speech to the U.S. Chamber of Commerce, President Clinton disclosed his own assumptions—at least those he held at that time. He advocated a species of economic planning—government "seeding" of cutting-edge high-tech

firms as a way of creating needed jobs. "In the 1960s," he said, "the most successful industrial strategy we had was our defense budget, which kept our lead in international defense technologies while we were losing our lead in many commercial technologies."

Two things have become clearer since that speech. First, that there is no peacetime counterpart of defense-technology spending. The military got new weapons and equipment whenever the defense industry came up with improvements—even if the older stuff had never been used. (Imagine Boeing trying to sell newer and improved commercial airplanes while the older and eminently satisfactory ones had only been used for pilot-training exercises.)

Second—and this is the point driven home by the AT&T announcement—cutting-edge technology may produce savings, economic growth and vastly improved productivity. But it doesn't automatically produce a lot of jobs—and sometimes just the opposite.

THE PRESIDENT HAS SEEN

1/22/96


Laura

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1/22/96

TO: Tex Scaten

FROM: Staff Secretary

As promised.

Please let me know if you
need anything more.

Thank you

Phil Caplan

1/16/96

PRESIDENT WILLIAM J. CLINTON
FORWARD TO WHITE HOUSE GROUNDS AND GARDENS

The White House gardens are a genuine treasure. Their year-round beauty brings joy to millions of Americans -- both inside and outside the White House.

But like the wonderful old house they surround, these grounds and gardens also stand for something larger. They capture the magnificence and diversity of the American landscape. And they remind us of our proud past. Nearly every tree represents a President. There are magnolias planted by Franklin Roosevelt and John Kennedy; oaks brought in by Dwight Eisenhower and Ronald Reagan; an American Boxwood from Harry Truman. Like the Presidents whose values and ideals they honor, these trees are rooted in our very soil.

Beneath the limbs of these trees, generations of Americans have had the opportunity to gather on the green, rolling lawns of the White House -- for picnics and easter-egg rolls, for treaty signings and ceremonies honoring the accomplishments of our fellow citizens. It seems only natural that Americans have used this place to come together. After all, just as the White House is the "People's House," its garden is truly America's Garden.

This book tells the story of the White House garden -- its trees, its plants, its history. I hope everyone who reads it will come away with renewed admiration for a garden that is a proud tribute to the great country it represents.

William J. Clinton

1/22/96

THE WHITE HOUSE

WASHINGTON

January 18, 1996

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT *SS*
ANNE WALLEY *AW*

SUBJECT: Attendance at the Metropolitan Baptist Church

Delegate Eleanor Holmes Norton has submitted a request through Alexis Herman for you to attend an 11:00 a.m. service at the Metropolitan Baptist Church this Sunday. White House staff feel that it would be a good idea to attend.

There was a commitment made to Delegate Norton following Speaker Gingrich's town hall meeting with District residents in August of 1995. At that time, you pledged to have a more hands-on approach to the District. Delegate Norton feels strongly that this visit will symbolize that effort and is important to do before the State of the Union address.

You were scheduled to address this congregation during the 1992 campaign, but had to cancel at the last minute. The Metropolitan Baptist Church is the largest and most influential African American Baptist church in the Washington metropolitan area, and the pastor, Reverend Dr. Beecher Hicks Jr., has a major nationwide following. The church congregation is heavily involved in community building projects and its members are very active in politics in the metropolitan area.

In addition, the Secret Service has informed us that there will be a demonstration in front of the Foundry Church, protesting HR 1833. These protestors do not pose a threat, but will cause a scene.

Would you like to attend the service at the Metropolitan Baptist Church this Sunday

YES _____

NO _____

Carey
BS
gun

THE PRESIDENT HAS SEEN

1/22/96

THE WHITE HOUSE

WASHINGTON

January 17, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: BETTY C. MONKMAN, ASSOCIATE CURATOR

SUBJECT: New Frame on the Painting The Peacemakers

As you will note, a new frame (a reproduction of a late 19th century frame) has been installed on the painting The Peacemakers.

This is one of several paintings in the White House which have had inappropriate frames removed and replaced with frames of historical periods in which the artists worked. The paintings can now be viewed as the artists intended. The Committee for the Preservation of the White House approved this project and it was funded by the White House Historical Association.

Thank you
A. Louis Gray
P

THE PRESIDENT HAS SEEN

1/22/96

THE WHITE HOUSE
WASHINGTON

November 9, 1995

RECOMMENDED TELEPHONE CALL

TO: Chairman Don Young (R-AK)
DATE: November 9, 1995
RECOMMENDED BY: Patrick J. Griffin

PURPOSE: Chairman Young placed a call to you to discuss opening the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling. He understands your long standing position but would like the opportunity to talk to you directly.

BACKGROUND: The Administration has repeatedly opposed opening the coastal plain of the Arctic National Wildlife Refuge to oil and gas drilling because of sharply reduced USGS estimates of recoverable reserves that make opening ANWR of limited potential economic value. Provisions that would open ANWR to drilling are contained in both the House and Senate versions of reconciliation. You and members of your Administration have repeatedly promised that you would veto any reconciliation bill containing the ANWR provisions.

TOPICS OF DISCUSSION: SEE ATTACHED TALKING POINTS.

CONTACT PERSON AND
TELEPHONE NUMBER(S): WHITE HOUSE OPERATOR

DATE OF SUBMISSION: November 9, 1995

ACTION:

95 NOV 9 P4:09
He never called back
but apparently delegation
wasn't on list

TALKING POINTS

STANDING BY OUR COMMITMENT. As you know, I have a long standing position on the Arctic Refuge. I continue to carefully evaluate the arguments on both sides of this issue, and I remain strongly opposed to opening the Arctic Refuge to oil and gas drilling.

THE ADMINISTRATION SUPPORTS OTHER EFFORTS TO REDUCE U.S. DEPENDENCE ON IMPORTS AND TO DEVELOP ALASKA'S RESOURCES.

I support a number of initiatives designed to boost domestic production and reduce imports. Just this week I supported your proposal for royalty relief for deep water drilling -- I supported it, we worked for it and it passed. I also advocated in favor of your proposal to lift the 23-year ban on exports of Alaska's North Slope oil. I know how important that proposal is to Alaska and I support it strongly. In addition, I know you are aware that 90% of the coastal plain is open to development and we're arguing about the Arctic Wildlife Refuge.

ALASKA'S DELEGATION IS UNITED. Governor Knowles and the entire delegation have let me know that you think I'm wrong here. I appreciate your strong convictions. We'll have to agree to disagree. But I hope we can work together on other issues like the export ban and royalty relief to advance the cause of economic development.

BACKGROUND ONLY

ECONOMIC VALUE IS QUESTIONABLE. The Administration believes that recent lower USGS estimates of recoverable oil and gas make drilling in ANWR of questionable economic value. In addition, the earlier estimates were also based on oil price projections of \$30 per barrel in 2010, whereas current estimates are under \$20.

REVENUE ESTIMATES ARE LOWER THAN CONGRESS ASSUMES. The result of these changed assumptions is a significantly lower value to opening up ANWR. While CBO has estimated 7-year net revenues to the Treasury of \$1.3 billion, OMB believes that the best estimate is \$850 million, 35% less.

STATE REVENUE SHARING ALSO AT ISSUE. The estimates used by Congress for reconciliation assume a 50:50 split between federal and state coffers. Alaska's statehood legislation entitles Alaska to a 90 % share, and although they have said they would voluntarily limit themselves to 50%, Young was quoted last week encouraging Alaska to take the 50% now and sue later. He had to retract his comments in a letter to Speaker Gingrich. If Alaska did take a 90% share of the revenues, the federal value of opening the Refuge to drilling would be reduced to \$170 million.

REMEMBER SENATOR MURKOWSKI'S SPEECH YESTERDAY. In the context of your meeting with the environmentalists Murkowski focussed on the Refuge (assuming that would be the subject of the meeting) and denounced them and you.

ALASKA NATIVE CONFLICT. The Iupiat Eskimos do support drilling in the Refuge because they have benefitted greatly from development (\$47,000 average annual income). They are more concerned about off shore drilling because their hunting is done at sea. The Gwitch'in Eskimo, on the other hand, oppose drilling because they are less well off and subsist on the porcupine caribou herd that uses the Refuge for its calving ground.

PUTTING PEOPLE FIRST. Preventing drilling was a pledge you have made since the campaign.

1/22/96

- (D) **Fleming memo on global AIDS epidemic.** Via Carol. Scope AIDS is growing globally -- 19 million people are HIV positive (1 million in U.S.), and 75% of transmission is heterosexual. Forty million cases likely by 2000, with 90% in developing countries. Globally, women and men are affected in equal numbers. Some nations spend 25-50% of their health budget on AIDS-related care. Major social and economic toll in developing world. U.S. Role AID, CDC and NIH have provided unparalleled technical assistance in developing countries since 1986; if U.S. development assistance is reduced, the world's ability to overcome AIDS will diminish. UNAIDS Formed by the governing bodies of WHO, UNICEF, UNDP, UNFPA, UNESCO and the World Bank, it will help coordinate resources allocated for AIDS within the UN system.

(E) **Lake memo on support of "flags."** The Navy Times contacted a number of admirals and generals who publicly endorsed your candidacy in 1992. Most were positive, suggesting you had not been given the credit you deserve for tackling tough issues and that the Administration had improved its handling of military and foreign affairs. Tony believes this reflects your regular contacts with this group.

We have also received the following items:

✓ **Kantor memo on Brazilian SIVAM project.** Mickey spoke recently with Brazilian Foreign Minister Lampreia, who says both he and President Cardoso are working hard to obtain funding for the SIVAM (Amazon surveillance) project on which Raytheon was the winning bidder. They believe the chances are good for obtaining approval from the Brazilian Congress.

✓ **David Pryor letter.** Thanks you "for the great evening of December 9th in Little Rock. You were so very generous with your time, and remarks. I'll always be grateful."

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ce. Sandy

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

January 18, 1996

96 JAN 18 P5:17

MEMORANDUM FOR THE PRESIDENT

FROM:

MICHAEL HANTOR 

SUBJECT:

BRAZILIAN SIVAM PROJECT

In my phone conversation yesterday with Brazilian Foreign Minister Lampreia, he asked me to assure you that both he and President Cardoso continue to work very hard to obtain funding for the SIVAM (Amazon surveillance) project on which Raytheon was the winning bidder. He said that they are confident that they have "turned the corner" in their efforts with the Brazilian Congress, and they believe that chances are good for obtaining Congressional approval.

1/22/96

23 additional counties in California that have expressed interest in participating in the section 1115 demonstration application that Los Angeles County submitted.

- **California Proposal for Medicaid Managed Care Under Final Review:** The State of California has requested approval of a waiver of Medicaid's freedom of choice provisions to enable it to implement the "Two Plan Model," the largest and most ambitious Medicaid managed care initiative to date. Medicaid beneficiaries in 12 counties would be offered a choice of two managed care plans: a "Mainstream Plan", which is a commercial HMO, and a "Local Initiative Plan," which is generally those built around the local county hospital and/or county health care system. After full implementation, a total of 3.3 million Medi-Cal beneficiaries are expected to enroll, the overwhelming majority of whom are AFDC and AFDC-related beneficiaries. Twelve (12) counties are designated to implement the two-plan model: *Alameda, Contra Costa, Fresno, Kern, Los Angeles, Riverside, San Bernardino, San Francisco, San Joaquin, Santa Clara, Stanislaus, and Tulare*. The Health Care Financing Administration (HCFA) must make a decision on the Two-Plan Model by January 22, the 90th day and statutory deadline for action.

California Faces Potential Disallowance of Federal Funds for Unsound Medicaid Managed Care Rates: In the near future HCFA intends to notify California that the information the State provided on November 20 and 27, 1995, was inadequate to justify the payment rates it established for its Medicaid prepaid health plan contracts. By law, the payment rates must be determined to be "actuarially sound." HCFA will ask the State to respond to three specific questions on the actuarial soundness of their managed care rates and spell out alternative methods that the State could use to provide the information HCFA needs. If HCFA does not receive an adequate response within 30 days, it intends to proceed with the process to deny Federal financial participation for the State Fiscal Year 1995 prepaid health plan contracts at issue.

- **Secretary's Schedule:** On January 24, the Secretary will travel to Union College in Schenectady, New York to talk about the President's State of the Union Address.
- **Beta Carotene/Vitamin A Trial on Lung Cancer Halted:** Investigators today terminated a four-year study on the combination of beta carotene and vitamin A as preventive agents for lung cancer in high-risk men and women. Interim study results indicate that the supplements provide no benefit and may even be causing harm. The study was funded by the National Cancer Institute. Dr. Philip Lee, Assistant Secretary for Health, joined NCI officials at a press conference to announce the end of the clinical trial.
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THE WHITE HOUSE
WASHINGTON

96 JAN 19 P10 : 14

January 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
January 19 - 26

D.C. Metropolitan Area Snow Removal: On January 24, at 2:00 p.m., emergency management personnel from the District of Columbia, Virginia and Maryland and representatives from the Departments of Transportation, Defense, Interior, the General Services Administration, the Environmental Protection Agency, the Washington Metropolitan Area Council of Governments, and FEMA will be meeting at FEMA headquarters to review the Washington Metropolitan Snow Removal procedures. This will be closed press with a press conference to follow.

Blizzard '96: We have received three requests from FEMA for limited assistance due to the "Blizzard of '96" for the States of Connecticut, Rhode Island and Massachusetts. Like the ten limited disasters you declared last week, this assistance is to reimburse the costs of equipment, contracts and personnel overtime that are required to clear one lane in each direction along snow emergency routes, necessary to allow emergency vehicles to fulfill their duties. You are expected to grant this assistance on Monday.

DEPARTMENT OF TREASURY

- **Secretary's Activities:** On Wednesday, Secretary Rubin will travel to Chicago for State of the Union follow-up, and then to New York for an evening fundraiser for Ron Wyden. On Thursday, he will have lunch with Chairman Greenspan and host a CEO Luncheon with five CEO's.

✓ **Social Security:** The Social Security Advisory Council, an independent council, is expected to issue its report late this month or early in February. A majority currently appears to favor some form of individual investment account as part of the solution to Social Security's long-term financing program, which would represent a dramatic change in the structure of Social Security.

- **Bankruptcy Commission:** Following the recent death of former Representative Mike Synar, a new chairman of the Bankruptcy Review Commission needs to be appointed. The Commission's next meeting is scheduled for February 23rd, and will focus on "structural issues" such as the legal foundation of current bankruptcy statutes and practices.
- **Multilateral Development Banks (MDBs):** Senator Bill Bradley and Representative John Kasich have requested the participation of the Under Secretary Jeff Shafer as a member of a bipartisan task force "looking at U.S. interests and participation in the multilateral development banks." The task force, which is scheduled to have its initial meeting on January 23rd, is being formed by the Center for Strategic and International Studies under the chairmanship of Bradley and Kasich. According to a joint Bradley/Kasich letter to Shafer, the group will take "an impartial look at current U.S. interests in the MDB in light of changes in global economic and political conditions" with a particular focus on "the banks' role in relation to the private sector and their role in poverty reduction".
- **Suspension of Serbian Sanctions:** The Office of Foreign Assets Control (OFAC) has published a final regulation that will suspend sanctions on Serbia and the Bosnian Serb-controlled portions of Bosnia. Sanctions against the Bosnian Serb military forces and authorities will remain in effect. Blocked property subject to competing claims will remain blocked while the U.S. reviews options of addressing such claims. The final regulation implements a December 27th Presidential Determination.
- **Kemp Commission:** The National Commission on Economic Growth and Reform, known as the "Kemp Commission," released its report on tax reform on Wednesday. The core recommendations of the Commission were:
 - Adopt a single, low tax rate with a generous person exemption;
 - Lower the tax burden on America's working families and remove it from those least able to pay;
 - End biases against work, savings, and investment;
 - Allow full deductibility of the payroll tax for working men and women; and
 - Require a two-thirds super-majority vote in Congress to increase taxes.
 The Administration opposes the flat tax proposal because it does not meet a basic test; fairness to families and deficit neutrality.
- **Blizzard Relief:** On January 9, IRS announced that certain taxpayers affected by the recent blizzard would be given a one-week extension to pay their quarterly estimated taxes. The new due date of January 22 applies to individual taxpayers - not corporations - who are residents of the District and 15 snowbound states.
- **District of Columbia:** On January 10, the Treasury disbursed \$283 million to the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) for District operating costs. Prior to distribution, Treasury staff

determined that the District satisfied all conditions specified in the Financing Agreement with the Authority. Additionally, it is still unclear when a non-vetoable budget will be passed. On January 6, Congress passed an additional continuing resolution that will allow the District to continue full operation through January 25. There is an ongoing debate between OMB and Congress as to whether the CR allows the District to receive a pro-rata portion of its Federal Payment. The Authority recently requested technical assistance from Treasury in the areas of tax collection, tax policy, pension liability and domestic finance. Treasury will be working with the Authority staff to determine how Treasury can best be helpful in such areas.

- **Russian Minister Resigns:** First Deputy Prime Minister Anatoly Chubias resigned Tuesday at President Yeltsin's request. His successor has not yet been announced. Chubias' dismissal was part of a broader reshuffling following Communist gains in last December's Duma elections. Chubias was deeply committed to economic reform. While his departure, and that of two other reform-minded officials (Foreign Minister Andrei Kozyrev and Yeltsin Chief of Staff Sergei Filatov) is a disappointment for supporters of economic reform in Russia, it does not inevitably spell the end of reform. Prime Minister Chernomyrdin (who will be in Washington at the end of the month to meet with Vice President Gore) also has shown strong commitment to economic reform.
- **NRC Report on Tax Systems Modernization (TSM):** The National Research Council (NRC) has completed its report on tax systems modernization. The report noted IRS shortcomings in the following areas: lack of technically skilled managers; lack of a proper set of performance goals to help in achieving operational and technical goals; failure to define and design adequate systems architecture; failure to establish and implement adequate security infrastructure; and failure to implement improvements in capability to develop software and systems. Treasury will work with the IRS on their response to the NRC report and will meet with members of the press and congressional staff on this issue soon.

DEPARTMENT OF COMMERCE

- **Economic Indicators:** Due to the partial Federal government shutdown, the Department's releases of economic indicators have been rescheduled. Release dates for the next two weeks have been set and the media notified, while the remainder will be rescheduled after January 26, 1996. Personal Income for November and December will be announced on January 23. Wholesale trade for November will be announced the week of January 22.
- **Travel and Tourism Hearings:** Secretary Ron Brown will testify in support of Representative Toby Roth's Travel and Tourism Partnership Act on January 24 before the House Subcommittee on International Economic Policy and Trade, and the

DEPARTMENT OF TRANSPORTATION

- **The Blizzard of 1996:** DOT has been monitoring the impact of the recent snowstorm on the transportation network throughout the eastern seaboard. Reports from regional operations centers indicate that all of the transportation systems are back to normal operations. DOT is preparing an After Action report and organizing a regional coordination committee, which will focus on regional resources that can be used to protect and restore the transportation system in weather emergencies such as the recent blizzard.
- **Business Week Critical of Boeing 777:** Business Week will feature a story critical of the new Boeing 777. The FAA has responded pro-actively in a statement which says in part, " Safety is, and always has been, the Federal Aviation Administration's (FAA) first priority. Without fear or favor, the FAA historically has refused to certify any aircraft if there were reason to believe safety would be compromised. The certification last spring of Boeing's 777 is no exception to this philosophy. In fact, no aircraft in aviation history has undergone an FAA testing process as comprehensive and thorough as the review process for the 777's certification. Approximately 88 FAA engineers spent more than 125,000 hours testing this aircraft. We want American's flying public to know-- the Boeing 777 is safe."
- **Adjustment of Airline and Airport Security in the United States:** Following an advisement by the Federal Aviation Administration, the airline industry has implemented elevated security measures for air travel as of January 9. This was done in anticipation of the sentencing of Sheik Rahman and his co-conspirators who were sentenced on January 17. There have been no adverse public reaction and little press interest to date regarding the heightened measures.
- **Transportation CEO's Briefing:** Secretary Pena will brief transportation industry CEO's on transportation issues at the Old Executive Office Building, January 25. Deputy Secretary Downey will also participate.
- **Conference of Mayors Speech:** On January 26, the Secretary will speak during the closing luncheon of the U.S. Conference of Mayors' Winter meeting concerning departmental reorganization and intelligent transportation systems.
- **International Aviation**

U.S. - Germany: In the last week, DOT and German officials have exchanged drafts on elements for an open-skies aviation agreement, and have continued informal contacts by telephone. The two sides have made substantial progress in anticipation that formal talks can be scheduled in February.

U.S. - Japan: A third round of air cargo talks is scheduled to take place February 5-7 with Japan in Tokyo. Japan has three objectives: removal of frequency restriction on Japan Air Lines (JAL) and Nippon Cargo Airlines (NCA) cargo services, coterminization of JAL and NCA points in the United States and controls for U.S. incumbent carrier beyond services. In return for satisfaction on these three objectives, Japan could permit expansion for UPS, including some limited beyonds, four weekly beyond flights to Beijing/Shanghai for FedEx, and assurances for Northwest and FedEx regarding their third/fourth freedom services. The U.S. is willing to remove restrictions on JAL and NCA if Japan provides sufficient new rights for U.S. carriers but expressed skepticism about a package that would satisfy all of NCA's commercial needs, while providing only limited new rights for UPS. In addition the U.S. side said it was critical for Japan to rethink its position on U.S. incumbent beyond services.

U.S. - Thailand: In December talks between U.S. and Thai delegations made substantial progress toward a new agreement, and also on a Memorandum of Understanding to govern airline capacity. Further negotiations are now in progress in Bangkok, January 16-20. Both sides hope that the second round will result in agreement on all remaining issues this week.

U.S. - Fiji: Civil aviation negotiations with the Government of Fiji were held January 10-11, 1996. Route opportunities were also improved for airlines on each side.

 **State Infrastructure Banks:** A Federal Register Notice has been issued announcing to states that a pilot program permitting the establishment of up to 10 state infrastructure banks has commenced. Infrastructure banks are a way for states to use federal funds innovatively to leverage private investments. An application form will be available for states next week. This promises to be a major accomplishment of the Clinton Administration in rebuilding America.

- **Regulatory Action:** NHTSA Requires Rear Underride Protection on Heavy Trucks. The National Highway Safety Administration (NHTSA) announced on January 18 a new safety standard requiring new truck trailers and semi-trailers to be equipped with a rear guard that will prevent a vehicle following a heavy truck from underriding it.
- **Aircraft Icing:** The Federal Aviation Administration, as part of a series of actions to focus on the vulnerability of turboprop aircraft to freezing rain, today issued a Notice of Proposed Rulemaking that will require aircraft to exit freezing drizzle conditions if specific visual cues are present.
- **Media Inquires:** New York Times Magazine is preparing a 7,000 to 10,000 - word article on the air traffic control system. The article's focus will be on the New York facilities.
- **Drug Interdiction:** On January 14, the United States Coast Guard was granted

permission by the Government of France to board, search and detain a go-fast vessel and crewmembers near St. Martin in the Caribbean. This go-fast vessel was working with an aircraft conducting an illegal airdrop. The Coast Guard Cutter FORWARD located 11 bales of cocaine in the vicinity of the airdrop. This was unprecedented participation with the Government of France, U.S. Navy, U.S. Coast Guard and U.S. Customs, displaying outstanding cooperation between numerous agencies from different countries. All contraband was recovered and transferred to French officials in St. Martin for use in further investigation and possible prosecution of the case.

DEPARTMENT OF JUSTICE

- **D.C. Circuit Court To Hear Argument In Judicial Watch Case:** Judicial Watch, Inc. v. Hillary Rodham Clinton, (D.C. Cir.; D.D.C.). In 1994, the President and Mrs. Clinton announced the creation of the Presidential Legal Expense Trust (the "Trust") to help them offset legal expenses. Plaintiffs brought suit alleging that the Trust was an advisory committee within the meaning of the Federal Advisory Committee Act. The district court had dismissed, holding that any advice proffered by the Trust did not relate to government policy. The Department has filed a brief as appellee on behalf of the White House Counsel's office and the Office of Government Ethics. Argument is scheduled for January 22, 1996.
- **INS Southwest Border Enforcement:** On Friday, January 12, the Attorney General joined the INS Commissioner at a news conference at INS Headquarters to announce another boost in border enforcement in California and Arizona. Beginning January 16, Operation Gatekeeper and Operation Safeguard will receive additional resources and introduce new tactics to prevent illegal entry and alien smuggling in border areas from the Pacific Ocean to the Otay Mountains in California and at key border crossing points in Nogales and Douglas, AZ.

U.S. TRADE REPRESENTATIVE

- **Key Department News:** This week, following the delayed release of October 1995, trade data by the Department of Commerce (due to furlough and snow) Amb. Kantor conducted another in his regular series of press briefing to highlight key accomplishments of your trade policy. He has urged reporters to focus on year to year comparisons rather than focus on the month to month comparisons.

This month Amb. Kantor highlighted the accelerating growth rate of exports during this Administration (up 3.2% in 1993, 9.3% in 1994, and 15.5% in the first 10 months of 1995), with U.S. exports overall now growing faster than U.S. imports. The shift has been particularly marked with respect to Japan. Kantor cited both the many trade agreements reached and enforced by the Administration, as well as increased confidence on the part of U.S. business that the Administration will back up its efforts to expand exports as among the factors accounting for the strong growth.

SMALL BUSINESS ADMINISTRATION



Key Department News: The SBA will send final regulations to the Federal Register by January 31 eliminating over 50% of the pages of current SBA regulations, and the remaining regulations have been rewritten in "plain English." The new regulations will be published in the Code of Federal Regulations in March.

- **Disaster Update:** SBA has alerted OMB and Capitol Hill that funding for the SBA Disaster program is expected to expire at the end of February or early March. Since the start of FY96, SBA has approved 12,355 new disaster loans for \$347.8 million which resulted in \$388.0 million in obligated funds.
- **Blizzard of 1996:** Administrator Lader joined FEMA Director Witt, Secretaries Pena and Babbitt for a press conference on January 12th to report on the public assistance for the District of Columbia and the states of Maryland, Virginia, West Virginia, Delaware, Pennsylvania, New Jersey, New York, North Carolina, and Kentucky. At this time, these declarations are for emergency snow removal only. The SBA has contacted each state to remind them of our programs should they require additional assistance in the recovery phase.
- **Massachusetts's Fire:** The Governor of Massachusetts' request for an SBA physical disaster declaration for Essex County for damages caused by a fire in the Methuen/Lawrence area has been declined because the damages did not meet our minimum criteria for a physical disaster declaration. State officials are considering the possibility of an economic injury disaster declaration. However, the Department of Labor has provided resources to the company.
- **Oregon:** An Economic Industry Declaration was approved on December 20 for the state of Oregon as a result of mudslides.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **HHS Issues Final Rule on Youth Access to Tobacco:** Thursday, the Department issued a final rule designed to ensure that states and territories adopt and enforce laws prohibiting the sale or distribution of tobacco products to children. The rule provides guidance to the states on how to comply with the Synar Amendment.
- **California Officials Meet on Statewide 1115 Demonstration:** Department staff and California and Los Angeles County senior officials met this week in Washington to discuss the significant issues with the State's most recent working draft section 1115 demonstration application, submitted on November 21. Significant issues include the lack of a plan to restructure the Los Angeles County public health care system, the request to recalculate disproportionate share hospital payments to include services provided in free standing clinics, and budget neutrality. Discussion also includes the

23 additional counties in California that have expressed interest in participating in the section 1115 demonstration application that Los Angeles County submitted.

- **California Proposal for Medicaid Managed Care Under Final Review:** The State of California has requested approval of a waiver of Medicaid's freedom of choice provisions to enable it to implement the "Two Plan Model," the largest and most ambitious Medicaid managed care initiative to date. Medicaid beneficiaries in 12 counties would be offered a choice of two managed care plans: a "Mainstream Plan", which is a commercial HMO, and a "Local Initiative Plan," which is generally those built around the local county hospital and/or county health care system. After full implementation, a total of 3.3 million Medi-Cal beneficiaries are expected to enroll, the overwhelming majority of whom are AFDC and AFDC-related beneficiaries. Twelve (12) counties are designated to implement the two-plan model: *Alameda, Contra Costa, Fresno, Kern, Los Angeles, Riverside, San Bernardino, San Francisco, San Joaquin, Santa Clara, Stanislaus, and Tulare*. The Health Care Financing Administration (HCFA) must make a decision on the Two-Plan Model by January 22, the 90th day and statutory deadline for action.

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occasional fatalities. A single lot of one of the medicines was withdrawn from the market on December 8 and four lots of another clotting factor have been placed under quarantine pending further investigation of a reported case of HAV infection in a patient who received this product.

- **ReGo Regulations:** As part of this Department's continuing effort to achieve the objectives of the President's "Reinventing Government" initiatives, two proposals to reduce regulatory burden on FDA-regulated drug and biologic/biotechnology products are expected to be published soon. One proposal, announced in the April 1995 ReGo report on reinventing FDA's review processes for drugs and biologics, would reduce the number of changes in the manufacture of a marketed drug or biologic/biotechnology product that require FDA pre-approval. The second proposal would eliminate a requirement for an "establishment license" for plants producing well-characterized biotechnology products. This action was a featured component of the November 1995 ReGo report on biotechnology products. These ReGo initiatives are expected to save industry millions of dollars without diminishing public health protection.
- **Indian Self-Determination Contracting:** HHS and the Department of Interior next week will issue jointly a Notice of Proposed Rulemaking implementing the 1994 amendments to the Indian Self-Determination and Education Assistance Act. The proposed rule was developed by a Negotiated Rulemaking Committee composed of 48 tribal members and 16 federal members, and details the procedures the federal government and tribes will follow when entering into self-determination contracting for services for American Indians and Alaskan Natives. The 1994 amendments requires that a final rule be published by April 1996.
- **Media:** During the month of January, 36 different journals published in 21 different countries will devote at least one issue to the subject of emerging infectious disease. The *Journal of the American Medical Association* began the coverage with this week's special issue and will publish additional pieces in the next two weeks. Turner Broadcasting System, Fortune, National Geographic's television program, "Explorer," and *The Atlanta Journal-Constitution* also have expressed interest in infectious diseases as well.
- **Praise for Clinton Administration Regulation:** On December 18, 1995, the *Seattle Times* printed an editorial praising the Administration's seafood safety regulations, which required seafood processors to adopt an internationally recognized system of preventive controls for safety known as the Hazard Analysis Critical Control Point. This rule was put forward as part of the Administration's reinventing government efforts and the editorial upholds it as "a case study of common-sense regulation."
- **New Hampshire Welfare Waiver:** New Hampshire submitted a welfare reform waiver request to the Department; to expedite a decision HHS encouraged them to use

*We need to get
on their hands in the mess
house for the
delay - May 20*

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working with Congress to resolve the dispute.

- **Vermont Trip:** Deputy Secretary Kunin and Secretary Riley will participate with Senator Jeffords in the Vermont Education Summit, to be held February 5 in Burlington, VT.
- **Midwest Visits:** The Secretary is currently making arrangements for a three-day trip in February to visit the Congressional districts of Congressmen Lee Hamilton, Tim Roemer, Glenn Poshard, and Mike Ward.

DEPARTMENT OF INTERIOR

- **Interior Appropriations Update:** The targeted Continuing Resolutions adopted on January 6 provide funding for visitor services in the National Park and Wildlife Refuges Systems and on Bureau of Land Management administered public land. They also provide funding for Bureau of Indian Affairs programs operated by Tribes under contracts and Self-Governance compacts and for BIA general assistance. However helpful this targeted funding may be, grave problems remain that threaten the integrity and continuity of the whole range of the Department of the Interior's programs.
- **Forest Plan:** Deputy Secretary John Garamendi will speak to the Pacific Northwest Wood Products Showcase in Tacoma, Washington, on January 23. Garamendi will speak about the Administration's success in building trade and new markets for value added wood products, such as doors, windows and manufactured housing. He will highlight the fact that this effort is one of the many successes in the implementation of the President's Forest Plan.
- **Upcoming Travel:** Next week the Secretary will resume Natural Heritage Tours visiting North Carolina and Georgia. Tentative plans are underway for the tour to begin in North Carolina on Wednesday with stops in Charlotte and Raleigh/Durham. Additional events are being planned on Thursday and Friday in Atlanta, Macon and Savannah, Georgia, and Tennessee. At every stop Secretary Babbitt will continue to highlight the successes of 25 years of environmental protection and emphasize the critical role the administration in playing is making these laws work for the local communities.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Farm Bill Update:** On January 23, Secretary Glickman plans to meet with key House and Senate Members to underscore the need for Congress to enact new farm legislation. Members who will be invited to participate are Senators Dole, Daschle, Lugar, and Leahy and Congressmen Roberts, de la Garza, and Stenholm.

House Agriculture Committee Chairman Roberts intends to move, within the next few

weeks, free-standing farm legislation (Agricultural Market Transition Program) incorporating provisions included in the budget bill. Absent new legislation, USDA is beginning preparation to implement the 1949 Agricultural Adjustment Act and is briefing Congressional staffs. The American Farm Bureau Federation has urged Congress and the President to resolve a budget stalemate and approve a farm bill so farmers can make 1996 planting decisions.

- **Furlough Continues To Affect USDA Programs:** The Forest Service is developing an analysis of operating under a continuing resolution for the rest of the year. The final version will be provided to the Office of Management and Budget next week as requested. The delay in passage of Department of the Interior appropriations legislation has also prevented the opening of the Forest Service's AmeriCorps projects in 20 states.
- **Tongass Land Management Plan To Be Released:** In mid-February, the Forest Service plans to release the draft revision to the Tongass Land Management Plan for the Tongass National Forest in Alaska. Language in the FY96 Interior Appropriations Bill would prevent implementation of these revisions and force the Forest Service to manage the Tongass on the basis of an outdated Plan.
- **Conservation Reserve Program Announcement To Be Made:** USDA will soon announce that holders of Conservation Reserve Program (CRP) contracts expiring on September 30, 1996 will be eligible to terminate their contracts early. About 15.4 million acres are scheduled to expire on September 30. Of this total, less than 1 million acres are expected to take advantage of the early out. The move is consistent with the Administration's goal of ensuring that the CRP should be dedicated to the most environmentally sensitive lands.

By contrast, many of the acres initially enrolled in the program (and would be eligible for the early out) are productive agricultural land with relatively low environmental index values. Producers should have the opportunity to return this land to production given the current short supplies (tightest corn supply/demand in history), high prices, and strong export markets. The Administration seeks new enrollment authority to replace these acres with more environmentally sensitive land.

- **Florida Hikes Inspection Of Imported Produce:** The Florida Department of Agriculture and Consumer Services recently announced its intention to step up inspections of fruit and vegetable shipments and begin charging fees from shippers to stem what it calls a flood of pest-ridden produce from Mexico and Latin America. This action could be challenged under U.S. law and under NAFTA.

Florida producers have accused Mexico and Latin America of dumping cheap fruits and vegetables, mainly tomatoes from Mexico, on the U.S. market since implementation of NAFTA in 1993. Devaluation of the Mexican peso, increased

access to U.S. markets due to NAFTA, and favorable weather conditions have led to increased imports of these commodities from Mexico, and has reduced U.S. producer prices.

- **Appeal Filed In Mining Case Regarding National Forest:** Several companies (M.A. Hanna, Noranda Mining, and Alumet) have appealed the Ninth Circuit District Court's dismissal of the Forest Service as a defendant in State of Idaho v. M.A. Hanna Company. This litigation involves the cleanup of contamination caused by Blackbird Mine, located on the Salmon National Forest in Idaho. Appellants who have already begun to clean the site and restore natural resources seek cleanup costs from the Forest Service under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Superfund statute.

The outcome of this appeal could have major consequences regarding Forest Service liability at numerous other mine sites within the National Forest System, because it raises issues on appeal for the first time regarding what government liability, if any, exists under CERCLA where the Department administers lands contaminated by mining conducted by private entities pursuant to the 1872 Mining Law.

- **Ruling Issued Regarding Timber Sales:** On January 10, District Court Judge Hogan (Oregon) ordered that the Section 2001(k) timber sales provision of the rescission act of 1995 applies to all sales offered in the time period of FY90 to the date of enactment. Sales that were returned by the high bidder must be offered to the next-high bidder. Also all sales enjoined in other courts must be released. Environmentalists have appealed the January 10 decision. The government will appeal both decisions. Judge Hogan still has before him the issue of "known to be nesting."
- **Fast-Food Chain Sued Over Tainted Hamburger:** The Jack-in-the-Box restaurant chain has been sued by the family of a Washington state child severely injured by a contaminated hamburger in a 1993 *E-coli* bacteria outbreak at several of the company's restaurants. You called this family when the story was first reported.
- **USDA Announces Increase In Sugar Import Quota:** Following concurrence from the Interagency Sugar Working Group, Secretary Glickman announced on January 17 that the tariff-rate quota (TRQ) for raw cane sugar has been increased by 400,000 metric tons. The new total FY96 TRQ level is now slightly more than 1.8 million metric tons. Country allocations of the increased TRQ will be announced soon by the U.S. Special Trade Representative. The decision to increase the TRQ caused little immediate response from the industry. Sugar user reaction ranged from appreciation for the action to a demand for a larger increase. Cane and beet sugar growers voiced only mild disappointment with the new level. The Department will continue to monitor the supply and use of sugar, and additional adjustments of the TRQ are possible based on U.S. import requirements.

- **Secretary's Schedule:** On January 25 to February 3, Secretary Glickman will travel to India, China, and Korea for discussions on trade issues.

On February 5, Secretary Glickman will address the annual Maryland Agriculture Breakfast in Waldorf, Maryland.

On February 7-8, Secretary Glickman will address the National Association of Conservation Districts and National Association of Wheat Growers national conventions in Nevada.

DEPARTMENT OF ENERGY

- **Upcoming Hearings on Departmental Travel:** The Subcommittee on Oversight and Investigations of the House Commerce Committee will hold a hearing on January 25 focusing on departmental travel to India and South Africa. Over the last several weeks, DOE has secured the vouchers from the State Department for the India and South Africa trade missions and are reconciling these costs.

At this hearing, Secretary O'Leary will communicate the GAO's conclusion that the Department has implemented procedures to address any billing and accounting problems related to Department travel. She will also focus upon the GAO's views that the Department has done more to control costs and discipline management and operations contracts at weapons production facilities than any other Administration. The overall theme of the testimony will be the need for the U.S. Government to work with the private sector to compete for over \$1 trillion dollars in energy investment in order to achieve economic security at home. The testimony will also focus on the results from these trips.

- **Press Conference on External Regulation of the Department's Former Weapons Production Facilities:** Friday, the Secretary held a press conference on the findings of an independent advisory committee to determine whether the Department should continue to self-regulate its former weapons production and other facilities. Since the passage of the Atomic Energy Act, all of these facilities have been self-regulated by the Department. Following the shutdown of the production of fissile material for nuclear weapons, several hundred billion dollars worth of environmental problems have been identified that require cleanup.

These costs served as the impetus for an independent review to determine if the Nuclear Regulatory Commission should regulate our facilities or whether the Defense Nuclear Facilities Safety Board should be expanded to externally regulate these sites. Given the magnitude and importance of these facilities in such locations as Hanford, Washington; Oak Ridge, Tennessee; Rocky Flats, Colorado; and our National Laboratories nationwide, this press conference will generate significant public attention.

- **Poll on Sustainable Energy Budget:** The Sustainable Energy Budget Coalition released a public opinion survey Tuesday, entitled "America Speaks Out on Energy." The Coalition is comprised of nearly 40 business, environmental, consumer, government, and energy policy organizations.

1 The survey indicated that American voters more strongly favor funding of Federal research and development for renewable energy sources and energy efficiency measures rather than programs for nuclear power and fossil fuels. The survey was conducted by a noted Republican pollster who has worked for Presidents Reagan and Bush.

- **Recommended Efforts to Improve Federal Employee Morale:** The debate over the Federal budget and the attendant furlough of Federal workers coupled with this winter's severe winter have had a detrimental effect on the morale of employees at this Department and others.

Secretary O'Leary recommends that if your schedule allows, you address Federal employees and further express support for their public service. If this is not possible, she recommends that the Vice President address Federal employees of the agencies within the National Resources Cluster. Employees would appreciate such a visit and it would improve morale.

- **Participation in the Upcoming Gore-Chernomyrdin Commission Meeting:** As Chairman of the Energy Committee of the Gore-Chernomyrdin Commission, the Secretary will participate in the January 29-31 meetings in Washington. Several issues of importance to the Administration's nonproliferation policy will be discussed.

ENVIRONMENTAL PROTECTION AGENCY

- **U.S. Conference of Mayors Meeting:** On Thursday Administrator Browner will address the U.S. Conference of Mayors at their annual meeting in Washington. In her address to the Conference during last year's meeting, she announced the Administrations Brownfields Action Agenda, a number of steps EPA is taking to help cities and communities bring environmental renewal and economic vitality to abandoned industrial areas plagued by actual or perceived environmental contamination. Browner will highlight EPA's progress in meeting the majority of goals set forth in the Agenda. She will also announce the next round of communities selected to receive Brownfields Pilot grants (each will receive up to \$200,000 for brownfields redevelopment efforts). EPA funded a total of 29 pilots in 1995 and hopes to fund an additional 10 pilots later this year.
- **Cincinnati Trip:** On Wednesday the Administrator expects to travel to Cincinnati to

amplify the President's State of the Union message and highlight the environmental and public health effects of the Republican budget proposals.

- **GATT Decision of Foreign Refinery Baselines:** This week the World Trade Organization found that the Clean Air Act requirement of a separate baseline for foreign refineries producing a cleaner-burning, reformulated gasoline violated the General Agreement of Trade and Tariffs (GATT). Currently, domestic refiners can use their own individual baseline to determine whether or not they meet the reformulated gasoline requirements. Foreign refiners, however, must use the baseline established by the Clean Air Act, due to the difficulty in verifying foreign refinery baseline data. Venezuela and Brazil brought the case against the U.S., arguing that these separate baseline requirements discriminated against foreign refineries. EPA is working with the U.S. Trade Representative to consider options for appealing this decision.
- **Food Safety:** Next week, EPA will announce two actions which stem from follow-up to food safety issues under the anti-cancer Delaney clause of the Federal Food, Drug and Cosmetic Act (FFDCA). The Agency will reaffirm its long-held policy of coordinating food safety regulations under FFDCA with pesticide registration under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). This policy is designed to ensure that the lawful use of pesticides by farmers will not result in violation of food processing requirements. EPA also issued a "notice to explain" and reaffirmed its application of the term "raw agricultural commodity" as applied to dried agricultural commodities under FFDCA, ensuring consistent treatment of agricultural products.
- **Boston Trip:** This weekend Administrator Browner will travel to Boston to address an environmental conference, hosted by Congressman Markey (D-MA). Secretary Babbitt will also address the conference, which is entitled "Our Children, Our Planet."

While with Rep. Markey (D-MA) the Administrator will attend a press conference at a Superfund site in Woburn, Mass. The toxic tort litigation that citizens in the area pursued against the industries responsible for the contamination was the subject of Jonathan Harr's recent book, "A Civil Action", which portrays the pain and suffering the community endured.

- **Clear Air:** EPA expects a major article in the Washington Post in the next few days on the implementation of the Clean Air Act.
- **Los Angeles Times:** EPA expects an article to run in the next few days on the impact on public health and the environment of the shutdown, and insufficient funding in the continuing resolution.
- **FOIA Requests:** From January 10-16, EPA received a total of 543 requests for

information. The following request may be of interest: The Washington Post has requested all correspondences between EPA and Senator Dole from 1990 to the present.

OFFICE OF PERSONAL MANAGEMENT

- **Progress In Partnership:** Director King will chair meetings of the National Partnership Council in Portsmouth, NH and Andover, MA on Wednesday, January 24. The outing will highlight successful federal labor-management partnerships in those cities and Brunswick, ME, and honor these finalists in the National Partnership Council Awards.

DEPARTMENT OF STATE

- **Middle East Peace Process:** Secretary Christopher's recent trip to the Middle East produced agreement by Israel and Syria to return to the Wye River Conference Center January 24 for five days of intense direct negotiations. During this round, senior military officers will be part of the core negotiating group. Christopher will return to the Middle East in early February to discuss the results of this round with Peres and Asad. The progress achieved will have an important impact on Peres as he weighs whether to take the advice of many of his party who want him to move national elections up from October to May/June.
- **Bosnia:** Dick Holbrooke and John Shattuck are in the region this week working with the parties on implementation issues. Averting a mass exodus from Serb-held suburbs of Sarajevo remains a top priority. U.S. officials have urged the Bosnians to implement further confidence-building measures and have made clear to the Serbs there will be no stepping back from the Dayton provisions for the transfer of authority in Sarajevo. The Bosnians are holding up an ICRC-brokered prisoner exchange until there is a full accounting of the missing from Srebrenica and Zepa. U.S. officials are pushing Sarajevo to proceed using the ICRC POW lists while urging Belgrade and ICRC to do more to document those missing from Srebrenica.

Feedback from Members who traveled with the President to Bosnia over the weekend was positive. Even those members hostile to the mission were generally pleased with the status of IFOR deployment. The trip highlighted for many the equally important work required on the civilian side, although House Appropriations Committee Chairman Livingston returned still reluctant to support funding for the U.S. economic reconstruction and civilian police training. That reluctance was echoed this week when State and AID officials met with House and Senate staffers to address concerns raised by their "quick impact" package. There is resistance to approving even already-appropriated assistance funds for Bosnia-related programs until details of their entire economic reconstruction program are known.

- **Talbott-Mamedov Meeting:** Strobe Talbott met with Russian Deputy Foreign Minister Mamedov January 16-17 in Bonn. According to Mamedov, when introducing newly appointed Foreign Minister Primakov to the Foreign Ministry, Yeltsin stressed Russia's cardinal commitment to continue its partnership with the West and the U.S. in particular. Yeltsin emphasized our relationship is a two-way street and Russia should not be treated as a junior partner. Mamedov stressed that Primakov and Yeltsin are committed to the fundamentals of U.S.-Russia cooperation embodied at Hyde Park. However, he noted that Primakov will be assertive of Russia's role and that Russia's foreign policy under Primakov will be more diversified and active with the CIS, Asia and Middle East.

DEPARTMENT OF DEFENSE

- **Bosnia:** U.S. and Allied forces continue to flow into Bosnia, and enough forces are in place to verify separation of forces along the zone of separation. A second bridge across the Sava river has been completed. Base camp construction continues.

Secretary Perry approved an increase from 3,800 to 4,300 of the number of Selected Reservists who may be called to active duty in support of IFOR.

A U.S. armored combat engineer vehicle struck a land mine near Brcko on January 14. No personnel casualties were reported and there was only minor damage to the vehicle.

- **China:** On January 11, the Assistant Air Attache to China was temporarily detained by PRC officials for being in a restricted area. The PRC is demanding that he leave the country by tomorrow.

CENTRAL INTELLIGENCE AGENCY

- **Focusing on the Hard Intelligence Targets:** The CIA has initiated an aggressive attack throughout the Intelligence Community against the most critical gaps associated with the President's top intelligence priorities. On Thursday, January 18, Director Deutch chaired a kick-off meeting of senior Community managers to assess U.S. posture against China. At the session they zeroed in on the obstacles we must overcome in order to increase the tempo and intensity of our efforts against China. This will provide the foundation for developing an action plan. The other hard targets identified by the President--including Iran, North Korea, and Cuba--will be covered in subsequent Community meetings.
- **NRO Forward Funding:** Earlier this week, the CIA sent to the Hill the recently completed DoD/CIA Inspector Generals' interim audit report on NRO forward funding. The report concluded that the forward funding balance--which consists of money for previously approved projects that had been delayed for various reasons, but still

require future completion--is in excess of the level John Deutch is committed to reaching. While these funds will ultimately be required for work that will be done, the balance will provide some flexibility for recisions in the near term.

UNITED NATIONS

- **Travel to Africa:** Ambassador Albright is in Africa for an eight-day trip to Liberia, Angola, Burundi, Rwanda and Egypt. Her trip to Liberia and Angola went very well. In Burundi, she will deliver a strong message against extremist violence. In Rwanda, she will emphasize the U.S. role in promoting reconciliation and respect for human rights. The Ambassador plans to depart Cairo on the 22nd and will be back in Washington in time for the President's State of the Union Address.
- **Former Yugoslavia:** On January 15, the Security Council approved two resolutions concerning the Former Yugoslavia. The first established a mandate for the UN operation in Eastern Slavonia (to be known as UNTAES), which will be headed by an American, Jacques Klein. The second extended the UN's monitoring operation in the Prevlaka Peninsula for an additional three months; this territory is one of the main sticking points in normalization of relations between Croatia and the FRY.

CC: The Vice President
Leon Panetta
Harold Ickes
Evelyn Lieberman
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams
Michael McCurry
Doug Sosnik
Marcia Hale
Donald Baer
Ron Klain

High-tech jobs in Oregon

■ The growth in the technology work force carries with it new challenges and demands for the state's economy

By JIM BARNETT *1-17-96*
of The Oregonian staff *FROM PAGE*

Happy New Economy, Oregon.

Fifty years after Howard Vollum began building Tektronix Inc.'s first oscilloscope in a tiny Southeast Portland factory, technology has overtaken the wood products industry as the state's top manufacturing employer.

In a report released Tuesday, Oregon employment data show that technology manufacturing companies' combined work force grew to 60,860

people in December, topping lumber and paper industries by 714 workers.

State economists' best guess is that technology took the lead about Dec. 20, punctuating a year of unprecedented growth, especially in Portland's suburbs, where computer chip companies are spending billions on new factories.

"We're in a new era," said Paul Warner, an economist with the state Office of Economic Analysis. "It's a sign of a very important structural change."

Although the technology boom

outstrip timber

means a different life for many Oregonians, state leaders will spend years dealing with new demands on schools, roads and community services such as police and fire protection.

Growing technology employers also will place new demands on Oregon's work force. Computer chip manufacturers, for example, require advanced math and technical skills of many lowest-level workers.

But high-tech also can be high-risk. Although some bunny-suited workers are paid about the same as timber

workers, they may be more likely to lose their jobs if the computer chip industry takes a nose dive into another of its notoriously deep recessions.

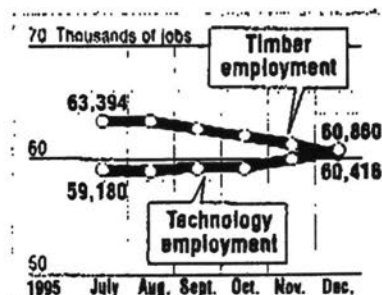
"It's not diversification for stability," John Mitchell, an economist with US Bancorp in Portland, said of the state's changing economy.

Most histories of Oregon's technology sector begin with Tektronix, founded in Portland in 1946 by Vollum and three acquaintances. Tuesday, in fact,

Please turn to
ECONOMY, Page A9

TRACKING THE SHIFT

In December, for the first time, technology manufacturers employed more Oregonians than the timber and paper industries.



Source: Office of Economic Analysis

The Oregonian

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Economy: Tektronix stood alone for 30 years

Continued from Page One

marked the 50th anniversary of Tek's first shareholders' meeting, at which Vollum was elected the company's president.

Tek stood almost alone for about 30 years, except for occasional start-ups such as Electro Scientific Industries. But in 1976, Intel Corp. and Hewlett-Packard Co. put Oregon's technology sector into a higher gear when they began building factories in Aloha and Corvallis, respectively.

In the mid-1980s, another wave of investment rolled in, much of it from foreign technology companies. One of the biggest, Japanese computer giant Fujitsu Ltd., opened a chip factory in Gresham and a computer parts factory in Hillsboro.

In addition, Tektronix spun off several technology companies, such as Planar Systems Inc., a manufacturer of flat computer displays that replaced bulky cathode-ray tubes. Tek also grew new businesses, such as its booming printer division, while its core business, oscilloscopes, cut jobs.

But nothing compares to the tsunami of high-tech investment that crashed over Oregon in the past two years. Eight computer chip manufacturers and silicon wafer suppliers have pledged to spend \$11 billion expanding or building new factories.

Faring better

Many of the biggest-spending companies came to Oregon following August 1993 passage of a state law that allows cities and counties to cap the taxable value of new factories at \$100 million.

HOME-GROWN HIGH-TECH

Oregon electronics companies that have grown to become major employers:

Company	1994 sales (millions)	Product
Tektronix Inc.	\$1,403	electronics
Sequent Computer Systems Inc.	\$451	computers
Mentor Graphics Corp.	\$348	software
Lattice Semiconductor Corp.	\$134	computer chips
In Focus Systems Inc.	\$123	projectors
Merix Corp.	\$96	circuit boards
Electro Scientific Industries Inc.	\$80	electronics
Flir Systems Inc.	\$47	heat-detection
Protocol Systems Inc.	\$41	medical devices
TriQuint Semiconductor Inc.	\$30	computer chips

*Sales and employee data are from fiscal 1994

“

Your basic high school graduate is going to fare better in the next five years than in the last 10.

Bill Conerly,
economist, First Interstate Bank

”

Pg 2 of 3

The law was backed by executives of Intel, which won tax breaks on an expansion of its Aloha plant and on its new \$2.2 billion Ronler Acres plant in Hillsboro. But the biggest beneficiary so far is LSI Logic Corp., which plans to spend \$4 billion on a series of factories in Gresham.

Smaller high-tech companies also are on a growth spurt, evident in places such as Dawson Creek Park in Hillsboro. Vacant for years, the 275-acre industrial park has been nearly bought out by nine companies planning to invest a total of \$1.4 billion.

The rush of high-tech investment, especially in the Portland area, is creating new jobs and pushing unemployment rates to historic lows of less than 5 percent. Factory labor is likely to remain in short supply, pushing wages higher.

"Your basic high school graduate is going to fare better in the next five years than in the last 10," said Bill Conerly, an economist in Portland with First Interstate Bank.

Entry-level workers at computer chip factories are paid about \$20,000 a year, and workers with technical training are paid \$30,000 a year or more. College-educated engineers who supervise the factories are paid \$50,000 or more.

By comparison, lumber and wood companies paid workers an average of about \$29,000 in 1994, according to state data. Workers in paper and allied products were paid an average of about \$45,000.

Mismatches

Although their wages may be comparable with those of timber companies, technology industries are likely to widen the development gap between the Willamette Valley and the rest of Oregon.

So far, technology companies have clustered in Portland and other cities in the valley, such as Eugene, where they have access to workers, suppliers, highways and airports.

Outlying areas have diversified their economies through tourism, gambling and other service industries. But they remain largely dependent on timber.

"We're still the No. 1 lumber-producing state in the country," said Warner, the state economist. "Timber is still a major factor. You get outside the metro area, and it's an even bigger factor."

Within the Willamette Valley, the technology boom is creating new classes of workers — those with and those without technical skills — and disrupting old notions about work.

Companies such as LSI, the chip manufacturer, are flocking to Oregon because land, water, power and taxes cost them less than in places such as California's Silicon Valley.

But many new companies are having a hard time finding skilled workers. Several growing chip companies have estimated that they must hire 50 percent of their technicians and 90 percent of their engineers from outside the state.

Oregonians who find work in high-tech factories may have to switch employers as individual companies' fortunes rise and fall. Even if workers manage to stay at the same company, they must be willing to learn on the job.

"That's one of the things we see: companies who want people who can learn things continually," said Phil Fernandez, the founder of Cascade Technical Staffing, a temporary labor agency in Beaverton. "The life cycle of products is much shorter."

Managing the boom

Other industries, such as services and agriculture, still employ more Oregonians than technology. But some experts worry that the rapid growth of technology manufacturers may overheat the Portland area's economy.

"It really is a classic boom-bust cycle," said Tony Rufolo, a professor of urban studies at Portland State University.

And, Rufolo said, there's a long-run risk: If competing communities — in other states or in developing countries — offer bigger tax breaks for technology companies, many factory jobs could be lost.

"I think the key is that this is a very footloose industry," Rufolo said. "Potentially it's much more unstable."

Leaders of Oregon's technology companies also wonder whether some high-tech communities such as Beaverton and Hillsboro are ready for the boom.

"Unless they take a more aggressive stance toward growth, I think it's going to be just like Silicon Valley," said Steve Sharp, chief executive of TriQuint Semiconductor Inc. "Try to get a building permit through lately. It's really not fun."

But Sharp, like others, marvels at Oregon's growth and new stature as a world-class technology center.

"Twenty years ago, this (Oregon) was not considered anything," Sharp said.

pg. 3 of 3

THE PRESIDENT HAS SEEN

1/22/96


~~Soviet~~
Intention
Gib-Tol

THE WHITE HOUSE
WASHINGTON

January 22, 1996

Evelyn --

Something I forgot to mention -- approval process for requested proclamations and requests for POTUS to act as Honorary Chair of given events.

In the first instance, requests are prepared by Correspondence; they are then sent to me for my view (yes or no); and (assuming you want to continue the process Erskine used) I then send them to you for your view. You can then send back to me or to Dorskind, whatever you prefer.

If you want to discuss this (talk about what factors go into these decisions, whatever), let me know.

I enclose two current proclamation requests.


Todd

TO: TODD STERN

FROM: JIM DORSKIND

DATE: January 19, 1996

COMMEMORATIVE PROCLAMATION REQUEST

Commemoration Title: 150th Anniversary of the Smithsonian Institution
Commemoration Date(s): August 10, 1996
Requestor Name(s): I. Michael Heyman, the Secretary of the Smithsonian (through the Vice President's Office, as the VP is on the Smithsonian's Board of Regents)
Organization: The Smithsonian Institution
Request Date: October 1995, but received in December
Congressional Support: None
Contact Telephone Number: unknown
History: The Clerk has no record of any proclamation issued for the Smithsonian

NOTES: Heyman would like the proclamation issued this month so it can be used for events throughout the year. This is doable, if you agree. Under the unusual circumstances, I think the request is reasonable, and I recommend a **proclamation** to be issued in the next couple of weeks.

Please indicate approval or disapproval of a PROCLAMATION or another recommendation:

TDS

OK

EL

December 21, 1995

Jim:

The Secretary of the Smithsonian, Mr. I. Michael Heyman, has requested through the Office of the Vice President (because the Vice President is on the Smithsonian Board of Regents) a Presidential proclamation commemorating the **150th Anniversary of the Smithsonian Institution** on August 10, 1996.

The Secretary is asking if the proclamation could be issued in January so that they can use it at the many special events planned "during the year and referenced whenever appropriate."

A draft and a calendar of events is attached.

President Clinton has been invited to participate in the birthday celebration on the Mall on August 10, 1996, which will be nationally televised, or at any of the other events.

History

The Clerk's office did not find any proclamations issued for the Smithsonian Institution.

A handwritten signature in cursive script, appearing to read 'Lana', written in dark ink.

Lana



OFFICE OF THE VICE PRESIDENT
WASHINGTON

Memorandum for Carmen Fowler
From: Kim Hopkins, Office of the Vice President
Date: 10-17-95
Re: Presidential Proclamation

Please see enclosed request from the Secretary of the Smithsonian to have the President issue a proclamation that the 150th anniversary of the Smithsonian, **August 10, 1995**, be a special day to honor the memory of James Smithson and commemorate the accomplishments of the Institution that bears his name.

Because the Vice President is on the Smithsonian Board of Regents, I wanted to make sure that this request was delivered to the appropriate person for action. Please feel free to contact me with any questions at **224-8391**. Thank you for your assistance in this matter.



SMITHSONIAN INSTITUTION

Washington, D.C. 20560
U.S.A.

October 12, 1995

The President
The White House
Washington, D.C. 20500

Dear Mr. President,

I am very happy to inform you that next year the Smithsonian Institution will celebrate its 150th Anniversary. We have planned a multitude of events to commemorate this historic occasion and celebrate the desire of James Smithson "to establish an institution for the increase and diffusion of knowledge." For the first time, many of our most precious artifacts will travel around the country, taking the Smithsonian off the Mall and on the road. A variety of events are also scheduled to elevate both public understanding of the Smithsonian and rededicate ourselves to our mission.

To advance public awareness of this historic event, we would be deeply honored if you would issue a Presidential proclamation in January recognizing the importance of our sesquicentennial. I have attached suggested language for the proclamation. Such an important document would be utilized at our many special events during the year and referenced whenever appropriate.

I have also included a copy of the calendar of events for the coming year that may be of interest to you and the First Lady. I would particularly point out the celebration on the Mall on our birthday, August 10, which will be nationally televised, and would welcome your participation at this or at any of our many events.

Thank you for your attention to this important anniversary for our Institution and our country.

Sincerely yours,

I. Michael Heyman
Secretary

PRESIDENTIAL PROCLAMATION

Whereas, James Smithson, of London, England, by his last will and testament gave the whole of his property, equal to one and one half times the entire Federal budget of the day, to the United States of America, to found at Washington, under the name of the "Smithsonian Institution," an establishment for the increase and diffusion of knowledge; and

Whereas, The United States by Acts of Congress received that property and accepted such trust; and

Whereas, the United States, for the faithful execution of such trust, by an Act of Congress approved August 10, 1846, formed an establishment, consisting of the President, the Vice President, the Chief Justice, and the heads of executive departments, by the name of the Smithsonian Institution for the increase and diffusion of knowledge; and

Whereas, the Smithsonian Institution, in carrying out the provisions of the mandate placed upon it, has striven to advance the frontiers of knowledge through the dedicated pursuit of original research, to preserve our national heritage and the world's largest collection of artifacts in the arts, sciences and humanities, and to present public exhibitions and programs that enlighten the mind and uplift the spirit; and

Whereas, the goal of the Smithsonian Institution transcends considerations of nationality, private interest, or narrow specialization; and

Whereas, millions of Americans and foreign visitors enjoy the many facets of the Smithsonian each year making it the most visited institution in the world, and countless people around the globe have benefitted by the work of the Smithsonian Institution since its creation in 1846; and

Whereas, it is appropriate as we celebrate the 150th anniversary of the founding of this unique institution that we deepen our appreciation of the ideals advanced by Mr. Smithson and rededicate ourselves to continuing the important work begun on August 10, 1846;

NOW, THEREFORE, I, WILLIAM JEFFERSON CLINTON, President of the United States of America, and presiding officer of the Smithsonian Institution, hereby proclaim the occasion of the 150th anniversary of the Smithsonian Institution; and I designate and set aside August 10, 1996, as a special day to honor the memory of James Smithson and commemorate the accomplishments of the Institution that bears his name.

**Calendar of Events
for the
150th Anniversary
of the
Smithsonian Institution**



Note: This calendar is a work-in-progress. Smithsonian museums and research centers are encouraged to continue to provide updated information about their 150th Anniversary plans.

Pre-Anniversary Year Events 1995

- | | |
|---------------------|--|
| July 14 | "Gene Davis in Black and White: Drawings from the Fifties and the Eighties" opens at the National Museum of American Art (through January 7, 1996) |
| August 11 | Media event in New York City to announce 150th Broadcast Partner |
| September 21 | Smithsonian 150th Anniversary Bell is cast at Whitechapel Foundry, London, England; made possible by A.T. Cross Company (pen manufacturer, founded also in 1846) |
| October 6 | "Cecilia Beaux and the Art of Portraiture" opens at the National Portrait Gallery, a major retrospective exhibition of one of America's most important and successful painters at the turn of the century (through January 28, 1996) |
| October 8 | "The Changing Presentation of the American Indian," symposium on how Native American culture is represented in museums and the media and how this image is changing; at National Museum of the American Indian, New York City, New York (part of 150th Scholarly Leadership Program) |
| October 15 | Launch of book by James Conaway, <u>The Smithsonian 150 Years of Adventure, Discovery and Wonder</u> , published by Alfred A. Knopf and Smithsonian Institution Press, with potential celebratory events at the Smithsonian (tentative) and national promotional tour |
| November 10 | "Elihu Vedder's Drawings for the <i>Rubáiyát</i> " opens at the National Museum of American Art; the show features all 54 of this American expatriate artist's original drawings for the <i>Rubáiyát of Omar Khayyam</i> , published in 1884 (through June 9, 1996) |
| November 17 | "Metropolitan Lives: The Ashcan Artists and their New York, 1897-1913" opens at the National Museum of American Art and features 85 works by American artists of the "Ashcan School," who found their subjects in the crowded immigrant neighborhoods of New York's Lower East Side and in the city's extreme examples of wealth and poverty (closes March 17, 1996) |

- December 11** Smithsonian Online "Chat Session" from 9:00 until 10:00 pm Eastern Time features Michael Carrigan, project director of "America's Smithsonian," the 150th anniversary traveling exhibition (see below, February 9)
- December 15** "Gilded Age Watercolors and Pastels from the National Museum of American Art" opens at National Museum of American Art and features 60 works dating to the 1880s by artists such as Childe Hassam and Winslow Homer (closes May 27, 1996)
- December 17** "The Life of a Japanese Painting" demonstrates approaches to conserving and remounting rare paintings on delicate silk or paper through an exhibition at the Freer Gallery of Art (through September 1996)
- Mid-December** Press conference in Washington, D.C. launches the upcoming year of 150th Anniversary and commemorative events of the Smithsonian Institution

January 1996

Washington Metropolitan Area

- 1 "Smithson's Gift" an exhibition about James Smithson's bequest opens at Smithsonian Castle, Great Hall (permanent installation) and opening of exhibit of Smithsonian 150th Anniversary Bell in South Tower of the Castle (Children's Room)
- 6 "Recent Acquisitions" opens at the National Portrait Gallery, a two-part exhibition examining the revolutions in art and poetry on the East and West coasts of the United States following World War II: "The Poets" and "The Painters" (through June 2, 1996)
- 13 "Of Songs, Peace and Struggle" a public program about Martin Luther King, Jr. at the National Museum of American History
- 14 Ragtime Concert at the National Museum of American Art in conjunction with "Metropolitan Lives: The Ashcan Artists and Their New York," 2:00 pm; Museum Lobby; Free
- 18 "In Human Form: Images of the Secular and Divine in Chinese Painting" opens at the Freer Gallery of Art, an exhibition that explores the portrait as representation of the individual and landscape, or environment of the individual, and some of the actual and symbolic images of people in Chinese painting (through October 1996)
- 31 "Go Forth and Serve," the National Museum of American History's Program in African American Culture will present a national conference on Historically Black Colleges and Universities in the United States (part of 150th Scholarly Leadership Program), through February 4, 1996
- TBD "USS Monitor" opens at the National Museum of American History, a traveling exhibition on the famous Civil War ironclad vessel
- TBD "Workers and Managers: Who's in Charge?" opens at the National Museum of American History, a collaborative exhibition between the museum and

SITES about changing roles and relationships in the workplace

National

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| 1 | Smithsonian participates in Tournament of Roses parade, Los Angeles |
| 4-7 | Smithsonian historians' panel at American Historical Association meeting, Atlanta, Georgia: "American Icons and Identity in Transformation: Representation at the U.S. National Museum, 1846-1996" (part of 150th Scholarly Leadership Program) |
| 15 | "The White House Collection of American Crafts," touring exhibition from the National Museum of American Art, opens at the Fine Arts Center at Cheekwood, Nashville, Tennessee (through March 15, 1996) |
| TBD | Television Special on CBS: one-hour special to launch the 150th Anniversary Year |

February 1996

Washington Metropolitan Area

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| 8-13 | Panels focussing on Smithsonian contributions to science and current research activities, at the annual meeting of the American Association for the Advancement of Science, Baltimore, Maryland (part of 150th Scholarly Leadership Program) |
| 11 | Chinese New Year Pre-parade Celebration at the front steps of the National Museum of American Art, featuring performances by Chinese parade "lions" and martial arts masters, to precede the annual Chinese New Year parade which is scheduled to begin at 1:00 pm at H&G Streets, N.W. |
| 16 | "Edith Wharton's World: Portraits of People and Places" opens at the National Portrait Gallery (through June 16, 1996) |
| 16-17 | "Different Drummer" music series, features African American percussion traditions at the National Museum of American History |
| 17-18 | Chamber Music Society performances at the National Museum of American History |
| 20-21 | Conference on the Employment Act of 1946, organized in conjunction with the exhibition "Who's In Charge" at the National Museum of American History |
| 20 and 25 | Video presentation at the National Museum of American Art in commemoration of Black History Month, featuring African-American artists from the museum's collections, 1:00 and 2:00 pm; Lecture hall; Free |
| TBD | "Building a National Collection: 150 Years of Print Collecting" opens in February or March at the National Museum of American History |

National

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| 8 | Gala reception for the opening of "America's Smithsonian" in Los Angeles (see below) |
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- 9 "America's Smithsonian" opens in Los Angeles Convention Center, a traveling exhibition of more than 300 treasures from the Smithsonian collections, featuring artifacts that are testaments to more than 300 years of America's cultural, social, scientific and artistic heritage. Objects include George Washington's sword, famed gems and crystals, First Ladies' Gowns, a George Catlin painting, Dizzy Gillespie's trumpet, the Apollo 14 command module, an Edison light bulb, and Amelia Earhart's flight suit (through March 7, 1996)
- 9 Smithsonian Board of Regents meets in Los Angeles
- 11 "William H. Johnson: A Retrospective" a touring exhibition from the National Museum of American Art opens at the Columbus Museum of Art, Columbus, Ohio (through April 7, 1996)
- 21-24 Panel discussion at College Art Association annual meeting, Boston, Massachusetts: "In the Public Trust: Interpretation, Authority, and Responsibility in Exhibiting and Publishing Research at the Smithsonian Institution" (part of 150th Scholarly Leadership Program)

March 1996

Washington Metropolitan Area

- 2 Women's History Month programs at the National Museum of American History
- 6 "Seydou Keita, Photographer: Portraits from Bamako, Mali (1950-1960)" an exhibition of 24 portraits opens at the National Museum of African Art (through July 28, 1996)
- 7 30th Anniversary of Smithsonian's International Center
- 14-17 The Smithsonian Associates hosts the "Smithsonian Travelers' Reunion," a program for past travelers to celebrate the 150th anniversary, featuring presentations from past study leaders, behind-the-scenes museum tours and opportunities to reunite with fellow travelers and staff
- 15 "Mark Lindquist: Revolutions in Wood" and "Lia Cook: Material Allusions" open at the Renwick Gallery (through July 7, 1996)
- 17 "Puja: Expressions of Hindu Devotion" opens at the Arthur M. Sackler Gallery, an exhibition of 180 bronze, stone and wooden objects made in India for use in worship; "puja" is an act of devotion to a deity, an essential element of Hindu worship (through December 31, 1997)
- 15-16 "Different Drummer" music series features Celtic Thunder at the National Museum of American History
- 27 "Unseen Hero" Award Ceremony (150th staff event)
- 30 The Smithsonian Associates 30th annual Kite Festival on the Mall

National

- 20 Plenary session at annual meeting of the Organization of American Historians,

Chicago, Illinois, on "Institutions of Memory," with Smithsonian participation (part of 150th Scholarly Leadership Program)

April 1996

Washington Metropolitan Area

- 2 Opening of Smithsonian Institution Staff Photo Contest, Lower Level Gallery, National Museum of American History (through September 2, 1996)
- 11-13 Smithsonian National Board meets in Washington, D.C.
- 12 "1846: Portrait of a Nation" exhibition opens at National Portrait Gallery, featuring paintings, maps, political cartoons, books, costumes, sheet music, and other memorabilia from the year the Institution was founded (through August 18, 1996)
- 13-14 Chamber Music Society concerts at the Carmichael Auditorium of the National Museum of American History
- 14 "Homenaje a Ricardo Alegría" a tribute to Dr. Ricardo Alegría, a pioneer in the field of archeology and Caribbean studies, in celebration of his 75th birthday; the event will include a one-day conference, "Patrimony of an Island: Exploring the Cultural Landscape of Puerto Rico"
- 16 "Antonio Jacobson: Painted Ships" an exhibition on 19th Century American ships opens at the National Museum of American History
- 24-28 1996 Smithsonian Craft Show held at the National Building Museum (14th annual); benefit gala on April 24
- 26 Duke Ellington Youth Art Exhibit opens at the Taylor Gallery, National Museum of American History
- Late Smithsonian scientists participate in panel about contributions to science at the annual meeting of the National Academy of Sciences, Washington, D.C.
- TBD Smithsonian Jazz Masterworks Orchestra concerts

National

- 4 "The White House Collection of American Crafts" a touring exhibition from the National Museum of American Art opens at the Museum of Fine Arts, Springfield, Massachusetts (through June 2, 1996)
- 9 "America's Smithsonian" opens in Kansas City Convention Center, Kansas City, Missouri (through May 19); Gala reception on evening of April 8
- 11-14 Smithsonian scholars present panel, "Views of Asia at the Smithsonian," at the 48th annual Association for Asian Studies conference in Honolulu, Hawaii (part of 150th Scholarly Leadership Program)
- 20 "Museums as Partners in School Reform," Smithsonian hosts a national teleconference highlighting the expanding partnership between museums and schools in elementary and secondary education

International

- 13-21 Smithsonian National Board visits Oxford University, alma mater of James

- Smithson; other anniversary events possible
- 5-10 International symposium at the National Zoological Park on Fur Seal Biology and Conservation (part of 150th Scholarly Leadership Program)

May 1996

Washington Metropolitan Area

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| 1 | "Cosmic Voyage" an IMAX film at the National Air & Space Museum, released in conjunction with the 150th anniversary, premieres in the Langley Theater (continues indefinitely) |
| 2 | Video presentation "Global Grove" at the National Museum of American Art, in commemoration of Asian Pacific American Heritage Month at 1:00 and 3:00 pm; Lecture hall; Free |
| 8 | "Crowning Achievements: African Arts of Dressing the Head" an exhibition organized by the Fowler Museum of Cultural History, University of California, Los Angeles, featuring traditional and contemporary African hats, headdresses and hairstyles, opens at the National Museum of African Art (through August 18, 1996) |
| 10 | "Contemporary Printmaking in America: Collaborative Prints and Presses" opens at the National Museum of American Art (through August 4, 1996) |
| 10-11 | "Different Drummer" music series, features Asian American percussion traditions at the National Museum of American History |
| 11 | Curator's Gallery Talk at the National Museum of American Art in conjunction with "Contemporary Printmaking in America: Collaborative Prints and Presses" at 2:00 pm; Lobby; Free |
| 14 | Congressional Family Night at the National Museum of Natural History (by invitation only) |
| 18-19 | Chamber Music Society concerts at the Carmichael Auditorium of the National Museum of American History |
| 19 | High school photography competition exhibition at the National Museum of American Art featuring 100 finalists of a Washington metropolitan-wide competition for public high school students; on view in the Finley Conference Room (through May 26, 1996) |
| TBD | Smithsonian Jazz Masterworks Orchestra concerts |
| TBD | "1896: Washington Salon Exhibit" opens at the National Museum of American History, displaying early photographs from the celebrated Washington Salon Show from the collection of George Brown Goode, Assistant Secretary of the Smithsonian Institution during the late 1880s and 1890s |
| TBD | 150th Anniversary Wine Symposium at the National Museum of American History |

National

- 4-8 **Special 150th Anniversary issue of Smithsonian magazine**
 American Association of Museums annual meeting in Minneapolis, Minnesota, with theme *Expanding Possibilities: Opening Up---Reaching Out*
 Secretary Heyman has been asked to deliver the keynote address on the evening of May 4th, and Smithsonian staff will present a session on the creation and development of cultural institutions due to expositions and world fairs, noting Smithsonian influences (part of 150th Scholarly Leadership Program)

International

- 11-22 The Smithsonian Associates offer "Treasures of England," a specially designed study tour to honor James Smithson by visiting some of the best of England's museums and collections as well as places that reflect his life and era
- 19-24 International conference co-organized by the Cooper-Hewitt National Design Museum and the International Confederation for Architectural Museums (part of 150th Scholarly Leadership Program)

June 1996**Washington Metropolitan Area**

- 16 "Paintings by Masami Teraoka" opens at the Arthur M. Sackler Gallery, featuring the work of Japanese-born Masami Teraoka (b. 1936) who employs imagery and conventions of 19th century Japanese woodblock prints to examine contemporary issues and cultures in powerful, often large-scale, watercolors (through December 1, 1996)
- 26-30 Smithsonian Festival of American Folklife 30th Anniversary -- 150th components:
 • Smithsonian Family Album
 • Work of the Smithsonian -- featuring Smithsonian staff
 • Iowa Sesquicentennial
- 28 "From Smithson to Smithsonian: The Birth of an Institution" exhibition opens at the Smithsonian Institution Libraries Exhibition Gallery, National Museum of American History, detailing Smithson's bequest, debates over its acceptance and use, and how subsequent Secretaries interpreted the founding legislation (through December 1996)
- 29 "Picturing Natural History" exhibition opens in S. Dillon Ripley Center concourse (through August 25, 1996) in coordination with annual meeting of Guild of Natural Science Illustrators' meeting (July 14-19) at which Smithsonian staff present paper on history of scientific illustration at the Smithsonian Institution (part of 150th Scholarly Leadership Program)

- 30 "Preserving Ancient Statues from Jordan" an exhibition featuring eight ancient plaster statues dating from the seventh millennium B.C., possibly the oldest human sculpture in the Near East, opens at the Arthur M. Sackler Gallery; upon excavation, the sculptures were treated at the Smithsonian's Conservation Analytical Laboratory in Suitland, Maryland (through April 6, 1997)
- TBD Smithsonian Jazz Masterworks Orchestra concerts
- TBD "Monumental Core" exhibit about the development of the monumental core of Washington, D.C. (The MacMillan Plan), produced cooperatively by the National Capitol Park and Planning Commission and the National Museum of American History
- National**
- 7-9 Smithsonian staff presentations at Berkshire Conference on the History of Women, University of North Carolina, Chapel Hill, North Carolina (part of 150th Scholarly Leadership Program)
- 9-13 Half-day seminar entitled "Langley, Abbot, Whipple and the Tradition of Innovation at the Smithsonian Astrophysical Observatory" at the 188th meeting of the American Astronomical Society, Madison, Wisconsin (part of 150th Scholarly Leadership Program)
- 12 "America's Smithsonian" opens in a city TBD (through July 24, 1996); Gala event on evening of June 11
- International**
- 2-7 Society of Avian Paleontology and Evolution holds 4th international meeting at the Smithsonian (part of 150th Scholarly Leadership Program)
- 9-12 North American Paleontological Convention hosted by Smithsonian at S. Dillon Ripley Center
- 24-29 International Coral Reef Symposium, organized by Smithsonian Tropical Research Institute and the University of Panama, held in Panama

July 1996

Washington Metropolitan Area

- 1 20th Anniversary of National Air & Space Museum; free events for the public will be held throughout the month; the new "How Things Fly" gallery opens on June 25 to convey the essential principles of aircraft and spacecraft flight, and is the museum's first permanent exhibition devoted entirely to hands-on learning through interactive devices and live demonstrations
- 3-7 Continuation of Smithsonian Festival of American Folklife 30th Anniversary -- 150th components:
- Smithsonian Family Album
 - Work of the Smithsonian -- featuring Smithsonian staff

- Iowa Sesquicentennial
 - 12 "Recent Acquisitions" opens at the National Portrait Gallery (through October 27, 1996)
 - 12 "Louis Armstrong: A Cultural Legacy" opens at the National Portrait Gallery, featuring video and radio clips along with paintings, drawings, photographs and related memorabilia to present the life of this beloved entertainer who rose from poverty to prominence; a work of the Smithsonian Institution Traveling Exhibition Service (SITES), the Portrait Gallery is the final venue for this exhibition (through October 27, 1996)
 - 19 "Beauty Reconfigured: The Art of Thomas Wilmer Dewing" opens at the National Museum of American Art (through October 14, 1996)
- National**
- 4 "The White House Collection of American Crafts" a touring exhibition from the National Museum of American Art opens at the Los Angeles County Museum of Art, Los Angeles, California (through September 29, 1996)
 - 14-19 "Art of the American Indian," a teacher institute and workshop featuring cross-curricular materials based on works in the collections, at the National Museum of American Art
 - 14-19 Annual meeting of Guild of Natural Science Illustrators hosted by Smithsonian as 150th event, held at the National Museum of Natural History (part of 150th Scholarly Leadership Program)
 - 20 Olympics open in Atlanta (through August 4, 1996)
Smithsonian participates in the Cultural Olympiad by presenting the Festival of the American South (Folklife Program)
 - 28-Aug. 2 "American Folk Art and Culture," a teacher institute and workshop featuring cross-curricular materials based on works in the collections, at the National Museum of American Art
- International**
- 16 50th Anniversary of Smithsonian Tropical Research Institute, Panama
 - 23-26 Smithsonian staff deliver papers on "National Science or International Science: Joseph Henry's Dilemma" at the third British-North American joint meeting of the Canadian Society for History and Philosophy, the History of Science Society, and the British Society for History of Science, in Edinburgh, Scotland (part of 150th Scholarly Leadership Program)

August 1996

Washington Metropolitan Area

- 10-11 Smithsonian Institution's 150th Birthday Party**
Birthday Party on the Mall with birthday cake, concert, performances and fireworks, with one-hour national broadcast special on CBS; hanging of Smithsonian 150th Anniversary Bell in Castle Flag Tower

- 30 "Images of the President: Photographs by George Tames, 1944-1974" opens at the National Portrait Gallery, featuring 35 photographs of Tames' work during six presidencies for The New York Times (through September 1, 1997)

National

- 4-8 Symposium on botanical research at the Smithsonian, presented at the 47th Annual Meeting of the American Institute of Biological Sciences, University of Washington, Seattle, Washington (part of 150th Scholarly Leadership Program)
- 17 "America's Smithsonian" opens at the Rhode Island Convention Center, Providence, Rhode Island (through September 19, 1996); Gala event on evening of August 16
- TBD Late summer symposium co-hosted by the Smithsonian and the University of Utah, "The Great Basin - Late Cenozoic Drainage History" (part of 150th Scholarly Leadership Program)

International

- 1-4 Smithsonian session at annual meeting of the Society for the History of Technology, London (part of 150th Scholarly Leadership Program)
- 5-7 Cephalopod research at the Smithsonian is highlighted at the World Fisheries Conference in Brisbane, Australia (part of 150th Scholarly Leadership Program)
- 25-31 Staff discusses role of Smithsonian in the history of entomology at the International Congress of Entomology, Florence, Italy (part of 150th Scholarly Leadership Program)

September 1996

Washington Metropolitan Area

- 6-7 "Museums in the New Millennium" conference held at the Smithsonian in conjunction with the American Association of Museums about future museum directions, changes in museum roles and public expectations of museums
- 7 150th Anniversary of First Meeting of the Smithsonian Board of Regents
- 13 "Conservation by Design" and "Recent Acquisitions" open at the Renwick Gallery (through January 12, 1997)
- 18 "Ceramic Gestures: New Vessels by Magdalene Odundo" opens at the National Museum of African Art, an exhibition organized by the University Art Museum, University of California, Santa Barbara, presenting fifteen recent works by Magdalene Odundo, contemporary ceramist from Kenya (through January 2, 1997)
- 27 "Kaleidoscope: American Art for the Twenty-First Century" opens at the National Museum of American Art (through January 12, 1997)

National

- 8 "William H. Johnson: A Retrospective" a touring exhibition from the National Museum of American Art opens at the Wichita Museum of Art, Wichita, Kansas (through November 3, 1996)

17 Re-opening of Cooper-Hewitt National Design Museum

International

- 1-7 International Committee on the History of Art (Comite International d'Histoire de l'Art) meeting in Amsterdam, Smithsonian staff presents paper on Smithsonian research (part of 150th Scholarly Leadership Program)

October 1996**Washington Metropolitan Area**

- 10 "The Unseen Smithsonian" exhibition opens in International Gallery, S. Dillon Ripley Center, featuring the unseen curators, collections, people and objects that compose the Smithsonian hidden from public view (through January 19, 1997)
- 10 30th Anniversary of First Meeting of the Smithsonian Council
- 16 Smithsonian Institution Libraries hosts a reception for the 129th annual Membership Meeting of the Association of Research Libraries in the National Museum of American History
- 19 25th Anniversary of Smithsonian National Board
- 25 "Red, Hot & Blue: The Rise of the American Musical" opens at the National Portrait Gallery, a joint exhibition between the Portrait Gallery and the Smithsonian's National Museum of American History, about the history of the American musical and the personalities who gave it life (through February 9, 1997)
- 30 "Memory: Luba Art and the Making of History" opens at the National Museum of African Art, an exhibition organized by the Museum for African Art, New York exploring relationships of visual representation to memory and history among the Luba, one of the most important kingdoms of central Africa from the 17th to the 19th centuries (through January 26, 1997)

National

- 4-6 Smithsonian scientists participate in the Annual Systematics Symposium on Madagascar, held at the Missouri Botanical Garden, St. Louis, Missouri (part of 150th Scholarly Leadership Program)
- 11 "America's Smithsonian" opens in a city TBD (through November 14, 1996)
Gala event on evening of October 10
- TBD American Folklore Society meeting will feature Smithsonian program, "The Impact of Smithsonian Folklore Activities on Folklore Research, Programs, and Communities" in Lafayette, Georgia (part of 150th Scholarly Leadership Program)

TBD Panel session highlighting various oral history programs at the Smithsonian in documenting institution history during the celebration of anniversaries such as the 150th, at the Oral History Association, Philadelphia, Pennsylvania (part of 150th Scholarly Leadership Program)

International

6-9 Smithsonian staff presents keynote address at the International Society of Research Administrators in Ontario, Canada (part of 150th Scholarly Leadership Program)

TBD Lecture series in conjunction with the Natural History Museum, London, England

November 1996

Washington Metropolitan Area

- 1 "Recent Acquisitions" opens at the National Portrait Gallery (through April 27, 1997)
- 3 "Art of the Persian Courts" opens at the Arthur M. Sackler Gallery, an exhibition of more than 100 paintings, manuscripts, drawings and works of calligraphy from one of the finest private collections of the art of the book from Iran and Mughal India, spanning the 14th to the 19th centuries (through early April 1997)
- 7 30th Anniversary of Congressional acceptance of Hirshhorn Gift, creating the Smithsonian's Hirshhorn Museum and Sculpture Garden
- 22 "American Photographs: The First Century" opens at the National Museum of American Art (through April 20, 1997)

National

- 16-18 "Save Outdoor Sculpture" summit hosted by National Museum of American Art, Washington, D.C., to celebrate results of national outdoor sculpture survey and discuss future of program and conservation
- 20-24 Panel discussions at annual meeting of the American Anthropological Association in San Francisco, highlighting Smithsonian's contributions to the development of American anthropology and current research activities (part of 150th Scholarly Leadership Program)
- TBD Smithsonian session at annual meeting of the History of Science Society, Atlanta (part of 150th Scholarly Leadership Program)
- TBD The historical and contemporary role of the Smithsonian in collecting, studying, and disseminating music of the world's cultures will be examined at the annual meeting of the Society for Ethnomusicology

December 1996

Washington Metropolitan Area

3	150th Anniversary of appointment of Joseph Henry, first Secretary of the Smithsonian Institution
13	"Life in America: The First Sixty Years" an exhibition at the National Portrait Gallery celebrates <u>Life</u> magazine's 60th anniversary through 80 photographs of famous Americans culled from the pages of the magazine (through April 27, 1997)
Last 2 weeks	Trees of Christmas, annual holiday tree display at the National Museum of American History, with special themes for the 150th anniversary
All month	Opening of the Janet Annenberg Hooker Hall of Geology, Gems and Minerals in the National Museum of Natural History, including reinstallation of the Hope Diamond, interactive computer stations and video presentations
Week before Christmas and New Year	Closing 150th event at Star Spangled Banner, before its removal for conservation/preservation treatment; likely national broadcast

National

7	"America's Smithsonian" opens at the George R. Brown Convention Center, Houston, Texas (through January 12, 1997); Gala event on evening of December 6
7	"William H. Johnson: A Retrospective" a touring exhibition from the National Museum of American Art opens at the Heckscher Museum, Huntington, New York (through February 2, 1997)

Other Anticipated Activities

Smithsonian 150th Anniversary Home Page on the Internet

Total of twelve regional openings of "America's Smithsonian" with catalogue, CD-ROM and other products available nationally through the tour and online; bookings during 1997 include:

Dallas, Texas (possibly)	February 3 - March 5
Site to be determined	March 28 - May 6
Birmingham, Alabama	May 29 - July 3
San Jose, California (possibly)	July 26 - August 26
Chicago, Illinois (possibly)	September 20 - November 16
Columbus, Ohio (possibly)	December 9 - January 18, 1998

Issue of 150th Commemorative Coin

Speaker and Lecture series held in Smithsonian museums throughout 1996

Behind-the-scenes "Open House" tours in Smithsonian museums for staff and volunteers

Smithsonian products and merchandise, bearing the 150th logo, developed to commemorate

the 150th Anniversary

Publication by the Smithsonian Institution Press of The Power of Things, a book of curatorial "favorites" from Smithsonian collections

Presentation of "Unsung Hero" awards to 150 Smithsonian staff

Smithsonian staff art show and photo contest

Extensive publicity campaigns at transportation hubs in Washington, D.C., new banners along the Mall and at Smithsonian buildings, promotion of the 150th on local phone book covers and inserts in utility bills

Presidential Proclamation recognizing the Smithsonian's historic contributions to American culture

Broadcast "Smithsonian Minutes" on a major network, presenting minute-long vignettes about Smithsonian history, collections, and personalities

Special 150th membership campaigns

International Speakers Bureau, Smithsonian scholars hosted in American Embassies abroad to advance international awareness of Smithsonian programs and resources; in cooperation with the U.S. Information Agency

Smithsonian/George Washington University joint professorship of museum studies created

Featured exhibits and programs at all Museums and Research Centers

Announcement of honorary citizenship for James Smithson

Online by end of summer 1995, History of the Smithsonian Institution Bibliographic Data Base, available over the Internet; subsequently, chronological and photographic data bases online

Young Collectors Program -- Smithsonian invites young people from around the nation to describe their collections; exemplary young collectors will be selected to come to Washington and exhibit their collections at the Smithsonian in the spring of 1997

During 1996 the Smithsonian Institution Traveling Exhibition Service (SITES) will circulate exhibitions to more than 100 locations across the U.S. To check schedules, please contact SITES at (202) 357-3168 or refer to the Smithsonian Home Page on the Internet at <http://www.si.edu>

TO: TODD STERN

FROM: JIM DORSKIND

DATE: January 19, 1996

COMMEMORATIVE PROCLAMATION REQUEST

Commemoration Title: National African American History Month

Commemoration Date(s): February 1996

Requestor Name(s): None

Organization: n/a

Request Date: n/a

Congressional Support: n/a

**Contact Telephone
Number:** n/a

History: Issued traditionally as a message, although Ronald Reagan issued a proclamation in 1986 at the request of Congress.

NOTES: As we discussed, I recommend a **proclamation**, and I believe you concurred, but I wanted to formalize the approval.

Please indicate approval or disapproval of a PROCLAMATION or another recommendation:

TDS

DK

EL

January 16, 1996

Jim,

February is **National African American History Month** a.k.a. Black History Month. We have always done a traditional message for this observance, and it is released by the WH Press Office to the media.

However, in 1986 President Ronald Reagan issued a proclamation for this observance at the request of the congress.

What should we do this year? Thanks.

A handwritten signature in cursive script, appearing to read "Lana".

Lana

THE WHITE HOUSE

WASHINGTON

NATIONAL AFRICAN AMERICAN HISTORY MONTH

February 1995

Warm greetings to everyone celebrating African American History Month, 1995.

Hillary and I join you in marking the brave efforts of the countless Americans throughout our nation's history who have demanded justice, declared an end to segregation, and fought to ensure that every individual has the opportunity to build a brighter future for themselves and their families.

Today, there is a renewed sense of hope in America -- a hope based on the idea that our great diversity can unite rather than divide our society. It is the same hope that has inspired African Americans since our country's beginnings to dream of a nation in which all people enjoy the freedom to make their own lasting contributions to our world. If we are truly to build on history's rich lessons, we must always remember these pioneers' pivotal roles in American history.

Ours can be a land of unprecedented peace and prosperity in the twenty-first century if we have the faith that Martin Luther King described, the faith to "transform the jangling discords of our nation into a beautiful symphony of brotherhood." We must never cease striving to bring people together across racial and cultural barriers. This is our generation's most solemn calling and most important challenge.

I urge everyone, during African American History Month and throughout the year, to take up this challenge and to learn more about the black Americans who have made this country great.

Bill Clinton

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nd

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

96 JAN 16 A10:08

SECRETARY OF THE TREASURY

January 16, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY ROBERT E. RUBIN

RSR

SUBJECT: Your State of the Union Address

Introduction

The following is not a comprehensive recommendation, but covers instead three areas:

- * first, policy and rhetoric with respect to business;
- * second, the economy, urban issues and taxes; and
- * third, law enforcement.

I. Addressing Business in the State of the Union

Addressing the role of business in the President's vision for 21st century America requires striking the right balance between recognizing that it is because American businesses have been uniquely willing to respond to a changing world by innovating, investing, and restructuring that America's economic position is today so strong (a prosperous 21st century America requires dynamic flexible companies), while recognizing that mass layoffs are a source of insecurity and concern and the benefits of prosperity are not being shared by all.

Pitfall

I believe it is very important that the State of the Union avoid rhetoric that will appear anti-business, and I have little doubt that in the context of a Democratic President's State of the Union Address, the term "corporate responsibility" is likely to be seen this way. Such rhetoric could fuel perceptions that your Administration has reversed its earlier constructive attitude toward the competitiveness of American business and the American economy and is reverting to what is perceived as the more traditional Democratic position of being anti-business and too willing to sacrifice growth for other objectives.

It would be very unsound -- as a matter of policy -- in the name of "corporate responsibility" to call into question the basic premise that corporations should seek to maximize profits within regulatory constraints set by government. Notions that corporations should serve many constituencies or stakeholders easily lead to non-competitive companies, fewer jobs, and lower standards of living. European experience is that such approaches often benefit workers only in the short run, and actually raise unemployment in the long run. Europe, as you know, has persistent 10+ percent unemployment, virtually no job creation and slow growth.

The truth with respect to the AT&T lay-offs is that you'd have to know a lot more than we do to know whether this was right for the long-run economy, but I think it is clear that prior to recent years American industry's sin was complacency, empire building, and inefficiency, and that the U.S. paid a big price in terms of lost market share and lost jobs.

A response to the AT&T situation, and corporate lay-offs more generally, consistent with where you have been on the global and technology dynamism of the new economy, is to go back to the budget debate and education, training, etc. You have on other occasions said that restriction and protectionism are answers that simply won't work, and I would say the same of most ideas regarding additional burdens via "corporate responsibility". The rest of this section of this memo continues to address those questions.

An Approach

These considerations suggest a rhetorical approach to business that challenges them to succeed on their own terms because this will create jobs and drive the economy forward, and emphasizes the role of government in enabling all to share in the success that a successful economy and successful businesses bring through education, training, and the like. They suggest avoiding a rhetorical posture that will look old-Democrat or anti-business. Here is some language you might consider:

"I challenge American business to invest in its people, as well as plant and equipment, and to be innovative in creating competitive companies for the 21st century. Only in this way can we assure that businesses will be able to succeed in a rapidly changing global economy and that the American economy will be able to create high-wage jobs."

You might add additional language advocating that the focus of business should be on long-term maximization, not short-term.

The rest of this section on "approach" is a paraphrase of what you could say to complete this message.

Each year it is becoming more and more clear what it takes for companies to succeed in the new economy. The best companies take the long view -- they recognize the need to keep investing, even when the payoffs are not immediate. The best companies recognize that their people are their most important resource -- they provide them with the on-going training and the security that allows them to realize their full potential.

America has created 7.5 million jobs in the last three years, nearly 7.5 million more than Europe and Japan combined. An important reason is the strength of our businesses and their willingness to embrace change. We have to keep moving forward, but we must also make sure that no one is left behind.

For this reason, education and training are profoundly important. Our young people must learn not only skills that will land them jobs, but, even more importantly, they must learn how to keep learning because, increasingly, people will do many different things during their working lives.

While the pace of economic change may accelerate, we must strive to make sure that, whatever happens, working families are secure. That is why I am working to ensure that workers who lose their jobs do not lose their pension benefits or their health insurance. And that is why we have worked so hard to ensure that every American can send their son or daughter to college, no matter what their economic circumstances.

Regulation and Community Involvement

Optimal environmental regulation, community involvement, and the like involve a judgment that there are other benefits which have greater value than the profit being sacrificed. This is a complicated area (so-called externalities), involving cost/benefit trade-offs, and it can in substance easily become a slippery slope toward a non-competitive economy. The area of externalities would include the substance and rhetoric of "corporate responsibility", and I do not think you should get involved in either for the State of the Union, for the reason already discussed.

II. The Economy, Urban Issues and Taxes

The Economy

During the last three years, we have probably had the best economic conditions in several decades, taking into account all factors, e.g., growth in excess of 3 percent, inflation under 3 percent, unemployment rate falling from 7.1 percent to 5.6 percent, over 7.5 million new jobs, the deficit falling by roughly 50 percent, and the list goes on. The comparison is particularly stark when contrasted with the preceding four years or the circumstances of the other principal industrial nations.

I think our tone on the economy should be positive, and while many factors were involved, we should take credit by saying that the key and decisive factor was your Deficit Reduction Program of 1993, which lowered interest rates that, in turn, both drove and sustained recovery.

An international comparison provides an interesting way of demonstrating our economic success over the last three years: the U.S. has the lowest budget deficit compared to the total economy of any major industrial country; the U.S. has accounted for nearly all the job creation in the major industrial nations over the last several years; the U.S. economy has grown more rapidly over the last three years than those of Europe and Japan; and U.S. companies are competitive on a global basis for the first time in decades.

The challenge is to maintain economic health in the years and decades ahead. I would suggest a four-fold approach that is consistent with where we have been, although obviously other important areas could be added, like regulatory reform or, in the Republicans' view, tax cuts and tax reform.

- (1) continuing fiscal discipline by going to a balanced budget;
- (2) public investment in education, training, the environment and other critical areas; maintaining our social compact in Medicare and Medicaid; and a renewed emphasis on savings and thrift to help families save for retirement and assist the nation in funding private investment (Treasury can provide useful ideas in this area);
- (3) international engagement and leadership with respect to opening markets, promoting development and growth in the developing world, and dealing with crises in the international markets that vitally affect our interests; and
- (4) the economic equivalent of "do no harm", e.g., do not shut down the government or threaten the country's creditworthiness.

You could discuss increased income disparity as a threat to both our economy and our social fabric, and go back to your approach in the budget debate, e.g., investment in education and skills, health care, and other relevant areas. This can be done while avoiding class warfare language or criticism of economic success, by discussing the problem, the actions needed to improve the prospects of all Americans, and the fairness of the most affluent bearing a disproportionate share of the cost. A particular suggestion that I know others have made is to propose enabling all young Americans to participate in the new technological and global economy by wiring all of America's public schools by the end of the decade for the internet, as suggested by your National Information Infrastructure Advisory Group. This is analogous to Franklin Roosevelt bringing the benefits of electricity to rural America through the Rural Electrification Administration.

Urban Issues

The inner cities are not a politically popular subject, but you might consider the possibility of addressing the importance of our cities, and therefore our inner cities, to the future of the economy for all Americans. Again, that discussion could lead right back to the budget debate, and to your approach of empowerment to move the residents of the inner cities into the economic mainstream, as opposed to transfer payments. The Administration can point to many actions in this area -- increasing the EITC; increasing headstart; enactment of enterprise zones; creation and funding of CDFIs; fighting to save the Community Reinvestment Act and the low-income housing tax credit; and a pending project, microenterprise lending, where Treasury is borrowing an idea earlier articulated on the international front by the First Lady in Beijing.

You are now attempting to preserve requisite levels of support for investment in human capital and for providing access to financial capital, in accord with your view that the best social program is a job, and that the final answer to despair and decline is economic opportunity and personal empowerment.

Taxes

There is widespread dissatisfaction with our tax system, but no one has come up with an approach that seems better than our existing system. If you feel a need to address taxes, there are some specific reform proposals which we have developed, as in pensions, estate taxes, and telephonic filing, to improve the existing system; and you could address the difference in your approach to tax cuts and their approach.

III. Enforcement

I think we are extremely well positioned with respect to law enforcement. Having spent a lot of time this year with Republican Congressmen as we worked our way through Waco and other matters, I think they are fairly nervous about our position versus theirs on this issue. We have been in favor of the Brady bill, assault weapon ban, the crime bill, and supporting law enforcement, while they have been seeking to roll back the Brady bill and the assault weapon ban and, in the effort to do that, have tended to undermine law enforcement more generally. I have spoken at a number of large gatherings of local law enforcement officials, and my impression is that you and the Administration have enormous support among these people.

In this area, we have two ideas -- one substantive, one rhetorical. Substantively, our policy staff in the Enforcement Office at Treasury is designing a program that deals specifically with kids and guns. It can be made available as a policy proposal for your

address. Rhetorically, we have seen the dangers of extremism and the benefits of supporting law enforcement in the last several years. Treasury lost eight members of its family in the Oklahoma City bombing, and our enforcement people, particularly ATF, Customs and IRS, are repeatedly under threat of violence. At the same time, those who have stood with law enforcement and fought, as you have fought, to give Americans new tools in fighting crime (Brady, the assault weapon ban, 100,000 cops, etc.) see the results in declining crime statistics across the country. A statement about standing with law enforcement on behalf of public safety and against crime and extremism could put the opponents on the defensive.

Conclusion

An interesting question is where the edge in the speech should be, i.e., who should be the villains of the piece. My two nominees would be those who oppose your forward-looking approach on the economic issues that are encompassed in the budget and those who advocate protectionism and economic nationalism. I think all of this can be framed in the context of competitiveness and success in the global economy. Once again, I would avoid anything that can be interpreted as critical of economic success or anti-business.



THE PRESIDENT HAS SEEN
1/22/96

UNIVERSITY PROFESSOR

MUTUALITY FOR 1996: safety nets as a middle class issue (and all others). Common ground: public safety net should be a bipartisan commitment.

(A draft memo).

The key "values" issue for 1996 is what the members of a community owe one another. Reference is to all members, not just to those who are vulnerable.

The answer is strong, sound safety nets.

These nets may be set low, so as to encourage individuals to live up to their personal and social responsibilities, but the nets must be inviolate. Every American must be able to feel secure that if she or he lose their job because of forces beyond their control and are not able to find another, even if they search for one high and low, that they will be either offered a job (in community service) or helped to survive until such a job is found. Every American must be able to feel that if they have worked all their lives, and they have reached retirement age, that a modicum of secure income and health care will be available. Families must feel secure that they will be able to provide education for their college-age children and put their parents in nursing homes if they no longer can be taken care of otherwise.

While safety nets may be adjusted as to details of payout, premiums, starting dates, and inflation measures--privatization or

means-testing will cause their destruction. To be sound, the nets must encompass all the members of the community and be provided by the community at large.

True, Americans have grown uncomfortable with big government. However, these safety nets in many ways are not typical government services. They are based in part (and increasingly so), on insurance schemes, on premiums provided by all members of the community or on loans that must be repaid. These nets are maintained with a minimum of paperwork, very small staff, and very low administrative costs. And they are (and should be made more) insulated from politics, by the establishment of independent public authorities.

Data show that Americans are rapidly becoming more concerned about these safety nets. For example, compared to March 1994, the number of Americans in November 1995 that worried they could not: afford health care rose from 50% to 66%; save enough money to retire rose from 42% to 48%; pay off college tuition rose from 37% to 44%; afford to keep a home increased from 31% to 38%; and those worried they would lose a job or take a pay cut was up to 34% from 28%.

These fears are not those of one class or social group; a concern of only the more vulnerable members of society, or those last hired and so on. They affect all Americans, including numerous in the middle class, executives who cannot find jobs, graduates of professional schools that cannot find employment that allow them to repay their loans and many others. The issue, hence, is not one of

compassion, which anyhow is in short supply in a threatened society, but one of mutual obligation of the members of the American community.

The growing American anxiety about the basic commitments we have made to one another as members of one national community reflects both recent political trends and an underlying socio-economic trend. Regarding the political trends, the public increasingly understands that while some moderate Republicans seek only to adjust the level of the safety nets, others actively campaign to remove them and instead urge reliance on either charitable institutions (which are overwhelmed already) or allowing people to face the street if they cannot hack it on their own.

It might be said that the Democratic White House joined these drives by signing this or that bill, but these did not include provisions that would remove the safety nets by privatizing or means-testing. In 1996, one must strive for a bipartisan agreement to put the protection of publicly provided safety nets as a shared value for future years (the way it is in Europe) and focus future discussions on the level and specific nature of these public nets, but not on the very commitment to such provisions of elementary safety.

These notions are particularly threatening because they come during a period of growing economic insecurity as all three sectors --private, public, and independent--are downsizing their labor force; corporate loyalties to employees are openly curtailed; and benefits--from health insurance to retirement rights--are being cut

back. Americans increasingly realize that these economic pressures are no longer limited to transitional periods of recessions, but are part of a much deeper change in the economy, as we seek to compete internationally with low wage and low benefit countries and as new technologies replace workers more readily than they absorb them.

Second, one must recognize that some select regulations are an indispensable part of the public safety nets. These concern measures that ensure that meat and poultry are not infested with disease; nursing homes do not abuse their patients; the air and water are not laced with carcinogens; that medications will not cause severe birth defects; corporations do not raid their retirement funds, and a few others. These regulations fall into a category of community mutuality, because here we say to one another that each of us will not have to conduct his or her own tests of consumer goods, the environment, and medications; that these will be provided by independent impartial experts and their findings will be shared by one and all. True, there were some excessive regulations in the past and these are and must further be eliminated; however deregulatory zealotry should not be allowed to literally throw away vital safety nets as we unload excessive baggage.

Which specific policies highlight the suggested theme? Many of these are already in place, including restoring college education loans and protecting Medicare, Medicaid, and Social Security. Others need to be fleshed out, especially those concerning

community jobs, such as the introduction of an Executive Corps for those who are downsized but can bring skills to the educational and independent sector. A citizen review board to separate essential from onerous regulations is another.

Amitai Etzioni is a University Professor at George Washington University. (January 4, 1996).

1/22/96

The Great Opportunity of Democracy:

Scholars' Dinner at the White House

January 7, 1996

Amy Gutmann

Laurance S. Rockefeller University Professor

and Dean of the Faculty,

Princeton University

An image permeates American history. Our country is large; we contain multitudes. At the same time as this image provokes some anxiety, it creates great opportunities. How can such a large, diverse citizenry resolve the moral and political disagreements among ourselves? In response to this anxiety-producing question, James Madison celebrated a conception of democracy that is even more relevant today—with our vastly expanded means of communication—than ever before. We call this conception deliberative democracy. The core idea is simple: when citizens and public officials disagree with each other, we should not resort to violence, power politics, or interest-group bargaining, but we should reason together to reach mutually acceptable decisions. Because political decisions are mutually binding, we should aspire to public reasoning that is mutually justifiable.

The aim of such reasoning is reciprocity, or fairness. The means is mutual respect.

What does it take for deliberative democracy to work? There are at least three challenges that the deliberative ideal poses for American politics today.

First and perhaps foremost is the challenge of educating our children to civic virtue. A successful civic education teaches the difference between acting in ways that take advantage of others, and acting fairly, in a way that we can justify to each other. Civic education therefore cannot be morally neutral. Robert Frost quipped that a liberal is someone who cannot take his own side in an argument. Democrats must take our own side in the argument over civic education. Our democracy can flourish only if we educate our children to the common values of citizenship: toleration, non-violence, honesty, hard work, and the distinctively democratic virtues of civic participation and mutual respect among all people who are part of the ongoing democratic quest for fair terms of social cooperation.

The second challenge is that of associating cooperatively as adults. "Each has his or her place in the procession," Walt Whitman wrote about democracy in America. The democratic procession depends on our mutually cooperative efforts in many associations, families and friends, neighborhoods and clubs, companies and unions, professions and political parties. Not all associations serve democracy well. The Michigan "citizens' militia," which teaches violence, distrust of difference, and disrespect of legitimate authority, is detrimental to democracy. But the vast majority of associations in this country serve as schools of deliberative democracy. We need to foster them, both by private and public efforts. In civic associations, we learn essential skills of democratic citizenship, to accommodate differences that are worthy of respect, and to economize on our moral disagreements. There is a role for everyone in fostering more and better civic associations. Citizens and public officials alike who demonstrate mutual respect and who practice an economy of moral disagreement help dispel the cynicism that too many people have developed toward the democratic ideal of helping each other help ourselves. Although disagreement is inevitable in a free society, a robust associational life coupled

with an open democratic government enables us to resolve our disagreements in mutually respectful, cooperative ways.

To foster deliberative ways of resolving our disagreements, a third challenge must be met. We must work to counteract soundbite democracy, the antithesis of deliberative democracy. Soundbite democracy rewards the simplistic and the sensational; it punishes civility and denigrate fair compromises, which reciprocity often requires. For many years now, citizens have beseeched journalists as well as public officials to bring out the best rather than the worst in each other. The point is decidedly not to limit freedom of speech or the press, but to recognize the responsibility that accompanies these great rights of American democracy. The rights presuppose our responsibility to pursue the best rather than pander to the worst in our politics.

Educate for civic virtue. Associate cooperatively. Speak responsibly and respectfully. When we put these deliberative ideals into practice, they have conspicuously positive effects on our politics.

Consider the mutually-agreed upon aim of balancing the budget. Reciprocity calls on us not only to balance the budget but also to balance the burden of balancing the budget. Only if the burden is balanced can the decision be considered mutually acceptable.

Or consider another mutually-agreed upon aim, of ending "welfare as we know it." A commitment to associating cooperatively asks us all to look for ways in which we can find jobs and make work pay for all Americans who are willing and able to work. Only if men and women can find work that pays can we expect associational life to flourish in this country. Associating together takes time, which citizens who are willing and able to work but who cannot make ends meet do not have.

Consider, finally, campaign finance. Unlike soundbite democracy, deliberative democracy depends on public officials having the time and being given the opportunity by the media to explain their positions thoroughly and thoughtfully with all Americans, rather than spending inordinate amounts of time raising money to run an effective campaign.

Working together, citizens and public officials can meet each of these three challenges of deliberative democracy if we use its means of mutual respect in education, civic association, and political deliberation. We have the capacity to seek fair terms of social cooperation, and it is this capacity that deliberative democracy encourages.

It is an honor for me to be here tonight as part of the American procession. I thank you, Mr. President and Mrs. Clinton, for the opportunity to participate in this deliberative forum, an opportunity so great as to overwhelm (almost) all the anxiety.

John Leo

~~D&N~~ -

1/2/95

MR. LEO DOES NOT HELP
OFFICE-HOLDERS WITH THEIR SPEECHES.
HOWEVER IF HE WERE A SPEECHWRITER
FOR A STRIVING POLITICIAN, HE WOULD
CERTAINLY INSERT THE ENCLOSED
QUOTE FROM LORD MOULTON.

Cheers,

MR. LEO

Climate effects of what we see

Arguments about violence in movies and the rest of the popular culture often go off the rails right at the start. Someone is almost sure to say: "How can you prove that a movie or a rap song caused a violent act?" Answer: You can't.

The better way to launch this kind of discussion is to admit that we are talking about "climate effects," not direct causes. We know there is some connection between the general tone of popular culture and the way people in that culture behave, but the picture only becomes clear at the extreme.

If you create a popular image of Jews as treacherous and greedy, and if the popular culture is allowed to carry this stereotype long enough, you eventually will have pogroms. The Holocaust could not have happened without generations of "climate effects" preparing the way. And if you sustain an image of black Americans as incompetent and intellectually inferior — or simply permanently different from the rest of us in some way — this surely justifies and increases racism.

And if you keep putting out movies showing violence as a logi-

cal and inevitable solution to conflict, you can't be surprised if the level of real-life violence goes up. Sustained messages in popular culture are eventually heard and incorporated into the psychic make-up of the people.

The conventional response to this — "I watched a lot of violent shows while I was growing up, and I didn't become violent" — misses the point. This is a much different culture now. Violence is way up, restraint is down, and there is a lot of evidence that the level of anger and frustration in America is far higher than it was, making violent messages more dangerous.

The culture is in serious trouble, said John Silber, president of Boston University, in a commencement speech last month. He argued that as the influence of family and churches declines, the violence in our entertainment infects the sensibilities of all of us. "Revulsion and abhorrence, our natural reactions to violence, are suppressed," he said. "We become reconciled to violence as though it were a normal part of life, as indeed it has become."

The entertainment industry's

"why me?" response contains a grain of truth. The industry didn't create a high level of violence all by itself. But the industry's social power is now so immense that it can't escape responsibility for the rising level of violence. The simple truth is that the entertainment industry's behavior will now either help lower the violence or keep increasing it. The innocent bystander role is no longer available.

Mr. Silber quoted an elegant line from John Fletcher Moulton, an English judge: What is needed is "obedience to the unenforceable." On the one hand we have law, which tells us what we can't do. On the other hand, we have personal freedom to govern our own actions as we see fit. Lord Moulton's point was that we must pay attention to "third domain" in the middle. Between those who want government to control and regulate everything, and those who want an anything-goes ethic of total freedom, Lord Moulton saw the need for a strong middle ground of "self-imposed law." Without it, society will tend to drift either toward chaos or authoritarianism.



Mr. Silber said he thought that he weakening of this "central domain" in America has inevitably undermined law, and that it is time for those in the entertainment industry to start demonstrating their obedience to the unenforce-

able. Good idea. The campaign to clarify the social responsibility of media moguls is just beginning. This is a culture in crisis, and we need more from the entertainment industry than simple money-mak-

ing and the continued trashing of our sensibilities.

John Leo is a contributing editor of U.S. News & World Report and a nationally syndicated columnist.

1/24/96

JANUARY 22, 1996

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: DOUG SOSNIK and KAREN HANCOX

SUBJECT: DAILY REPORT

1996 Presidential Politics

Lamar Alexander

Alexander appeared on "Face the Nation" yesterday and castigated Forbes' flat tax plan for creating higher levels of uninsured workers, lowering the value of homes (due to the elimination of the mortgage deduction), and raising taxes on middle-income Americans.

In an appearance held by the New Hampshire Voters' Voice forum on Saturday, Alexander broke with Republicans and expressed his belief that environmental laws should not be shifted to state responsibility. Alexander said, "I believe in clean air and clean water... We need high, strict standards because water flows across borders."

At a campaign stop in Florida on Sunday, Alexander criticized Forbes' flat tax plan, and made a dire prediction for the GOP: "If the Republican Party doesn't smoke this thing out in the primary, we'll have about as many members of our party as the Flat Earth Society."

Pat Buchanan

Buchanan, at an appearance of Christian conservatives and anti-choice supporters in Memphis, portrayed the '96 election as a "cultural war for the soul of America." At an event attended by 2,300 activists in Iowa on Saturday, Buchanan pointed out that he is the only major GOP candidate that has a chance of winning the Republican nomination, "and better known rivals are suspect on the issue [of choice]." "I'll be the most pro-life President in the history of this country," he promised.

Bob Dole

Dole visited New Hampshire this weekend in an attempt to reach younger voters. Dole visited a fraternity at Dartmouth College, and was interviewed by MTV (the interview will be broadcast this evening). Senator D'Amato was in Nashua campaigning for Dole this weekend.

Steve Forbes

Scrutiny of Forbes is increasing as he continues to climb in the polls. Forbes is featured on the cover of both Time and Newsweek. Newsweek is running a story which highlights three unbecoming stories in Forbes background: 1) Forbes was sued by his former secretary in 1993 for age discrimination; 2) poor management at Radio Free Europe and Radio Liberty when Forbes was handling the agencies; 3) Forbes attempted to launch a sting operation against a man claiming to be his father's lover.

96 JAN 22 PG: 13

Buchanan
Dole
D'Amato

Businessman Mitt Romney (R), Senator Kennedy's opponent in 1994, is spending more than \$50,000 in personal funds to place full-page ads in Boston, NH, and Iowa attacking Forbes' flat tax proposal. "The Forbes tax cut isn't a flat tax at all. It's a tax cut for fat cats," the ad states.

Phil Gramm

Gramm, speaking at the same event as Buchanan in Memphis, drew standing ovations when he stated his opposition to abortion, and promised he would overturn your decision on gays in the military and bar American troops from serving under UN command if elected President.

Gramm is currently traveling on a four-day campaign swing through Iowa that will last until Wednesday. He is scheduled to visit 11 towns in an effort to regain second place in the state.

Iowa

The Vice President campaigned in Sioux City, Council Bluffs and Fort Dodge over the weekend. The trip received very good coverage. He continued his attacks on "Newt Gingrich and his extremist agenda" and accused the GOP candidates of "falling all over themselves to pander to their party's right-wing fringe. ... It's like watching a brood of pander bears." Clips are attached.

George Stephanopoulos will travel to Iowa Wednesday and Mrs. Gore will campaign there Friday.

ABC News surveyed Iowa's 99 GOP county chairs and asked them to estimate the percentage of the straw vote each candidate would get if the caucuses were held now. The results: Dole-36%, Gramm-23% and Forbes-13%, with none of the other candidates receiving over 10%. The survey was taken on January 18.

Minnesota

A Mason-Dixon/PMR poll of 819 registered voters conducted January 16-18 reports that you lead Bob Dole in Minnesota by a 49%-37% margin. You lead Phil Gramm by a 55%-26% margin and lead Pat Buchanan by a 54%-24% margin.

New Mexico

A new poll conducted by Research and Polling, Inc. shows your approval rating holding steady in New Mexico. The poll shows that Senator Pete Domenici's support has slipped slightly from a poll taken late last year. New GOP governor Gary Johnson remains popular. The random telephone survey was conducted between January 17 - 18 and surveyed 405 registered voters statewide. The results are as follows:

	Approve	Disapprove	No opinion
President Clinton	48%	44%	8%
Bob Dole (R)	42%	40%	18%
Pete Domenici (R)	65%	24%	11%
Governor Gary Johnson (R)	51%	34%	15%
Newt Gingrich (R)	29%	57%	14%

Wisconsin

A Tarrance Group survey of 800 likely voters conducted January 2-4 for Gov. Tommy Thompson (R-WI) reports that you have a 46%-42% lead over Bob Dole. You have a 49% positive/44% negative job performance ratio and a 56% favorable/40% unfavorable personal favorability ratio. As expected, you performed best in the state's two largest cities, enjoying a 65% favorable/33% unfavorable ratio in the Madison media market and a 53% favorable/43% unfavorable ratio in the Milwaukee media market. Dole, meanwhile, has a 51% favorable/37% unfavorable personal ratio.

STATE-BY-STATE REPORT

Oregon Senate

The Oregon Secretary of State's office reports that 38% of ballots have been returned thus far. The three largest counties, Clackamas, Multnomah (Portland) and Washington are reporting a return rate of 37% - 39%.

Sources in Oregon tell the White House that an internal poll conducted for Senate candidate Gordon Smith (R) shows him leading opponent Ron Wyden (D) 45% to 35%, with 17% undecided. The poll was conducted by Public Opinion Strategies on January 16 - 18 and surveyed 650 likely voters statewide.

Maine

Sen. Cohen explained in an editorial yesterday his reasons for leaving the Senate. His concerns echoed those of other members who have chosen not to return, Sen. Bradley in particular. He stated that "Too many hours are devoted to endless motion without movement, interminable debate without decision and rhetorical finger-pointing without practical problem-solving."

Congressman Longley (R) announced today he will not seek the nomination for Senate. The Republican party will now have to turn to their second tier for a candidate. Baldacci is expected to announce his intentions on Thursday.

Minnesota

In the Minnesota poll cited above, the poll shows Senator Paul Wellstone (D) leading former Senator Rudy Boschwitz (R) by a 46%-38% margin and leading former Commerce Commissioner Bert McKasy (R) by a 47%-28% margin. Despite his lead, his job performance ratio is 48% approve/50% disapprove. There is a very strong gender gap in his numbers. He has only a 39% approve/59% disapprove ratio among men while he enjoys a 57% approve/41% disapprove ratio among women. His personal favorability ratio is 42% favorable/33% unfavorable, compared to Boschwitz's 36% favorable/25% unfavorable score.

New York

A New York Daily News editorial by Mort Zuckerman compared D'Amato's investigation of Whitewater to McCarthy's investigation of communist activity in the U.S. Zuckerman presents five questions about your involvement in Whitewater and Jay Stephens'

conclusions that there is no basis to charge you with any kind of fraud or misconduct. The editorial also criticizes the NY Times and Washington Post for their irresponsible handling of the issue, as they sought to break the scandal while minimally mentioning Stephen's findings. (article attached)

Rhode Island

The First Lady visited Rhode Island Saturday for a state Democratic party fundraiser. She was well-received as was her message of balancing the budget while maintaining our values. (attached is the article and political column covering her visit) Her comments on the major oil spill off of the coast of Rhode Island's shore were timely as was the speedy arrival of Secretary Pena early that morning.

Texas/National Issues Convention

Attached for your review are the newspaper clips from the National Issues Convention that Vice President Gore attended this weekend in Austin, Texas.

Term Limits

Two term limit groups have launched a campaign to step up pressure on you and Bob Dole to sign the US Term Limit pledge. They will spend up to \$500,000 on three mailings in NH and \$170,000 on air time. Forbes, Alexander, Gramm and Buchanan have signed the pledge.

Inside Politics

Steve Forbes continues to resist releasing his personal income tax returns. Based on a FEC report, it was estimated that Forbes' personal income last year was between 1.97 and 3.4 million dollars. Dole continues to pressure Forbes to release this information.

In Iowa, Forbes is trying to boost his organization power to compete with Dole's. The Dole campaign claims they have over 750 volunteers canvassing each day, while the Forbes camp is far behind.

Forbes has released more television ads showing his desire to dismantle the Social Security Program and to create an investment plan for young people as a way to create savings instead. He also advocates ending welfare "as we know it." He continues to promote himself as a fiscal conservative but a social activist.

Inside Politics also reported that the First Lady has offered to go before the Senate White Water Committee, in writing, to answer specific questions they may have.

THE PRESIDENT HAS SEEN

1/22/96

JOHN A. KITZHABER
GOVERNOR



Collegium
do a memo with to him on this speech
PS

JIM DORSKIND:

Please coordinate
the reply.

Forest Policy Speech
Corvallis, Oregon
January 4, 1996

Good afternoon and thank you for inviting me to Corvallis to share my vision for Oregon's forests and to describe the important work underway to achieve that vision. My compliments to the Oregon Board of Forestry and to the College of Forestry for hosting this day-long forum -- a forum which is helping build a foundation for forest policy and research for the next century.

As I look around the room here today, I see a wide range of talents and interests. It makes me hopeful to see the ideas, energy and expertise assembled in one place.

The collective work you do -- the quality research and support of OSU and the College of Forestry; the leadership of the Board of Forestry; the on-the-ground leadership of private and public forest managers -- is critical to the future of our forests.

You've heard today about what is driving change, about our links to the global environment and the global economy, about where we've come from and where we need to go.

Let me try to put this in perspective today by describing my own long-term vision for Oregon's forests and the near-term challenges we must meet in order to achieve that vision.

We are here because we all care about the remarkable natural resources that define the Oregon character. One of these is our forests, which have been and always will be, essential to our quality of life. As you know, I describe the quality of life in Oregon as being made up of several components: public safety and accountability, solid educational opportunities, services and infrastructure to support vulnerable Oregonians, jobs and a strong economy and a quality environment.

These are all necessary building blocks for quality of life. And each, in its way, is connected directly or indirectly to our forests.

Therefore, it is incumbent upon us to work together to lead Oregon into the 21st century with a vision for these forests -- a vision that recognizes and nurtures these connections.

My vision for Oregon's forests is:

Healthy forests that provide timber, water, fish, clean air, wildlife and open spaces; where state, federal and private forest owners cooperate to create a sustainable flow of timber, preserve our special places and restore our damaged watersheds. In short, it's a vision where we find that

delicate balance between protecting our environment and providing a reliable supply of natural resources.

Specifically, my vision sees a future in which:

Forest managers on private land will have the support of government to make long-term investments in forestry and conduct sound forest management practices that provide important forest products for local economies. A careful blend of regulations and incentives will provide environmental protections while ensuring sustainable forest practices.

State forests should provide an example of how to achieve resource production goals in an environmentally responsible manner. We must also provide sustainable, predictable revenues to counties and schools.

Oregon's federal forests will be managed to leave options for future generations. Make no mistake, timber production is and should be one of the objectives for management of the federal forests.

But there will remain the sense of wilderness and wildness that has defined our federal lands. And there will be habitat for sensitive, threatened or endangered species, roadless areas and unique resource or cultural areas. All must be part of the federal lands legacy we pass on to the next generation of Oregonians.

Our forests will provide and protect the intangible and hard-to-quantify treasure of what I call "special places." Places you go to remind yourself what it means to be an Oregonian. The stand of ponderosa pine that catches the morning light just so. The trout stream you fished as a child, surrounded by original forest. Places where time stands still and the natural beauty of the landscape can surround and refresh you.

We must also restore the natural resources that have been damaged by the rapid development and resource utilization that has characterized the last 100 years. The ongoing watershed health efforts and the voluntary fish restoration programs stand as examples of how public/private cooperation can restore ecosystems.

Achieving this vision will require a forest policy that encourages people to work together -- where local collaboration can replace posturing and conflict; where the careful application of forest science can replace courtroom decision making.

This may sound like a tall order. But it can be done. And it is up to us to do it.

A handful of critical challenges stand between us and achieving this long-term vision for Oregon's forests. Imbedded in each challenge are opportunities.

There are opportunities for research, opportunities for partnership and opportunities for action. Many of you in this room are in the unique position to meet these challenges.

I have described my vision of the responsibilities of the various forest owners in our state. The board of forestry, private landowners, local government and other stakeholders must work together in partnership to craft the future of non-federal forest land in Oregon. All of us must work together with President Clinton, congress and federal agency leadership to clarify the federal role and results.

Now allow me to describe what is seen as the essential components of an action plan:

1. A review of federal land policy and the president's Forest Plan;
2. Land transfer;
3. Forest health;
4. Innovative management strategies; and
5. Public education.

Let us first consider federal land policy and the Northwest Forest Plan.

- The federal component of our landbase -- more than half of Oregon's 28 million acres of forest -- has been at the center of debate. I want to share with you some of the recent actions I have taken to work on these federal forest issues.
- At my urging, the Western Governor's Association has initiated a federal public land law review co-chair which will examine and help resolve lingering conflicts that are the inevitable result of several generations of federal land lawmaking. Our hope is to make some reasonable proposals to congress that will move us toward public land management policies that reflect a shared vision of resource protection and sustainable communities.
- I have also worked with President Clinton and representatives from the timber industry and environment groups to build support for the President's Forest Plan. I know that there are many on both sides of the debate who would like to see this plan killed in the courts or in the political arena. But I believe we must protect the viability of the president's plan. It is the only practical solution offered to date to resolve the Northwest's federal forest controversy. It provides a reasonable foundation upon which we can build. As research and monitoring provide new information, we can modify the plan as needed.

Second is the issue of land transfer.

- There is also growing pressure for us to look at land ownership patterns to see if they are meeting our objectives. We need to carefully examine the issues surrounding the many proposed land transfers that have been put on the table. Last week I indicated a willingness to work with the administration to consider a change in the management of O&C, public domain and Coos Bay Wagon Road Lands.

- I believe it may be in Oregon's best interest to manage these O&C lands that are adjacent to existing state lands, that are already available for timber harvest, or that meet a range of objectives including expansion of the state parks system or the opportunity to more efficiently and effectively manage these lands.

I do not generally support transferring lands that are unlikely to be revenue producing: wilderness, key watersheds, wild and scenic rivers, research natural areas, and late successional reserves.

As we work together to explore these possibilities, I would ask that any consideration of transfer be guided by the following principles:

- It must satisfy the public interest;
- Benefit present and future generations of Oregonians, and;
- Provide sufficient ecosystem protection to assure healthy populations of species.

I believe any transfer would be strengthened by an amendment to the state constitution that would lay out the state's responsibilities for this land.

As I consider any potential exchange, I plan to work with the president and with key representatives from the counties, the environmental community, the industry, the scientific community and state and federal agencies.

Third is the issue of forest health.

- We must take bold actions to resolve forest health problems. If we do not, insects, disease and catastrophic wildfire will bring these ailing ecosystems to their knees.
- I am currently working with the U.S. Forest Service and other federal agencies to establish pilot projects in eastside national forests to implement forest health strategies outlined in a report I commissioned earlier this year. Some of you who had a hand in that report are in the room. I thank you for your work and pledge to carry forward with your recommendations.
- These forest scientists believe that forest health restoration treatments such as thinning and fuel reduction can bring these lands back to health while also providing forest products for local economies. We will put these recommendations to work on the ground and evaluate the work with a citizen/science team to ensure we make progress on our forest health objectives in eastern Oregon.

Fourth, we must seek new ways of achieving our goals.

- In Oregon, we have good examples of innovative problem solving techniques where partnerships built around common goals have made a difference.

- A prime example is the Elliott State Forest on the South Coast. Oregon was the first state in the nation to enter into a habitat conservation plan agreement with the federal government that establishes a way to protect owls and murrelets, and harvest timber from this forest. It is an innovative approach that took dozens of individuals from many different state and federal agencies. And it is working.
- When Secretary of the Interior Bruce Babbitt came out to Oregon to sign the conservation plan agreement two months ago, he praised Oregon as a model of innovation and problem solving. That is the Oregon way. And it begins with agreeing on our common goals and vision for our forests. Other examples abound.
- The rivers and forests of the north and central coast range have seen an unprecedented partnership effort of private industry and state government. The North Coast Salmon Enhancement Project has brought together private landowners with biologists from the Department of Fish and Wildlife to enhance coastal salmon habitat.

From a forest policy perspective, we are exploring non-regulatory approaches as new science has emerged and as our society has changed.

Regulations are important forest policy tools, but don't necessarily always have to be the first tools out of the toolbox.

Incentives that provide technical and financial assistance to landowners can hold hope for the future. A committee of the board of forestry chaired by former state representative Walt Schroeder presented a long list of recommendations to the board of forestry just yesterday. We need to proceed with this important work.

Another example of collaboration is the work I have underway right now involving biologists and planners from a dozen state and federal agencies and local governments, private citizens and organizations to develop a Coastal Coho Salmon Restoration Plan. This plan will help us halt or reverse the decline of Oregon's coastal Coho salmon populations. It is this type of focused collaboration that will enable us to achieve our forest vision for the 21st Century.

But we must also bring the public along with us on this journey into the 21st Century.

And that brings us to public education.

Lasting and effective decisions about the future of our forests must involve all Oregonians. Our obligation is to learn from, as well as teach, our people about our forests and about how their lives and decisions are connected with our forests.

Many of you in this room can help explain natural resource issues to Oregonians and involve them in decision making. The Board and Department of Forestry, for instance, are beginning now to implement an interpretive program on the Tillamook State Forest designed to involve the

public in learning about the Great Tillamook Burn and the new forest that has grown from the ashes.

We must not only acknowledge the tremendous contribution the academic community has made to our understanding of forest science, we must throw down a continuing challenge. I would ask that scientists continue to propose alternative management strategies as well as develop methods to predict the outcomes of various policies. We policy makers will continue to rely on your expertise.

In summary, my vision for Oregon's forests is that they can provide a sustainable timber supply as well as the natural treasures of clean water, clean air and abundant wildlife. My vision is that this can be done cooperatively between state, federal and private land owners.

And I see important actions we can and must do on the path to achieving our vision of Oregon's forests:

- We must make clear what we want from Oregon's forests and who is responsible for making that happen.
- We must take bold actions to resolve forest health problems.
- We must seek new ways of achieving our goals.
- We must bring our fellow Oregonians along with us as we seek to build this vision.

Given the nearness of the new year and the tradition of making new year's resolutions, I will close by offering this challenge to congress, to interests and to all Oregonians who care about our forests:

In 1996, let us resolve to set aside the disagreements in favor of the common agreements we can and must build for the health of our forests, our economy and our Oregon way of life.

THE PRESIDENT HAS SEEN

1/23/96

THE WHITE HOUSE

WASHINGTON

96 JAN 19 AIO : 04

January 18, 1996

MEMORANDUM TO THE PRESIDENT

FROM: George Stephanopoulos (GS)
Alexis Herman
Jeremy Ben-Ami
Ann Lewis

721-BS
Furn in
tomorrow
PC

SUBJECT: Preparation for Veto of HR1833

We have heard clearly your concern that your staff and spokespeople have a consistent and cogent message concerning the impending veto of HR1833 (the bill criminalizing certain abortion procedures).

Although we do not know exactly when the bill might be sent to you, it could move quickly after Congress returns from recess. In anticipation, the following preparations are underway:

- o Talking Points: We have drafted one page of talking points (attached) about choice generally and this bill in particular to guide people in talking about the veto. We would like your comments before we move forward with them. Frank Greer is also looking at them and will provide input.
- o Outreach: Alexis has prepared a list of calls that she and her staff will make in advance to prepare key groups and individuals for a public announcement of the veto.
- o Support from Women's Community: Most of the leading women's organizations have gotten together to pay for a full-page ad that will run in the Post on Tuesday thanking you for your opposition to the bill and casting the issue in terms of the impact on families and women's health. Frank Greer has helped put the ad together. Ann Lewis will forward it to you when it is complete.

Please let us know what you think of the talking points and what other thoughts you may have as to how to roll out this decision. We are ready to meet with you to discuss this further.

cc: Leon Panetta
Harold Ickes
Carol Rasco

TALKING POINTS: HR1833

The following points provide guidance on talking about the administration's position on the President's impending veto of HR1833 (which criminalizes certain abortion procedures). The bill could be sent forward by Congress at any point following the State of the Union.

General Position on Choice

- THE PRESIDENT BELIEVES THAT THE DECISION TO HAVE AN ABORTION SHOULD BE BETWEEN A WOMAN, HER CONSCIENCE, HER DOCTOR, AND HER GOD.
- THE PRESIDENT SUPPORTS THE CONSTITUTIONAL GUARANTEE OF A WOMAN'S RIGHT TO CHOOSE. HE BELIEVES FURTHER THAT LEGAL ABORTIONS SHOULD BE SAFE AND RARE.
- HE HAS CONSISTENTLY OPPOSED LATE TERM ABORTIONS EXCEPT TO PROTECT THE LIFE AND HEALTH OF THE MOTHER. He has supported state prohibitions of abortions post-viability unless the life or health of the mother is at stake and signed such legislation as Governor of Arkansas.

HR1833

- THE PRESIDENT IS PLANNING TO VETO THIS BILL BECAUSE IT DOES NOT PROVIDE AN EXCEPTION FOR CONSIDERATION OF THE HEALTH OF THE MOTHER.

While the President opposes late term abortions and has supported state prohibitions of them consistent with Roe v. Wade, he believes these prohibitions must provide an exception for cases where the mother's life and health is endangered. Political decision making should not be substituted for medical decision making.

[Note: While there are other problems with the bill, it is important to remain tightly focussed on the health issue as the basis for the President's opposition.]



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

THE PRESIDENT HAS SEEN

1/22/96

Kathleen A. McGinty
Chair

96 JAN 19 P 9 : 39

January 19, 1996

MEMORANDUM TO THE PRESIDENT

FROM: KATHLEEN A. MCGINTY
CC: LEON PANETTA
RE: CEQ WEEKLY REPORT

BUDGET NEGOTIATIONS AND THE ENVIRONMENT

The Administration continues to do a good job of identifying the environment as one of its major priorities in the 7-year budget deal and you continue to receive good press for holding firm. (See attached San Francisco Chronicle editorial on the Mojave). However, the media has begun to question whether this pledge can be fulfilled in light of future cuts in nondefense discretionary spending that have been accepted by the Administration. In fact, a recent Newsday article has revealed that the Daschle Plan would actually spend less on nondefense discretionary spending in the years 2001 and 2002 than the GOP plan. Such questioning indicates the need for the Administration to be as specific as it can in defense of environment budget items such as the remaining disputes in the appropriations bill for FY 1996 and in the forthcoming budget for FY 1997.

TIMBER RIDER

Ninth District Court Judge Michael Hogan issued further rulings last week in cases interpreting the old growth sales requirements of the Rescission Act timber rider. We won two arguments: that we don't have to release sales offered prior to October of 1989, and that we do not have to offer replacement timber for sales that have been reconfigured and sold to other purchasers. However, we lost two other arguments and were ordered to release sales that are the subject of injunctions from other courts for violations of environmental laws (these include some of those most harmful sales to fish) and sales for which the original bidder is no longer in business. We are in the processing of seeking an appeal for the later two issues.

TIMBER

I traveled to Oregon on January 4th to participate in forest conference at Oregon State University. I appeared with Governor John Kitzhaber (D-OR) and discussed our overall environmental policy agenda, specifically I outlined how we have reinvented environmental

policy to: (1) focus on the long-term and the big picture (instead of a crisis-by-crisis approach); (2) build the best science and put the technology to work; (3) build partnership rather than fuel polarization and conflict. I discussed your forest policies in this context and contrasted efforts on the Hill as ones that are bent on creating crisis and controversy. The audience was largely timber industry interest; Nonetheless, the speech was very well received. It really is hard to argue with the approach we have taken on these matters.

A copy of the Governor's speech is attached for your reading. It is an interesting document, the more so for having been delivered to a timber industry, not environmental forum. The governor is openly supportive of the Forest Plan and advocates strong environmental protections for federal forest lands. His vision for Oregon's forests dovetails very neatly with the Administration's current policy, particularly our strong defense of the Forest Plan and attack against the rescissions act's logging rider.

The environmental community is continuing an aggressive campaign regarding the logging rider. In the last week, we received letters from numerous environmental organizations, along with the League of Women's Voters and Washington State's Commissioner of Public Lands concerning this issue. All the correspondence we have seen asks that you seek repeal of the entire logging rider, not just the provisions related to old growth timber. Though this is the view long held by the local and grassroots environmental groups, it is a different, more extreme position than the one presented by the environmental leaders when they met with you in November. At that time, their view was that repeal of the old growth provisions would be adequate, so long as the salvage program was well managed. It appears that the considerable momentum of their campaign (and general success of other environment-based attacks on the Republican Congress) has carried the environmental and public interest groups into a more aggressive posture. Congresswoman Elizabeth Furse's (D-OR) bill, which would repeal the entire rider, now has 82 co-sponsors. No Senate sponsor has appeared, but rumors are afoot that Senator Patty Murray (D-WA) and Senator Patrick Leahy (D-VT) may co-sponsor a companion bill.

EVERGLADES

Per your discussion with the Vice President, OMB and CEQ are organizing a rapid interagency effort to define an Administration program for Everglades restoration. Our initial perception is that we will be able to define an aggressive, popular, and achievable program that meets with strong approval by our constituencies in Florida. Several pre-meetings have been held, and the principals will meet on Monday. We are pushing the process to have recommendations to you for your approval by the second week of February. I have been in regular contact with Lt. Gov. Buddy MacKay on this and will increasingly involve Senator Bob Graham (D-FL) as our ideas develop.

MEETING WITH THE ALASKA DELEGATION

The Alaska Congressional Delegation has requested a meeting with you to discuss the Arctic National Wildlife Refuge which may be scheduled for next week. At this meeting it may be possible that the Alaskans will also bring up another important issue of concern to them in

1/22/96

the Interior Appropriations bill -- timber cutting in the Tongass. We are currently discussing this issue with Congress and negotiations are at a very delicate point. If your meeting with the Alaskans proceeds next week, we will provide up-to-date background information.

NORTHWEST ECONOMY

The Oregonian reported on January 7, 1996 about the growth of the technology sector in Oregon. Employment data shows technology manufacturing companies employed more Oregonians in December than the timber and paper industries. Companies are flocking to Oregon because land, water, power, and taxes cost them less than in places such as California's Silicon Valley. Attached is the article for your review.

TAX REFORM PART I: THE PCSD REPORT

As you know, the President's Council on Sustainable Development (PCSD) is nearing completion of its work. In fact, substantive agreement has been reached and the report is about to go to the printer. In light of the Kemp report and recent increasing focus in tax reform, I wanted to highlight one particular recommendation out of many the PCSD makes.

The report concludes that tax reform can make an important contribution to achieving sustainable development. In that regard, the Council recommends a gradual revenue-neutral tax shift that would increase taxes on activities and forms of consumption that are economically bad for society -- inefficiency, waste, and pollution -- while reducing taxes on things that are economically good -- employment, income, and savings and investment.

Apart from the general notion that the tax system should "tax bads, not goods," the Council did not make specific recommendations on which taxes should be cut and which should be increased. Importantly however, to ensure that tax reform furthers the goals of sustainable development, the Council concluded that any tax shift be consistent with three criteria: it must encourage economic prosperity, social equity, and environmental quality.

This contrasts quite pointedly with the Kemp, Forbes, and Gramm ideas. The Council's recommendation would not just flatten income tax rates; it would shift some taxation from income to consumption. In addition, by making social equity and environmental quality key criteria for judging the merits of tax reform the PCSD also rules out regressive consumption taxes, such as Lugar's national sales tax. It seems to me a nice contrast that the (very Republican) CEO's of the 10 major Fortune 500 companies that serve on the PCSD are on record here basically in opposition to the new Republican tax reform suggestions.

We're seeking time on your schedule now for an event with the Council publicly to release the report. I will urge that you do this event in the very near future: While the Congress has caused severe gridlock, you've brought Republicans and Democrats, business and environmentalists together in an effort that points a positive and powerful new vision for America. Consistent with your themes, these leaders -- and the report -- emphasize revitalizing communities across the country.

TAX REFORM PART 2: DEDUCTIBILITY, UNFUNDED MANDATES, AND DEVOLUTION

X I want to highlight for you another aspect of the tax reform issue that has received almost no attention: the Forbes and Gramm flat tax proposals, the current federal deduction for state and local taxes would be eliminated. Such a step would violate the spirit of the Republicans' support for the elimination of unfunded mandates and the devolution of authority from the federal to the state and local level. As authority devolves -- and federal support for state and local government is reduced due to budget cuts -- state and local officials will be forced in some cases to raise revenues to maintain services. But eliminating the deductibility of state and local taxes at the federal level will make it harder for local officials to raise revenue because the increased local tax burden will no longer be partially offset by a reduction in the federal tax burden.

The Republicans claimed to be the friend of state and local government when they pushed the unfunded mandates bill through the Congress. But their budget policies are reducing federal support to state and local government while their tax policies will make it harder for them to raise their own money. Republican support for the elimination of this deduction indicates that they are motivated by an antipathy toward government in general, not an enlightened notion of federalism that respects the prerogatives of state and local government. This is demonstrated by Senator Phil Gramm's (R-TX) response when asked why he wanted to eliminate this deduction: "Because we don't want to subsidize government."

GLOBAL WARMING AND THE BLIZZARD OF '96

Having failed to link this past summer's heat wave with global warming, the media did an amazing turn-around this week with the Blizzard of '96. Newsweek (the cover story), the New York Times, the Washington Post, National Public Radio's Morning Edition, and CNN's Crossfire all had stories about how more frequent severe storms (like the Blizzard) can be expected as greenhouse gases continue to accumulate in the atmosphere. Those stories, along with an article this week in the Washington Post linking global warming to future increases in infectious diseases, should help raise public awareness of the risks of global warming.

FRIDAY
JANUARY 19, 1996

San Francisco Chronicle

THE VOICE OF THE WEST

EDITORIALS

Hold Firm on the Mojave

PRESIDENT CLINTON'S determination to find a compromise with the Republican Congress on the budget reconciliation bill constitutes both good politics and good policy — assuming that the eagerness to compromise does not become a willingness to capitulate on key issues that are of concern to most Americans: the welfare of children, education, federally guaranteed health care for the poor and elderly, and environmental protections.

Preserve the Mojave National Park under Park Service management

As the budget showdown approaches the do-or-die phase, the temptation is no doubt strong to give ground on issues with local or regional impacts in order to pass spending bills for entire government departments. That could mean important concessions on environmental disputes, including the fate of California's Mojave National Park, which the Republicans want to strip away from the National Park Service and hand over to

the Bureau of Land Management.

Numerous other environmental issues, attached as "riders" to the appropriations bills for the Interior Department and the Environmental Protection Agency, could also become bargaining pawns in the budget battle, even though they have virtually nothing to do with balancing the budget.

As Californians, we take a direct interest in preserving the new Mojave National Park under Park Service management, and we would view with alarm any compromise language that papers over the differences. But we would view with the same alarm any agreement that permitted increased logging in Alaska's Tongass National Forest or oil development in the Arctic National Wildlife Refuge.

Many environmental, public health and safety laws are by nature local issues. But that does not mean that the public support for those laws is only local. Poll after poll demonstrates overwhelming public support for broad environmental protections.

There is no way to put a positive spin on bad environmental policies. The president has shown courage and steadfastness so far in opposing the environmental rollbacks. We trust he will continue to do so.