

MEMORANDUM TO THE PRESIDENT

FROM: RBR *Bj*

Re: State of the Union

Date: January 16, 1996

Laura/Baker/Breed
Eyr *Bj*
THE PRESIDENT HAS SEEN

1-30-96

Your economic message should be upbeat, and embedded in a message about the values of hard work and family. But I strongly suggest that it also acknowledge the problems still faced by working people -- widening inequality, job insecurity, and median wages that have yet to accelerate along with the overall economy -- and that it outline our program for reversing these trends.

1. The problem is real, and the media are reflecting it.

Failure to directly acknowledge these problems risks making you seem out of touch with the daily reality faced by most people. That reality is getting increasing play in the press. US News devotes much of its current issue to income inequality and job insecurity (see attached, cover "Is the American Worker Getting Shafted?"). Within weeks, the New York Times begins a 7-part series on the same topic. Time is planning a major story. Last week's "60 Minutes" featured layoffs and job insecurity.

2. Your base is experiencing it the most.

My free-floating focus group across blue-collar and pink-collar America reflects even more anxiety than before. Every time a major company announces another mass layoff, a chill spreads through the living rooms of millions of Americans who are already carrying record installment debt. In December of 1995, American companies announced twice as many layoffs as they did in December of 1994. On the first business day of 1996, AT&T announced that it would shed 40,000 jobs (30,000 involuntarily). Again and again I hear concerns about the unfairness of it all: Notwithstanding a 30 percent increase in the value of the stock market and a 12 percent increase in executive salaries last year, median wages and benefits barely kept up with inflation. Low-level white-collar workers are beginning to share the same concerns.

3. You should not take your base for granted.

Democrats lost races across America in November of 1994 because significant numbers of blue-collar voters deserted us and because large numbers of pink-collar voters sat on their hands. Our biggest defections were among voters who had lost the most ground economically.

Republicans know this. They also know that a key battleground will be the industrial mid-west. Bob Dole is already making speeches about the evils of "corporate welfare." Pat Buchanan now in Iowa seeking to register blue-collar Democrats for the Republican presidential primary by talking up the income gap and attacking global corporations, international trade, and Wall Street. Bill Weld gave a "state of the state" address last week, marking the beginning of his battle against John Kerry by calling for more "corporate responsibility" in responding to the anxieties of ordinary hard-working Americans, and more and better investments in education and job-training.

4. Suggest solutions which neither invoke class warfare nor blame business. No easy answers, but the solution doesn't lie in Republican trickle-down economics, nor in Buchanan-Perot nativism and protectionism. In the past three years you have put in place several foundation stones:

A. Half of the answer is more and better education and training (you know the litany). You should attack the Republican budget on this. Moreover, several Republicans (Weld and Buchanan, among others) are calling for precisely the same skill-grant system of job training that you have sponsored in the GI Bill. Ask for Republican support.

B. Twenty percent of the answer is a higher minimum wage along with your expanded EITC. The minimum wage remains extremely popular. February 3 marks one year since your proposed increase. Since then, a worker at the minimum wage has lost \$250 in purchasing power. Republicans refuse even to bring your proposal up for a vote. Challenge them to do so. And we know about their plans for the EITC.

C. That leaves thirty percent. You could talk about the progress we've made in providing pension security (my memo of December 18), and in providing one-stop re-employment services. You could talk about portability of pension and health benefits. But frankly, I don't think any of this will get through. It doesn't deal directly with the new reality that people feel -- that the implicit social contract between business and their employees has been breached. Profitable companies

are pushing down payrolls, slashing benefits, and laying off workers. Speak to this.

-- Challenge corporations to share the benefits of a newly-competitive economy with their employees by upgrading their skills, providing bonuses linked to performance, and, where downsizing is absolutely necessary, helping employees find new jobs paying as well.

-- Suggest that (in contrast to Republican proposals to eliminate the corporate Alternative Minimum Tax and to cut corporate capital gains taxes) corporate tax breaks be given only to companies that bring their workers along in these ways.

-- Say that in the months ahead you will be honoring those corporations that best exemplify a new model of responsibility, which treats workers as assets and as partners. You will begin tonight, by recognizing a few chief executives whom you have invited to town because of their high level of responsibility toward employees.

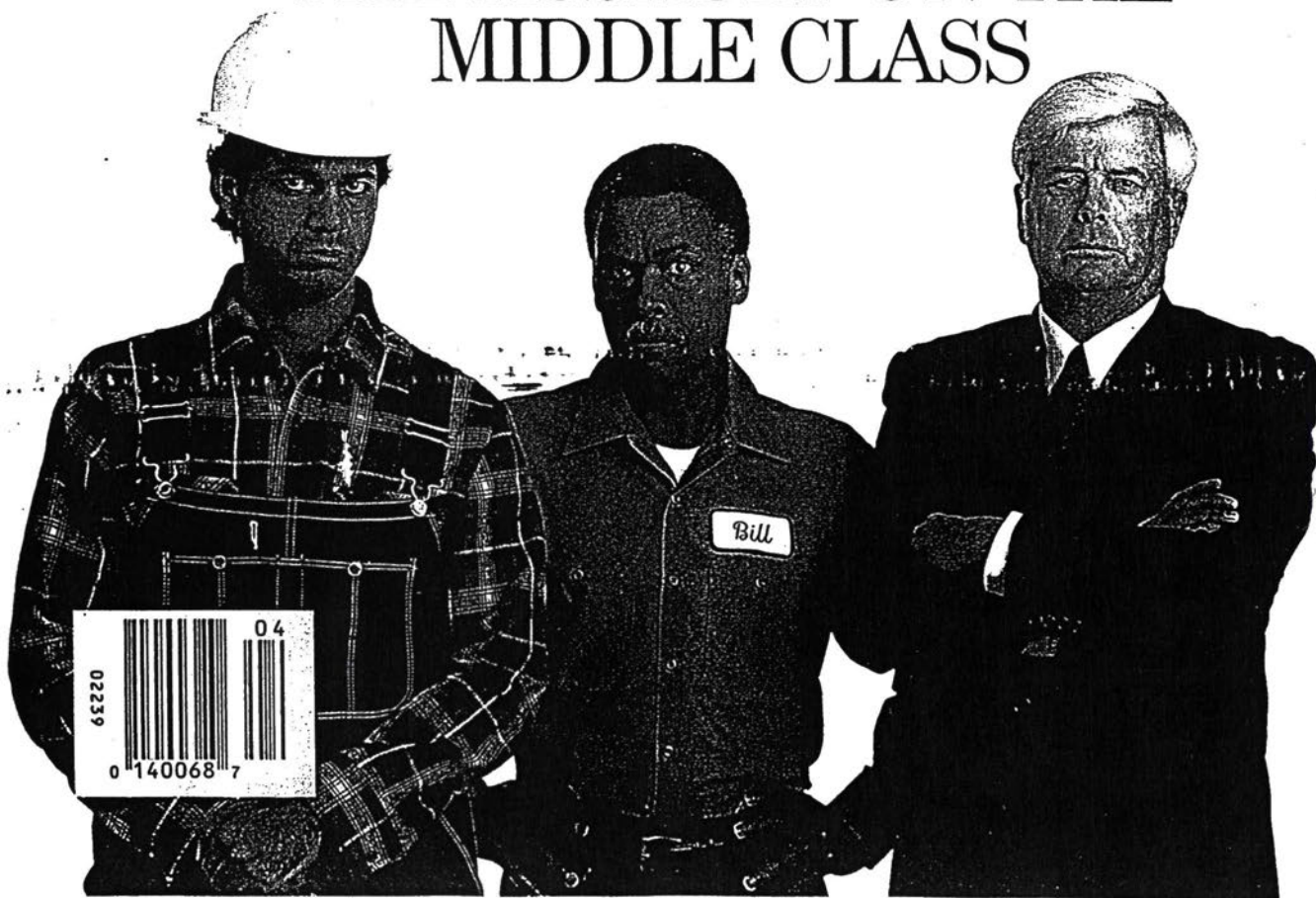
U.S. News & World Report

JANUARY 22, 1996 / \$2.95

IS THE AMERICAN WORKER GETTING

Shafted?

THE ASSAULT ON THE
MIDDLE CLASS



WORKERS TAKE IT ON THE CHIN

A changing economy is leaving many of them behind: the social and political fallout for '96 and beyond

Ken Bishop, a senior records clerk for AT&T in Morristown, N.J., may hold the key to the 1996 presidential election. He has endured two rounds of layoffs, commutes 110 miles a day, works two jobs—and yet his family income remains stuck at \$40,000 a year, right where it was 10 years ago. But 10 years ago he owned his own home. Now he rents, his wife works—two jobs at times—and he still owes money. So when AT&T said it would lay off another 40,000 workers, the 48-year-old Bishop snapped: “You stop and look at it and say, ‘When is all this going to end?’”

Many voters are asking the same question. Although corporate profits have fattened and the stock market has

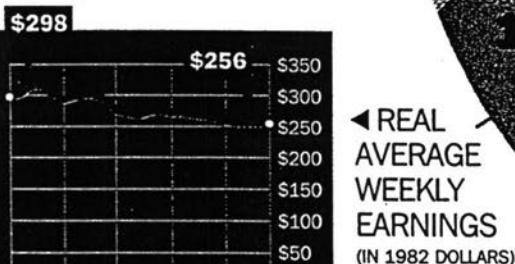
soared, the average American family has not benefited from the boom. The gap between rich and poor is growing steadily, and people in the middle, like the Bishops, are going nowhere. Median household income has been flat for 20 years, and workers’ real weekly wages have dropped \$23 or almost 5 percent since 1979. In a new *U.S. News* poll, only 22 percent say the economy is expanding; 67 percent say it is stagnating or declining. “No matter what you do,” says Bishop, “you can’t get out of the hole.”

There are many economic reasons for the growing gap between the rich and everyone else (story, Page 47). But the political implications are clear: Asked to name the biggest problem facing the nation, 47 percent cited pocketbook issues, a jump of 21 points in only eight months. The message is strong and simple: “It’s still the economy, stupid.”

The message cuts across party lines. Republican pollster Ed Goetas, who conducted the *U.S. News* survey with Democrat Celinda Lake, says the wage issue “has the potential to blow through the roof.” Democratic consultant Stanley Greenberg told a recent forum on

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OF REAL
GROWTH IN
WEALTH
(1983-1989)

BOTTOM
30 PERCENT
1.23%



NOTE: Numbers may not total 100 percent because of rounding.

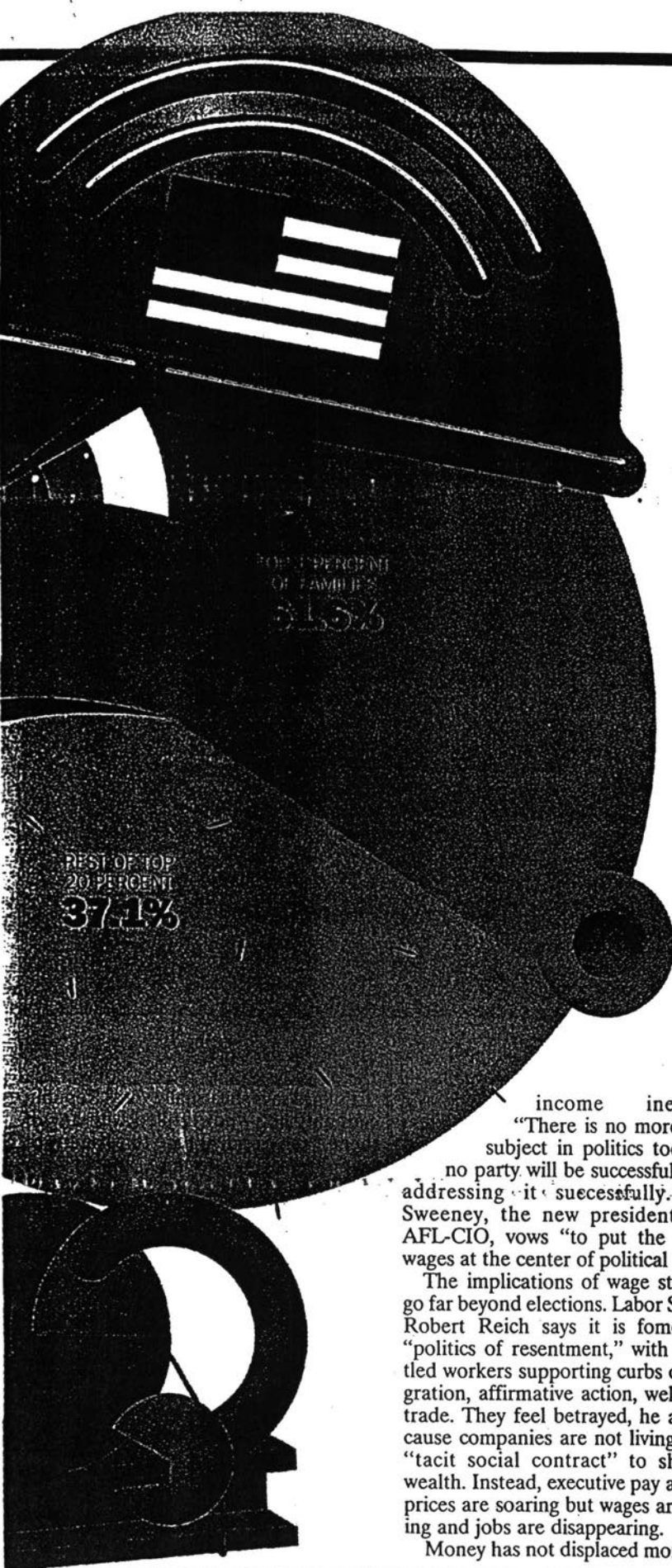
PERCENT WHO SAY THE ECONOMY IS:

- Expanding _____
- Stagnating _____
- In a recession _____
- In a depression _____

WHO HAS GAINED THE MOST ECONOMICALLY IN THE LAST FIVE YEARS?

- The upper class _____
- The middle class _____
- The working class _____
- The lower class _____

U.S. News poll of 1,000 registered voters conducted by Celinda Lake of Lake Research and Ed Goetas of the Tarrance Group January 4-6, 1996. Margin of error: Plus or minus 3.1 percent.



income inequality:
"There is no more central subject in politics today, and no party will be successful without addressing it successfully." John Sweeney, the new president of the AFL-CIO, vows "to put the issue of wages at the center of political debate."

The implications of wage stagnation go far beyond elections. Labor Secretary Robert Reich says it is fomenting a "politics of resentment," with disgruntled workers supporting curbs on immigration, affirmative action, welfare and trade. They feel betrayed, he adds, because companies are not living up to a "tacit social contract" to share the wealth. Instead, executive pay and stock prices are soaring but wages are slumping and jobs are disappearing.

Money has not displaced moral decay

as a political issue. Asked to choose the bigger problem—declining family values or making ends meet—49 percent picked family values and 31 percent named the family budget. But the two issues are closely connected, says Lake: "For many voters, it is economic stress that has fueled a decline in values. Parents must spend so much time fighting for economic survival that they cannot spend the time necessary to teach children values and to protect them from the chaos around them."

Spreading the blame. With the election 10 months away, the political landscape is still volatile. Voters gloomy about the economy voted 2 to 1 for Democrats in 1992 and then backed Republicans by the same ratio in 1994. Now, says Goeas, these voters "do not know where to turn." An increasing number don't think kindly of either major party. Asked whether Democrats or Republicans are most to blame "for the problems we are facing," 3 out of 5 voters said "both." And while 49 percent said government can do "a lot" to improve the nation's economy, 69 percent or more rated both President Clinton and the Republicans poor or fair on four important economic tasks: creating more jobs, promoting better-paying jobs, reducing the deficit and dealing with taxes.

This disillusionment has been compounded by the endless wrangling over the federal budget. "It looks like the politicians are fundamentally out of touch," says Lake. "They're worrying about keeping the Washington Monument open while AT&T is laying off thousands of workers."

But political leaders duck the wage issue in part because they have no solutions. Democrats talk about raising the minimum wage, spending more on education and job training, strengthening unions and making corporations more responsible. Republicans say lower taxes will increase family income while lower deficits and fewer regulations will free capital, spur investment and create jobs. Factions in both parties advocate more protectionist trade laws. But as Andy Kohut, head of the Pew Research Center, puts it: "This is not a quick-fix problem."

Still, the problem poses opportunities and dangers for both parties. James Carville, who advised Clinton to concentrate on the economy in 1992, says the combination of high profits and low wages is fertile ground for a populist Democratic message: "This is not the time to be the gun-control party or the abortion party. It's time to be the paycheck party."

But that won't be easy. The activist Republicans in Congress will share some responsibility for the current economic

BUSINESS & TECHNOLOGY

distemper, but the president ultimately has to run on his record, and that raises two questions. How can he identify with the problems of working families without admitting that he has failed to make their lives better? And how can he promise improvements without resorting to traditional Democratic themes of class warfare? "We won't be talking about soaking the rich or redistributing income, because everyone wants to be rich someday," says one White House adviser.

The missing link. Voters, however, say cutting taxes and balancing the budget would help their families more than anything else, and they have a point: A credible balanced-budget deal would reduce interest rates on home mortgages and consumer credit. Lower taxes and a balanced budget are GOP issues. But Goeas says party spokesmen such as House Speaker Newt Gingrich aren't delivering that message very well.

Republicans are still having trouble convincing Americans that balancing the budget in Washington will better the lives of real people beyond the beltway. "We have to draw the link on a much more personal basis, family by family," says Linda DiVall, a Republican pollster advising Sen. Phil Gramm, a candidate for the GOP presidential nomination. Adds Bill McInturff, who does surveys for Sen. Bob Dole, the Republican front-runner: "We have to say to people, 'Hey, we hear you, we share your fears and we know they're driving you crazy.'"

So far, however, neither Republicans nor Democrats have convinced Americans who are working harder just to stay even that they understand their plight. Kenneth Stroud of Park City, Ill., worked at a printing company in north Chicago for 19 years, eventually earning \$13 an hour. "That was fantastic," recalls Stroud, who earned a high school equivalency diploma in the Army. "I did a great job keeping up with the bills."

But the company closed in 1988, and, like many industrial workers Stroud found himself in a shrinking market. He put out 100 applications and got a job at a tool company. But it closed after three years, and Stroud went on welfare. "I had to keep something in my daughter's stomach," he says. Now he earns \$10 an hour at a company making business forms and moonlights at a bowling alley. His workweek averages 64 hours, down from about 80 hours last year, and Stroud is so strapped that he had to use some of what he had saved for Christmas to fix a toilet in his mobile home.

"I see factory jobs leaving the country because of NAFTA," says Stroud, who

WHAT ARE THE MOST IMPORTANT PROBLEMS FACING THE COUNTRY TODAY?

The budget (deficit/govt. spending)	24%
The economy	24%
Crime	20%
Jobs	8%
Taxes	5%

WHICH ISSUES ARE OF GREATER CONCERN TO VOTERS?

	1/93	8/94	1/96
Pocketbook	48%	38%	47%
Lifestyle	48%	76%	48%

WHAT CHANGES WOULD HELP AVERAGE FAMILIES THE MOST?

A middle-class tax cut	24%
A balanced federal budget	23%
Controlling health care costs	20%

HOW ARE NATIONAL LEADERS DOING IN HANDLING THE ECONOMY?

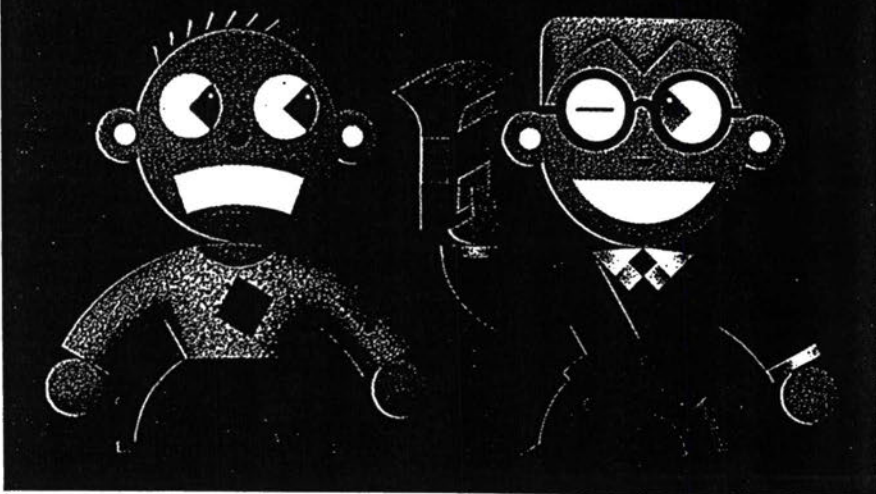
	Excellent/Good	Fair/Poor
President Clinton	28%	70%
Republicans	22%	74%

WHO IS MOST TO BLAME FOR THE COUNTRY'S PROBLEMS?

Republicans	38%
Democrats	39%
Both equally	60%

WHAT SHOULD BE THE MAIN GOAL OF THE PRESIDENT WE ELECT IN 1996?

Strengthening the economy	38%
Providing moral leadership	27%
Solving social problems like drugs and crime	19%



supports Ross Perot because the Texan opposed the agreement. "I think all these other companies are getting a big benefit from it. Now, how are we going to benefit?" He hasn't got much use for other national leaders: "They all say they're going to cut taxes, and until I see it, I don't believe it. Even Clinton said we're going to get a tax break, and what's happened? Nothing. If we've got to shut the government down, then obviously nothing's happening."

Two years ago, Cynthia Pollard was making \$40,000 a year selling computers. She wore suits and heels to work, lived in a tony Atlanta neighborhood and ate out often. Then the company closed its government division, and Pollard was laid off. Between jobs, without health insurance, she totaled her car and suffered a pinched nerve. Now she's a waitress at Zac's, a restaurant in Decatur, earning half her former salary, tak-

ing the bus to work, too exhausted from 14-hour days to think about going out.

Pollard says she usually votes Republican, but she's "not thrilled with any of them. I can't really relate to what any of them are saying anymore, and I've got too many problems of my own to worry much about it." Pollard rarely has time to read a newspaper or watch the news. "The only news that's important to me now is the weather. I find out every morning whether I can walk to work or not. I don't have patience for the rest of it."

Countless Americans are like Pollard—exhausted, anxious, angry. Any party that wants their votes had better start understanding that working hard and going nowhere is threatening the American dream.

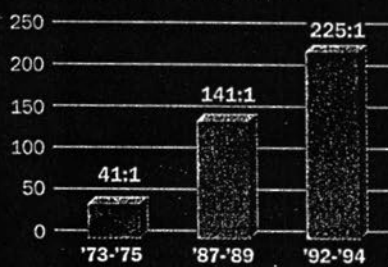
BY STEVEN V. ROBERTS WITH DORIAN FRIEDMAN,
JILL JORDAN SIEDER IN ATLANTA, DEBRA A. SCHWARTZ IN
CHICAGO AND JONATHAN SAPIERS IN NEW YORK

WINTER OF DISCONTENT

With wages frozen, American workers find themselves out in the cold

Michael Souza was a winner in the American industrial economy. After nearly two decades of factory work, he was making \$20 an hour as a tool-and-die maker for Northrop Corp. With that wage, Souza learned to enjoy the entitlements of the great American middle class: a three-bedroom home with a Jacuzzi in the Los Angeles suburb of Bellflower and a minivan. But in the nine months since Northrop laid off the 40-year-old Californian, Souza has spent much of his time at the Long Beach Career Transitions Center learning that in the new American economy, people like him aren't winning anymore. Good jobs that pay as well as the one he lost are in short sup-

Ratio of average CEO's salary to average American worker's



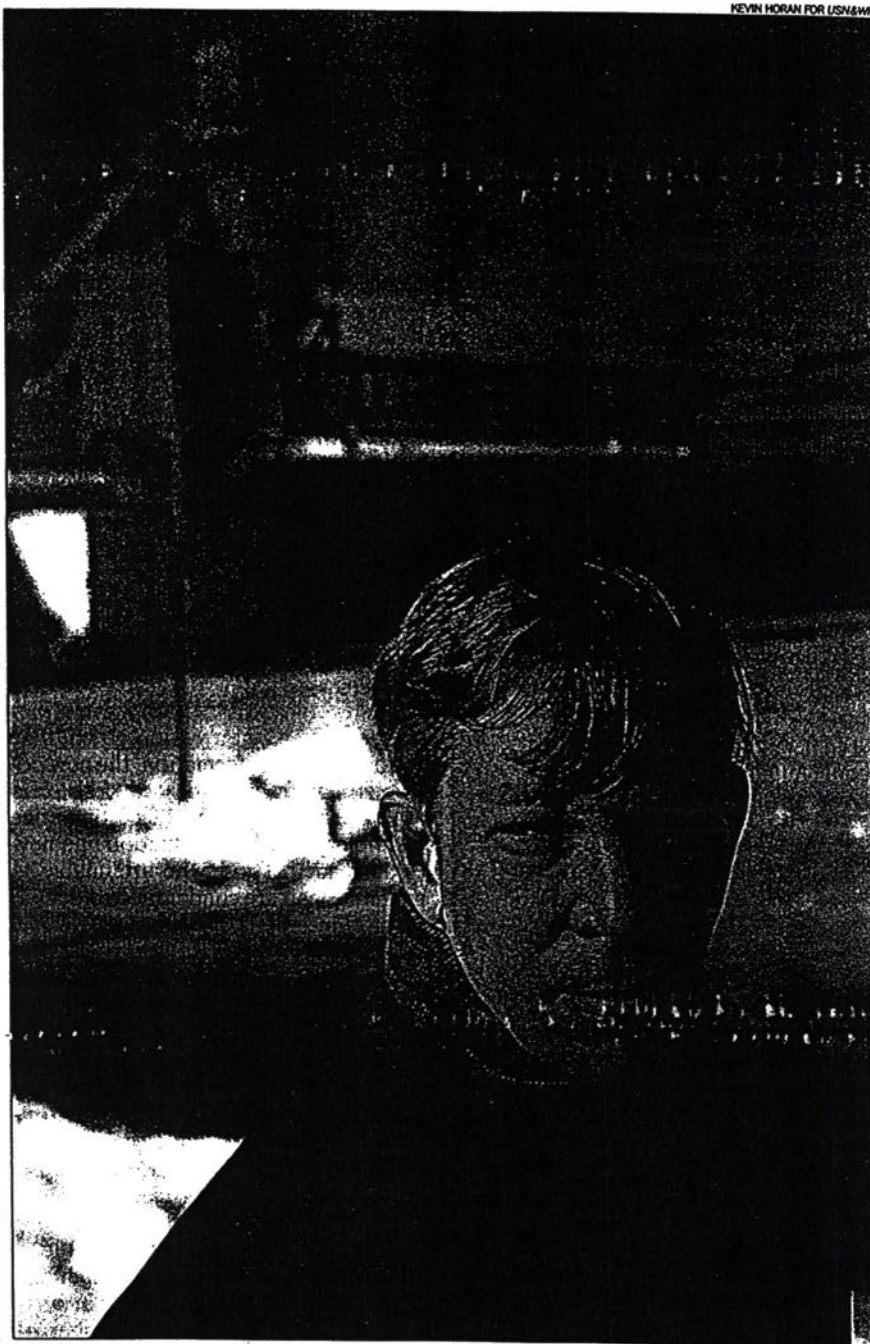
Note: Refers to CEOs of 10 large companies.

USN&WR--Basic data: Graef Crystal, The Crystal Report

USN&WR

ply. Employers are offering \$6 or \$7 an hour for the work that is available. Now, Souza's unemployment insurance has run out, and if he doesn't start coming up with \$1,400 a month for his mortgage, he will lose his home. So he may have no choice but to swallow such a drastic pay cut. "It's hard to start all over at 40," he laments. "It isn't like I can just move back in with Mom and Dad."

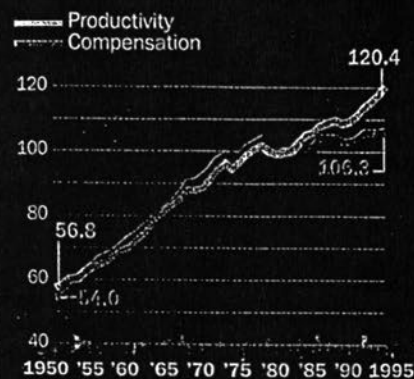
Not everyone at Souza's former company is feeling the pinch. The earnings of Kent Kresa, chairman and CEO of Northrop Grumman Corp., rose to \$1.6 million in 1994, up from \$1.1 million the year before. Souza and Kresa sit on opposite sides of the growing chasm of income inequality in America. Fully three fifths of all households in 1994 did not even keep up with inflation relative to their



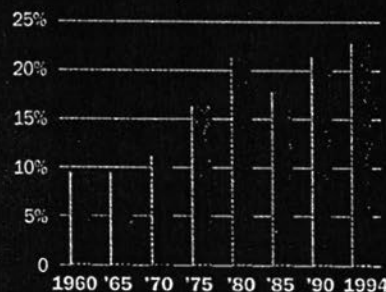
TRIMMING DOWN MANUFACTURING. After 16 years at Kmart subsidiary Huck Fixture in Quincy, Ill., Bob Ruff, 42, was laid off when the maker of Kmart's shelving and checkout counters was closed by its corporate parent.

WHAT'S BEHIND WAGE INEQUALITY

Indexed productivity and compensation (1982 equals 100)



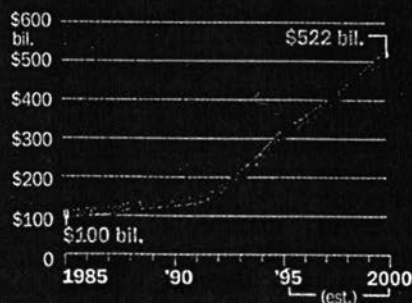
Total U.S. trade as a share of gross domestic product



Change in average earnings by education level (1979-1992)

	MEN	WOMEN
Didn't finish high school	-23%	-7%
High school graduate	-17%	1%
Some college	-7%	8%
College graduate	5%	19%

U.S. corporate outlays for high-tech equipment



USNSWR - Basic data: Morgan Stanley & Co.; U.S. Dept. of Labor; Merrill Lynch

USNSWR

1973 counterparts, while the top 5 percent were awarded a \$56,000 pay raise—even after adjusting for inflation—to \$183,000. "It gives lie to the idea that a rising tide lifts all boats," notes Stanford University economist Paul Krugman. This tide, it seems, raises only the yachts.

Big change. At the heart of the rise in inequality is an unprecedented revolution in the workplace, one of the great work force upheavals in this century—and unquestionably a painful one. Before the world wars, farmers were the largest single occupational group in America, accounting for about 50 percent of the population. Domestic servants were the second biggest group in the work force; and their number grew steadily until the First World War. By the 1950s, these occupations had shrunk dramatically, and industrial workers made up the largest category in the work force. This transformation was relatively painless because factory jobs were usually a step up in pay and working conditions for farmers and servants, who had the skills to take on the new positions.

Today, productive farmers make up no more than 2 percent of the work force, domestic servants are scarce and the number of industrial workers has declined to less than one fifth of the labor force, half the proportion of just a few decades ago. In their place has arisen what management expert Peter Drucker has termed "knowledge workers." Drucker predicts that by the year 2000 at least one third of the work force will fit in this category. Just as before, the new jobs offer economic improvement. But unlike the previous transformation, the new positions require sophisticated skills, creativity and a command of cutting-edge technology that the production line never demanded. Those who are unable to make the leap are condemned to declining fortunes while knowledge workers take on a growing share of income.

Richard Landman, a former retail salesman in Chicago, understands how difficult it is to upgrade careers. After leaving his sales position, Landman realized that he knew several people who were looking for employment in the computer industry. Working from his bedroom, he started a job-placement business and began making calls to secure high-tech posts for these individuals. Landman sweated through several lean months before receiving his first commission. The checks are now coming in fairly regularly, but it will take a number of months before Landman's income returns to what it was during his retail days.

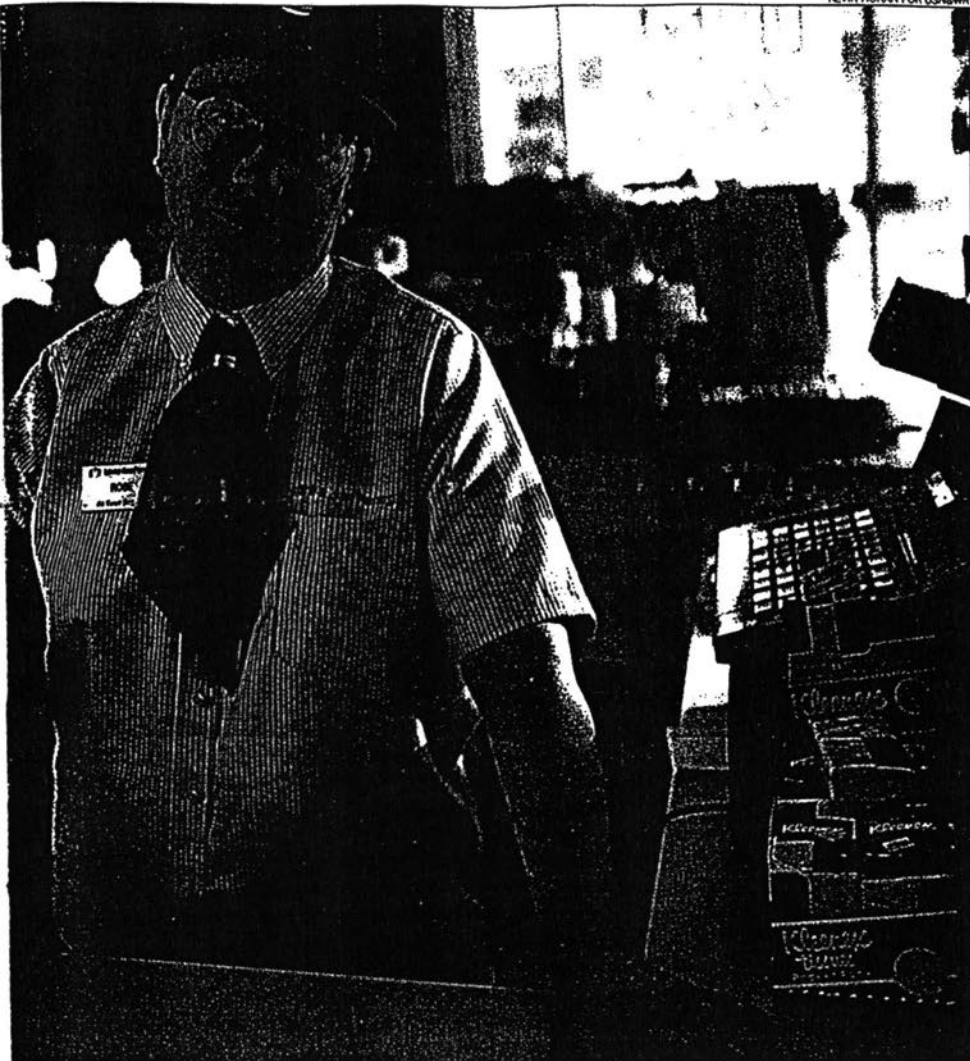
In addition to the shift in skills needed for the new knowledge-based work force, the income gap has widened be-

cause surging global trade has created an intensely competitive business environment. Education also plays a key role in determining income growth. Since 1979, for example, the only men who have made gains in weekly earnings as a group are college graduates.

Legions of ordinary Americans, left behind by the knowledge revolution, have not even made up the ground they lost in the 1990-91 recession. In 1994, only the richest fifth had recovered their post-1989 losses. In the 12 months ended Sept. 30, 1995, total compensation—which includes wages and benefits—grew at the slowest rate recorded since 1981, despite low unemployment, record corporate profits and rising productivity. Rose Pakis of Chicago, who makes less than \$15,000 a year working long hours in both a convenience store and a tavern, has a simple explanation for the problem. "Wages don't go up," remarks the 50-year-old Pakis, "but prices do."

The poor and the rich make up a growing share of U.S. families today. While





TRYING TO MAKE ENDS MEET. Rose Pakis of Chicago, 50, makes less than \$15,000 a year working behind the counter at the White Hen Pantry convenience store and at the Dram Shop tavern across the street, where she tends tables.

there were sharp increases in the percent of child-rearing families struggling on less than \$10,000 a year as well as the percent enjoying more than \$70,000 in the two decades after 1969, most income groups between those two extremes have shrunk. The number of those making between \$20,000 and \$40,000 in 1989 dollars fell from nearly half of all families with children to around a third. Economic polarization in the United States has reached levels not seen since the *Great Gatsby* era of the late 1920s. A new report by the Organization for Economic Cooperation and Development shows that America has the most unequal distribution of income among the advanced industrialized nations.

Wealth. The picture is even more stark when it comes to wealth—market-

able assets such as stocks, real estate and savings accounts—as opposed to annual income. According to New York University economics professor Edward Wolff, the share of total wealth held by the richest 1 percent of families nearly doubled between 1979 and 1992. Today, a full 42 percent of all marketable assets rest in the hands of a select group that holds a minimum of \$2.3 million per family. Meanwhile, the median family, with wealth of about \$52,000, inched up by less than 10 percent between 1979 and 1992. Middle-income Americans have most of their assets in their home and their savings, while the rich keep a higher percentage of their wealth in financial instruments such as stocks and bonds. Housing prices haven't kept pace with the torrid stock market, and the middle class has virtually stopped accumulating

savings. While the wealthy have been running up huge gains in the stock market, middle-income Americans have been running up credit-card debt to compensate for stagnating wages. Americans may still picture Britain as the epitome of the class-based society, but wealth is far more concentrated among the upper crust in the United States today than it is in the United Kingdom.

The spreading gap between rich and poor has reached the point where it is alarming leaders in the corporate world as well as in politics. "Even those of us in business can see that this can't be the right answer for this country, either socially or economically," says Steven Rattner, a managing director at the investment bank Lazard Frères. Stephen Roach, chief economist with Morgan Stanley, frets that the economic disparities will culminate in a "worker backlash."

The worst fear is that economic inequality is dividing the nation itself. In a December commencement address, Secretary of Labor Robert Reich warned graduates that the "secession of successful America" into a world where its inhabitants can live, work, play and move about with minimal contact with the less fortunate majority "threatens our nation's prosperity and stability." Reich added, "You won't want to live in a society sharply divided between winners and losers." Economist Krugman sees a psychological toll on those who measure their own achievements against the progress of those winners. "What it takes today to regard yourself as successful," explains Krugman, "is increasingly out of reach."

In the economic realm, Rattner and others worry that stagnating and declining real wages for the majority of Americans are crimping growth as consumers are forced to restrict their spending habits. That fear became reality for many of the nation's retailers this past Christmas as they tallied up one of their worst Decembers in recent memory. According to research by Salomon Brothers, 1995 ended with the weakest retail sales growth the firm has measured in a decade. Middle-income consumers have been building up debt loads for years on the assumption that the next raise would help pay down those obligations. Now they have stopped fooling themselves. Not surprisingly, stores catering to the wealthy escaped the Christmas blues. At Tiffa-

ny's, for instance, same-store sales were up 13 percent compared with those of December 1994. Meanwhile, middle-market department stores like Macy's, which have struggled for years, continue to face difficulties. And now retail troubles are spreading through the low-end discount market as Kmart, Ames and other value-oriented chains fight for survival.

How did we come to this great divide? How did the Ozzie-and-Harriet years—in which the poor, the middle class and the rich all advanced at more or less the same, brisk pace—slip away? In addition to the shift from a nation of factory workers to a nation of knowledge workers, Massachusetts Institute of Technology economist Frank Levy points to several key historical events that have undermined wages. The first is the 1973 oil-price increase by the Organization of Petroleum Exporting Countries, which ushered in a period of high inflation. Rising prices allowed employers to give raises that appeared to be growing but that actually were shrinking in real terms. At the same time, rising inflationary expectations led to unusually high interest rates, which prevented capital investment, a catalyst for rising productivity and wages. Higher interest rates in the late 1970s made the dollar stronger and imports cheaper. This introduced U.S. manufacturing workers to the harsh reality of foreign competition. Much of this competition came from Germany and Japan, as well as from other high-wage industrialized nations that were able to ship autos, steel and machine

LAYOFFS. Since she was caught in a corporate downsizing at Thrifty Drug Stores in Los Angeles, Mimi Young, 68, says that all she has been offered after more than a year of looking are menial jobs at half the salary she earned during her 18-plus years at Thrifty.

tools into the United States, displacing many American workers.

Squeeze. Since then, the competitive squeeze has spread well beyond factory workers exposed to the pressures of international trade; today, virtually every sector of the American economy is in a vise because of commercial rivalries around the globe. The result is a huge wave of downsizings and unrelenting job insecurity that persist more than four years into the expansion. Last year, U.S. corporations announced nearly a half-

million layoffs. Deregulation and technological changes have heated up domestic competition in many industries. In banking, this has spurred a wave of mergers. The recent combination of Chemical Bank and Chase Manhattan, for example, is expected to lead to the elimination of 12,000 out of 75,000 jobs. Some 70,000 positions have been cut from the banking industry over the past five years, but a study by Deloitte & Touche predicts that 450,000 more banking employees will lose their jobs in

GROWING INCOME INEQUALITY

Share of net worth held by top 1 percent of households



Notes: Figures are adjusted for inflation unless otherwise noted.

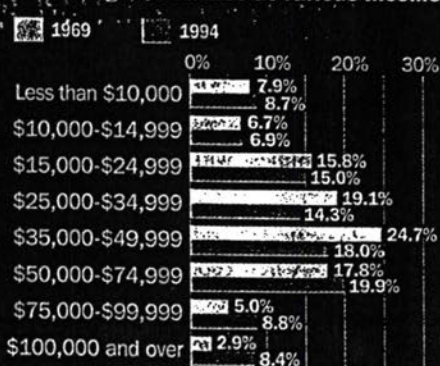
Changes in average family income (1977-1992)

Poorest fifth	-17%
Next poorest fifth	-7%
Middle fifth	1%
Next richest fifth	6%
Richest fifth	28%
Top 1%	91%

Changes in average household incomes (in 1994 dollars)

	1973	1994
Poorest fifth	\$7,981	\$7,762
Next poorest fifth	\$19,988	\$19,224
Middle fifth	\$32,661	\$32,385
Next richest fifth	\$46,953	\$50,395
Richest fifth	\$83,271	\$105,945

Percentage of families at various incomes



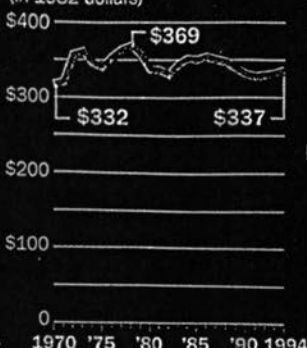
USN&WR—Basic data: Center on Budget and Policy Priorities; Congressional Budget Office; U.S. Department of Commerce; Prof. Edward N. Wolff, New York University

WORKERS' WOES: WEAK INCOME AND JOB INSECURITY

Real median family income (in 1994 dollars)



Real weekly earnings in manufacturing (in 1982 dollars)



Professions from which the top 1 percent of wage earners derive their income



Largest layoff announcements (1993-1996)

COMPANY	DATE	LAYOFFS
IBM	July 1993	63,000
Sears Roebuck	Jan. 1993	50,000
AT&T	Jan. 1996	40,000
Boeing	Feb. 1993	28,000
Digital Equipment	May 1994	20,000
GTE	Jan. 1994	17,000
Nynex	Jan. 1994	16,800
AT&T	Feb. 1994	15,000
Delta Airlines	April 1994	15,000
Lockheed Martin	May 1995	15,000

US&W—Basic data: U.S. Dept. of Commerce; Congressional Budget Office; WFA Group; Challenger, Gray & Christmas Inc.; Robert H. Frank and Philip J. Cook

the next decade: In telecommunications, AT&T announced this month that it will slice 40,000 positions over the next three years; over 140,000 phone jobs have been lost since 1993, and tens of thousands more layoffs are expected in the industry. And where downsizings are the norm, wages rise slowly, in part because workers are too fearful of losing their jobs to demand more money.

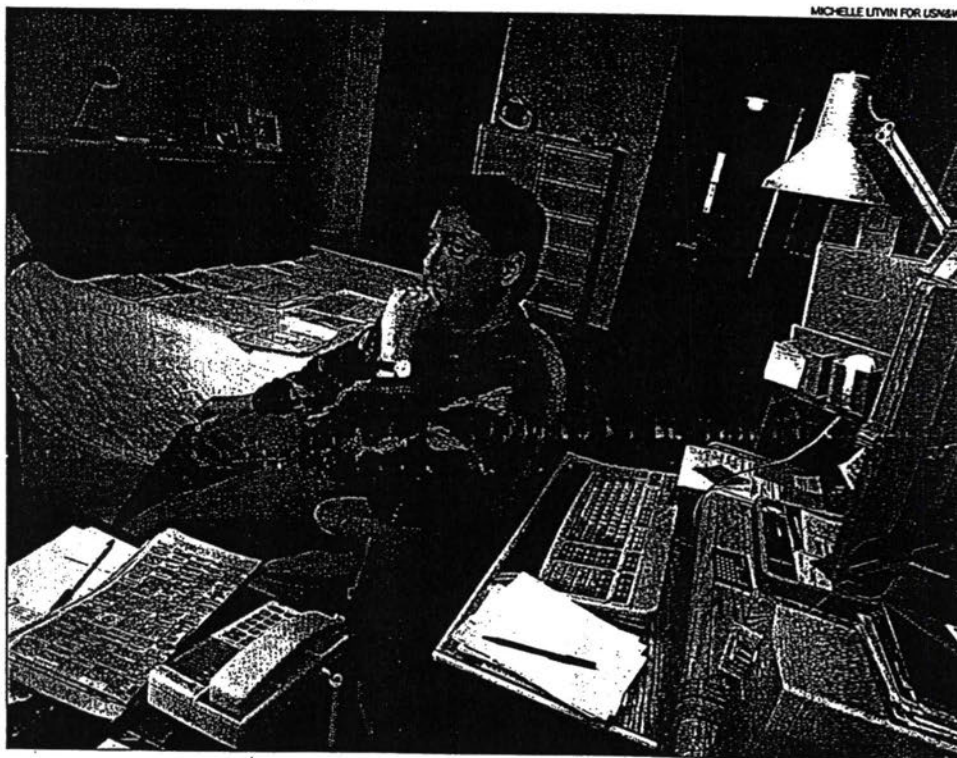
Fierce competition also is forcing radical restructuring in the retail industry. Last year, retailers across the country announced 43,000 layoffs. Bob Ruff received one of those pink slips. The 42-year-old Ruff had spent 16 years working for Kmart subsidiary Huck Fixture Co. in Quincy, Ill., when the maker of Kmart's shelving and checkout counters was shuttered by its financially beleaguered corporate parent. Ruff is now studying heating, ventilation and refrigeration. But he is not likely to return to the \$13.74 an hour he was earning as a unionized carpenter for Kmart. Mimi Young of Los Angeles is facing a steep wage cut as well. Since she was caught in a corporate downsizing at Thrifty Drug Stores, the 68-year-old administrative assistant says that all she has been offered after more than a year of looking is menial jobs at half the salary she earned during her 18-plus years at Thrifty. In a nation where work, job title and position are highly valued—and the question, "What do you do for a living?" is constantly asked—unemployment places a heavy psychological burden on those who cannot find a job. Diminished sense of

self-worth and self-esteem frequently accompany joblessness.

In the 1990s, misfortune has climbed up the ladder from production workers and secretaries to middle managers, who have been caught in the nation's first-ever white-collar recession as corporations move toward flatter organizations. The stress, pain and anxiety has been especially acute for white-collar workers, who tend to be older males with major family and financial responsibilities like mortgages and college-tu-

ition payments. In three years, the average income for college educated men ages 45 to 54 has fallen 10 percent. This helps explain why even those with above-average incomes—but below the richest fifth—haven't recovered from the last recession.

Paul Lundberg knows that the troubles for middle managers did not end with the downturn. In April 1994, his employer of 22 years, Chicago & Northwestern Railroad, was bought out by Union Pacific Corp. The new owner



STRIVING TO BECOME A KNOWLEDGE WORKER. After leaving his retail position, Richard Landman started a job-placement business for people who want positions in the computer industry. Landman struggled for several months before receiving a check.

gave Lundberg the option of trading his senior vice president position in Chicago for a lower-level post in Omaha or joining the unemployment lines. Lundberg has been out of work ever since. After playing a role in bringing his company to profitability, complains the former railroad executive, "you feel like a victim of your own success." Stuart Wegener of Gainesville, Fla., has been forced to make economic sacrifices, too. A senior staffer in nonprofit fund-raising and development, Wegener left his position in Illinois in 1994 to follow his wife in search of career advancement. After 10 months of unemployment, he finally found a position but had to take a 35 percent pay cut.

Scars. Even those who survive downsizings are scarred by the process. Joyce Colbert-Jones, for example, has managed to evade layoffs at AT&T for 14 years. She even requested and received a transfer once—from Florida to Atlanta—because she thought her Florida office might close. "It's really a duck-and-dodge game," explains Colbert-Jones. The network services employee and her husband, also with AT&T, now are exploring second careers so they will be prepared should they lose their jobs in future restructurings.

New era. As corporations use fewer and fewer workers to produce their revenues, labor productivity has finally been revived. Unfortunately, however, the robust wage growth of the 1950s and '60s has not returned as a result. "Economic theory tells us that ultimately workers are

paid their just reward," explains Morgan Stanley's Roach. "In the '90s, that has not been the case." Instead, productivity gains of roughly 2 percent a year in the first half of the decade—which should have led to equally large real income gains—have been accompanied by meager compensation growth of just 0.6 percent so far. Says Lawrence Perlman, chairman and CEO of Ceridian Corp., a \$1.5 billion Minneapolis-based information-services company: "There has been an extraordinary decoupling between productivity growth and compensation

growth." Roach calls this phenomenon "the dark side of the productivity-led recovery." Instead of plowing their massive profits back into wage increases, corporations are building large cash reserves and spending even more on productivity-enhancing equipment such as computers and the latest software.

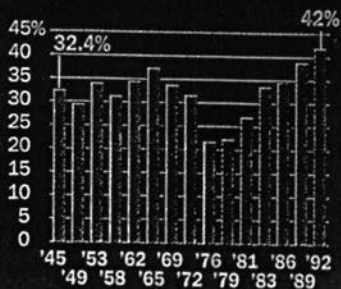
One reason that managers feel little compulsion to pour profits back into people is the waning influence of unions. Organized labor's ability to push for higher wages has been sliding rapidly, and the movement's efforts have shifted toward preserving jobs. At Boeing, union members recently rejected a proposed contract even though their leadership had accepted it, in large part because they were holding out for concessions that might help preserve their jobs. "It wasn't about cash dollars; it was about job security," explains Stephen Price, who manned the picket lines in Wichita, Kan., from 4 a.m. to 7 a.m. for 10 weeks. When Boeing's management came back with a contract including a job-retraining and reassignment program, the union voted to return to work. With corporate loyalty diminishing



JOB ANXIETY. Stephen Price, a 38-year-old Boeing worker, manned the picket lines in Kansas during a recent strike. "It wasn't about cash dollars," explains Price. "It was about job security." When Boeing offered a contract with job retraining, the strike ended.

WHERE WEALTH IS CONCENTRATED

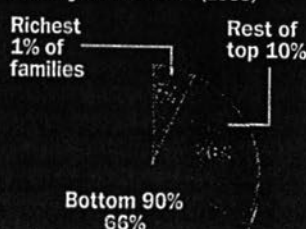
Share of wealth held by the top 1 percent of families



Share of stock in public companies held by individuals (1989)



Share of residential real estate (primary dwellings) held by individuals (1989)



USN&WR—Basic data: Prof. Edward N. Wolff, New York University

BUSINESS & TECHNOLOGY

and job changes increasing, workers like Price have put a premium on gaining the right employment skills for the future—on remaining employable.

It would be overstating the case, however, to say that the corporate sector has single-handedly created an environment in which half the nation is permanently locked into a declining standard of living. Some analysts argue, for example, that government statistics may understate income gains by overstating inflation and that current wealth data have limits. Other experts note that a higher quality of goods has led to an improved standard of living for many workers. Wage improvements, add a handful of economists, also may arrive in the near future if the divergence between productivity and pay is a temporary, rather than a structural, problem. And just because one income group is losing ground does not necessarily mean that any individual in that group cannot move into higher income categories. Nor can all of the rise in inequality be attributed to changes in the realm of business. Demographics, particularly the rise in single-parent families, has played a big role in the growth of poor families. The proportion of children living in mother-only families has grown from 8 percent in 1960 to 22 percent today, and single-parents account for half of all families earning less than \$10,000 a year.

Regardless of these issues, the rise in income inequality remains unmistakable. Even within the better-off half of working Americans, the spoils of success are concentrated on a surprisingly small group. Of all the income gains made from 1977 to 1990, 79 percent fell into the pockets of the top 1 percent of families, a group that this year is expected to earn an average of \$438,000. And within that top 1 percent, inequality also is growing because the top tenth of 1 percent appears to be getting the lion's share of the economic rewards.

Although educational differences account for some of the growth in top-level inequality, two thirds of the gap has de-

veloped within groups that have similar qualifications or jobs. The most successful college graduates, for example, are pulling away from more-typical degree-holders. High-powered lawyers are garnering incomes far above those of ordinary attorneys. Among executives, the spread between the earnings of CEOs and their seconds in command has nearly doubled in just a decade. "Corporate America is moving toward a much more capitalistic environment, with less security and less uniformity of compensation," explains Marshall Goldsmith, a consultant to *Fortune* 500 companies. "It's now much more [important to] attract and

creasing share of those dollars is concentrated on a few tax-software companies. Likewise, corporate dollars that used to be spread among hordes of telephone receptionists are now funneled to the leading national providers of voice mail. In such an environment, the best performers hit the jackpot and the rest will be lucky to break even.

Free agents. Leverage alone, however, would not create superstar salaries if the employees who most influence the success of companies were not paid according to their contribution. To describe this second step, Cook and Frank borrow a term from sports: free agency.

They believe that this phenomenon has developed in many parts of the economy, in executive suites as well as in stadiums. Corporate CEOs, who once worked their way up the ladder, for example, now regularly jump from one company to another. Cook and Frank estimate that the number of CEOs who joined their present firms within the past three years has leapt 50 percent since the mid-1970s. In that time, the ratio between the pay of CEOs and average American workers has risen from 41 to 1 to 225 to 1, according to executive compensation expert Graef Crystal. In Germany, where CEOs are almost always promoted from within the corporation, the ratio is closer to 20 to 1.

The gains of the rich cannot be completely

separated from the travails of the middle class and the poor. They are part of the same trend. To some extent, increases at the top are coming at the expense of ordinary workers. Economists are hesitant to treat income as a purely zero-sum game, since it is possible for all to prosper or perish together. But, says Frank, "if you need to pay your top talent premium rates to keep them from going to the competition, it means you've got to keep the margins tight everywhere else." That means millions of American workers will need to keep their belts tight for years to come. ■

BY DON L. BOROUGHS WITH MONIKA GUTTMAN IN LOS ANGELES, MARIA MALLORY IN ATLANTA, SCOTT McMURRAY IN CHICAGO AND DAVID FISCHER



WAGE LOSS. A senior staffer in nonprofit fund-raising, Stuart Wegener moved from Illinois to Florida in search of advancement. After 10 months, he found a job but took a 35 percent pay cut.

retain the stars. This can and will worsen income and wealth disparity."

Economists have struggled to come up with a comprehensive explanation for this within-group inequality. The latest practitioners who have tried to solve the riddle are Robert Frank of Cornell University and Philip Cook of Duke University, authors of the recently published *The Winner-Take-All Society*. Frank and Cook explain the rise of an income elite in two stages. First, winners in the economy have increased their leverage, attracting more and more dollars by the work they do. Technology accounts for much of this development. The nation's tax-preparation dollars, for example, used to be distributed fairly widely among local accountants; today, an in-

1/27/96

I do have one announcement before I continue:

Secretary Rubin has asked that ^{if you feel it} ~~we all refrain~~
~~let us. Dessert, pls. take it over w/ you~~
~~from the dessert~~ served by the Alfalfa Club,

because after dinner the Treasury Department is
 holding a bake sale in the lobby.

I'd like to congratulate the Alfalfa Club for
 standing up to the right wing of the Republican
 party and nominating Colin Powell to be your

president. ~~Thank you for your support for the President~~
~~for the President~~ ~~can't wait for you to see~~

D. Baer THE PRESIDENT HAS SEEN
 1/27/96

We showed the
 Thaler to the
 guy who helped
 maybe we signed
 copy of minutes

BC

JIM DORSKIND:

Please coordinate
 the reply, if
 necessary.

cc: Gabrielle
 Bushman

I recall reading an article in the paper somewhere that General Powell was at one time considering running for president.

I remember thinking that during the eight months he served me as Chairman of the Joint Chiefs of Staff, Colin never said anything to indicate he was interested in running for my job. Although during our frequent meetings in the Oval Office, ^{since keep} he kept sitting in the wrong chair.....

Also, something I read about his book tour made me think he was interested in the job. He was not only signing his book; he was vetoing copies of Newt Gingrich's.

But then came his dual announcement that while he was not a Republican candidate, he is a Republican. Of course I was dissapointed but I guess that's what happens to you when you sign a six million dollar book deal.

~~Colin's bigger than the
GOP's students, pro-life, pro-gun control, Don
Gut sign~~

Five years ago, we were all glued to CNN as the American government brought Iraq to its knees. These days, we're watching C-Span as the American government brings the American government to its knees.

It is a genuine pleasure to see President Bush and General Powell on the same dais in the month that we celebrate the fifth anniversary of America's victory in the Persian Gulf War.
[applause]

.....~~Unfortunately, Saddam Hussein had a previous commitment.~~

I congratulate Senator Lugar for his speech tonight. I know that he is campaigning for my job. And I understand why. If I were a thoughtful, moderate Republican in this Senate, I'd be looking for another line of work too.

Thank Sen. Lugar for relieving me of the duty to make any comment on the GOP case — They did it all
As you know, I had a long talk with Senator

Lugar and his colleagues on Capitol Hill this week during my State of the Union Address.

In the speech, I issued seven major challenges for the American people and our government.

Last year, word got back to me that I went on a little too long. So this year, I tried my hardest to keep it brief.

I thought that tonight, I'd read from an early draft of the speech and share with the Alfalfa Club some of the challenges that got cut in the interest of time:

I challenge all of Dick Morris' clients to find common ground.

I challenge the United States Congress not only to live under the laws of the American people but to abide by the rules of the National Hockey League.

I challenge the computer industry not only to expand the Information Superhighway but to make sure the rest stops are kept clean.

~~And finally, I challenge Alma Power~~

~~to talk all the other presidential candidates out of running.~~

It's no secret that the details of the budget negotiation sessions are strictly confidential.

But without divulging anything sensitive, I'd like to give you a taste of the process by recounting some of the events of one especially difficult day.

It began on a cold December morning. It was *so* cold that the Republicans began their day by huddling around Dick Armey for warmth.

The two sides met at 7 am, so I proposed that the first order of the day wasbreakfast.

Before we even began discussing what to eat, the Republicans opened the discussions with the demand that I balance my diet within seven days.

.....I agreed. But insisted the OMB score the calories.

Senator Dole suggested breakfast cereals:
Corn Flakes, Wheaties and Multi-Grain
Cheerios. And other ADM products.

Leon Panetta suggested 40% Bran Flakes. The Republicans insisted on 10% Bran Flakes. We held the line at 25.

In response to our first comprehensive cereal proposal, the Republicans dismissed the variety pack as the vestige of a failed quota system.

Dick Gephardt and Tom Daschle reminded the room to be sensitive to the ^{Species} needs of Special K.

The Vice President then made an impassioned plea for a bowl of crunchy Granola.

The negotiations nearly broke down when the Speaker realized some of the cereals were fortified with non-essential vitamins.

We hit another snag when Congressman Armey said he takes his coffee with Bitter-n-Low.

.....and all we could offer him was a packet of Unequal.

We argued back and forth, never making much progress and getting hungrier with each passing minute.

As noon approached, we had only a few minutes left to decide what to call this meal. Bob Dole said he was leaning toward lunch but was prepared to call it "brunch" if it got things moving.....I admire that kind of leadership.

While a specific agreement on a breakfast cereal seemed beyond reach on that day, everyone in the room concurred that whatever we finally arrived at, it would have to be sugar coated.

So we didn't even start discussing the actual budget until after lunch. And didn't have much more success.

The Republicans spoke of the budget in terms of a real revolution -- which must be true.

We've been going in circles for months.

They began by announcing that from now on, they are going to fund only the programs they like: the death penalty, the INS and the *Donna Reed Show*.

They had a long list of the federal agencies they'd like to eliminate and a rationale for each:

The FAA. A waste of time. Let the market decide which airlines are safe.

The EPA? Who needs it? People can move to where the clean air is. In the long run, people breathe with their feet.

The National Institute of Health. Lose it. After all the billions we've pumped down this sinkhole, people still get sick.

And NASA.....

My fellow Americans, if we can put a man on the moon, certainly we can shut this boondoggle down.

Let our generation be the first generation of Americans to heed the call to inaction!

A very funny man, George Burns turned 100 last week. One of his best lines is "Too bad all the people who know how to run the country are driving taxicabs and cutting hair."

He might well add to this list of know-it-alls elected officials. Because we here in Washington sometimes think we have the answer to everything, when in truth our challenges can only be met by all of us, working together as a community, as a team, as one America.

I'd like to thank the Alfalfa Club for reminding those of us in Washington that no matter how determined our sense of purpose, we must never lose our sense of humor. And when we poke fun, we poke holes in the illusion that any one party, or any one person, has all the answers.

....with the possible exception of Bob Strauss.

Thank you and good night.

###

Boxer
Please be
sure it's done
when of

Mays & Crutcher^{PA}
LAW OFFICES

96 JAN 31 P3:56
Richard L. Mays
Zimmery Crutcher, Jr.
Arkie Byrd

415 Main Street
Little Rock, Arkansas 72201
(501) 372-6303
FAX (501) 372-6550

January 29, 1996
Dear Nancy,

I spoke to the President
about this at lunch. Whatever
happens, please acknowledge
receipt of this letter to Mayor
Herenton of Memphis. I shall give
you a call. Thanks.

always
Richard

TO [initials]
B for
reply

City of Memphis



TENNESSEE

DR. W. W. HERENTON
MAYOR

January 24, 1996

The President William J. "Bill" Clinton
The White House Office
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500-2006

Dear Mr. President:

It was good to see you and the Vice President in Nashville, Tennessee a few weeks ago.

Mr. President, please permit me to request that you immediately address an injustice of longstanding that involves the Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan, aka, Gun Lake Band.

You have signed and resumed the government to government status of two (2) of the three (3) Pottawatomi Indian Tribes remaining in Michigan. I am respectfully requesting that you review this matter and restore the Constitutional rights of this Tribe.

Very respectfully yours,

A handwritten signature in cursive script, reading "Willie W. Herenton".

Willie W. Herenton
Mayor of Memphis

WWH:nm

Enclosures:



The Match-e-be-nash-she-wish Band
of Pottawatomí Indians
of Michigan, aka Gun Lake Band
5721 Grand River Drive
Grand Ledge, Michigan. 48837.
(517) 627-0244

January 16, 1996

The Honorable Bill Clinton, President of the United States
The White House, Washington D. C.

Dear Mr. President,

You have signed and resumed the government to government status of two (2) of the three (3) Pottawatomí Indian Tribes remaining in Michigan. Our Tribe, the Match-e-be-nash-she-wish Band of Pottawatomí Indians of Michigan, awaits resumption of its government to government relations with the U.S. Please take action on our Tribe.

Unlike the two Pottawatomí Tribes recently recognized by the U.S., our Tribe did not sign Treaties, cede lands, and agree to remove west of the Mississippi in the mid-1830's. In 1838 President Martin Van Buren directly assisted our Tribe. Through funds from a Treaty President Van Buren provided our Tribe with trust land, and formally exempted our Tribe from removal. Our Tribe's rights date back to the Greenville Treaty of 1795.

After 1870, in a grievous error committed by the B.I.A. our Pottawatomí Tribe was erroneously categorized as "a Grand River Band Ottawa Tribe" by the U.S. This B.I.A. administrative error illegally severed our government to government relations with the U.S. without a Treaty, or formal agreement on the action by the U.S., or the President, terminating our existing Treaties.

In 1896 our Tribal community enjoined in an existing U.S. Supreme Court action (Pam-to-pee and 1,371 other Indians v. U.S.). In 1903 the U.S. Supreme Court ruled our Match-e-be-nash-she-wish Tribal members as Pottawatomí and beneficiaries of rights and claims. The U.S. Supreme Court thus overturned an errant 1895 decision by the BIA.

In the recent BIA decision to recognize the Huron Pottawatomí Tribe (January, 1996) it has been formally ruled that our Tribe, the Match-e-be-nash-she-wish Band, has also continually existed from historic times to the present.

Mr. President, our Chief did not formally relinquish our rights in the Chicago Treaty of 1833 with all the other Pottawatomí Chiefs. Our Tribe has only lost its Federal Acknowledgment due to oversights by the Bureau of Indian Affairs.

As a direct result of the breach in the trust responsibility due our Tribe by the BIA after 1870 our reservation trust lands were stripped from us by a State Court action. This is a clear violation of both the Trade and Intercourse Act, and the Supremacy Clause of the U.S. Constitution.

Mr. President, our Tribe was formally protected by Presidential action. We believe our situation can be easily remedied and urge a direct Presidential review of our matter.

Thank You, Respectfully Submitted,

Bill Church

Mr. Bill Church, Sec'y of State Match-e-be-nash-she-wish Band

Enclosure: One page synopsis of our situation for your review.



Addendum to 10-5-95 letter to President Bill Clinton.

SUMMARY OF THE FACTS

The Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan, a.k.a., The Gun Lake Band, has requested the Secretary of the Interior for a waiver of the Active Consideration and Comment periods from 25 CFR 83.7, as it is in the best interests of the Indian Tribe, to expedite the Federal Acknowledgement process.

FACTS SUPPORTING THE MATCH-E-BE-NASH-SHE-WISH BAND'S REQUEST:

- The Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan Tribe, now located in Allegan County, Michigan, containing 220 members, was previously recognized by the U.S.
- The Tribe has completed a Documented Petition for the BIA under 25 CFR 83.7, and is currently on Active Ready status.
- On 5-10-95, in the final ruling on the Huron Potawatomi, the BIA ruled that the Match-e-be-nash-she-wish Band was "one of three Pottawatomi Tribes" which remained in SW Michigan in 1960.
- A BIA "site visit" to the Tribe in July, 1995 verified that the Tribe is an existing Indian Community, satisfying the remaining criteria for "Modern Community" under 25 CFR 83.7.
- The two other SW Mich. Pottawatomi Bands are being recognized.
- The Match-e-be-nash-she-wish Band was made part of the Gun Lake Band-Griswold Colony by Presidential action in 1838.
- President Martin Van Buren granted 400 acres of land to be held in "Trust" for the members of the Gun Lake Band in 1840.
- After the Bureau of Indian Affairs was created in 1849, and Indian Affairs was transferred from the War Department to the BIA, the Gun Lake Band-Griswold Colony was mistakenly recorded as a Grand River Ottawa Band, instead of a Pottawatomi Tribe.
- In 1870, when Treaty stipulations from the 1855 Treaty with the Ottawa and Chippewa were completed, and the Tribal status of those Tribes was dissolved, the Matche-be-nash-she-wish Band and it's Federal Acknowledgment was also mistakenly dissolved.
- In 1903 the Tribe's status as a Pottawatomi entity was supported by the U.S. Supreme Court; thus part of the "problem" was solved.
- In 1939 the Tribe was noted by the BIA as "Pottawatomi" in the "Holst Report" on Chippewa, Ottawa, and Pottawatomi Indians.
- Since 1992 the Tribe has worked cooperatively with the Department of the Interior to document its misplaced Federal Acknowledgment and resolve the problem. The documents proving the Tribe's claims have been submitted to the BIA.
- The Constitutional rights of the Tribe have been violated, and a Trade and Intercourse Act violation has occurred.

Jim - (Dorskind)

1/31

Chinda Robinson (Bakam)

will send you a draft response.

Could you coordinate this
reply with Hale, George, Apple
et al.

Thanks

Phil

DATE: 1-29

96 JAN 30 P1:03

TO: Leon
Carol
Bruce Reed
Rahm
MARCIA H.

George
Ken Apfel

FROM: Staff Secretary

Fyi. How do you
want to handle?

Todd,

I have a call in to HHS to make sure
they can do this in the 30 day time period.
The communication back from the President
should say that "I have directed HHS
to complete the review of your application
within 30 days. I support the principles which
I laid out in the SDO of ~~putting~~ putting
people to work + protecting kids... I hope
that ~~this~~ we can work together to
achieve welfare reform in your state +
across the country."

-Rahm



STATE OF NEW JERSEY
OFFICE OF THE GOVERNOR
CN-001
TRENTON
08625
(609) 292-6000

CHRISTINE TODD WHITMAN
GOVERNOR

January 29, 1996

96 JAN 29 P2:45

The President
The White House
Washington, DC 20500

Dear Mr. President:

Today I present my Budget Message to the New Jersey Legislature and the citizens of the Garden State. In this message, I focus on the many tasks facing New Jersey as we strive for greater economic security and prosperity for all New Jerseyans.

For too long, too many of our citizens have not been able to participate in our State's prosperity because they were mired in the unforgiving swamp of the current welfare system. Today, I propose a sweeping new welfare reform initiative for New Jersey. It replaces a failed entitlement system with a temporary cash assistance program featuring time limited benefits, child support enforcement, strong work requirements, and necessary transitional supports such as child care and health care coverage. The name of our new program emphasizes our new approach: Work First New Jersey.

Our proposal recognizes that true welfare reform requires the efforts of every citizen and every segment of the community. Our efforts not only challenge parents to be responsible for the support of their children, it will challenge business and industry to create jobs and keep people working, challenge our schools to educate our children well and keep them in school; challenge the transportation industry to provide available and accessible mobility to work and training; and, challenge every level of government to make public bureaucracies more efficient and streamlined.

We have designed our program in anticipation of federal block grants, which would afford us the necessary flexibility and opportunity to fix welfare. That may not happen due to the Washington stalemate.

In your State of the Union message you spoke of welfare reform negotiations with the Congress saying "We agree on time limits, tough work requirements, and the toughest possible child support enforcement. But we must also provide child care so mothers can do to work without worrying about their children."

The President
January 29, 1996
Page 2

New Jersey's new program has all of those features. Yet it cannot go forward without the flexibility inherent in federal welfare reform legislation. You said you would change welfare as we know it, yet you vetoed the legislation that would have done just that. I strongly urge you to reach consensus with the Congress and give the states the welfare reform package they have been seeking for so long.

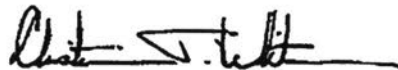
I know you—as a former Governor—recognize the weight of this issue for the states. Your signature on this legislation would fulfill your pledge to end the unworkable welfare system.

As I said, however, I am announcing my Work First program today. In the absence of block grant legislation, we have no choice but to move forward with requests for substantial waivers from the Department of Health and Human Services. Therefore, I have directed my Commissioner of Human Services, William Waldman, to develop and seek special waivers in order to implement this program.

Last year, your administration made a personal commitment to cut through red tape and speed up the waiver process. I am now asking you to honor that commitment.

Our direction is clear. The welfare system must be changed. As you said in your speech, "For too long, our welfare system has undermined the values of family and work, instead of supporting them." Work First New Jersey demonstrates that we can develop new responsible approaches to address welfare dependency while truly helping needy adults and families become economically self-sufficient. If waivers are now our only recourse to implement such a program, then we must prevail upon you to make that system work.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Christine Todd Whitman", with a long horizontal flourish extending to the right.

Christine Todd Whitman
Governor

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

1-30-96

96 JAN 30 AID: 15

January 29, 1996

MEMORANDUM FOR THE PRESIDENT

FROM:

LEON E. PANETTA
Chief of Staff

SUBJECT:

Letter from Rep. Charlie Rangel/Frank Guarini

Attached is a letter from Rep. Charlie Rangel and Former Rep. Frank Guarini nominating you for the Nobel Peace Prize.

They nominate you on the basis of your promoting "peace and democratic principals" in the Middle East, Bosnia, Haiti and Northern Ireland. They also note that you have reduced the world's nuclear threat, revitalized the United Nations, opened world markets and worked to protect the environment.

Leon
She do him by
+ her chin doll
(+ her nu)

JOCELYN JOLLEY:

Please do nice
thank you as
requested by the
President.

CHARLES B. RANGEL

15TH CONGRESSIONAL DISTRICT
NEW YORK

DEPUTY WHIP

COMMITTEE:

WAYS AND MEANS

SUBCOMMITTEE ON HUMAN
RESOURCES

SUBCOMMITTEE ON TRADE

JOINT COMMITTEE ON TAXATION

THE PRESIDENT HAS SEEN

1-30-96

2354 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3215
TELEPHONE: (202) 225-4365

DISTRICT OFFICES:

MS. VIVIAN E. JONES
DISTRICT ADMINISTRATOR162 WEST 125TH STREET
NEW YORK, NY 10027
TELEPHONE: (212) 663-38002110 FIRST AVENUE
NEW YORK, NY 10029
TELEPHONE: (212) 348-9830PLEASE RESPOND TO
OFFICE CHECKEDCongress of the United States
House of Representatives

Washington, DC 20515-3215

January 24, 1996

Norwegian Nobel Committee
Drammensveien 19
0255 Oslo, Norway

Dear Sir or Madame:

We are writing to formally nominate President William Jefferson Clinton for the 1996 Nobel Peace Prize. The President of the United States is eminently qualified for this most prestigious honor by virtue of his extraordinary commitment to global peace.

President Clinton, in virtually every region of the world, has directly contributed to peace, unity, democracy and understanding. In a new world with many challenges, President Clinton has succeeded in transforming the United States role into the superpower for peace and democratic principles.

Throughout his Presidency, but especially in this past year, President Clinton has made tremendous strides in advancing peace to nations and regions which have endured decades, if not centuries, of conflicts. These include, but are not limited to:

0 Middle East -- President Clinton helped negotiate the second stage of agreements between Israel and Palestinians and helped implement the historic peace treaty between Israel and Jordan. Further, he helped reopen direct talks between Israel and Syria.

0 Bosnia -- President Clinton's personal leadership led to the signing of the comprehensive peace treaty known as the Dayton Agreement. He undertook, with our NATO allies, military and diplomatic actions to alleviate the suffering and preserve the provisions of the peace agreement.

0 Haiti -- President Clinton's leadership restored democratically elected President Aristide to office and created a secure and stable environment for expansion of the democratic process.

0 Northern Ireland -- President Clinton's direct leadership led to an historic cease-fire, the opening of comprehensive talks and steps to decommission weapons held by the combatants.

Norwegian Nobel Committee
January 24, 1996
Page 2

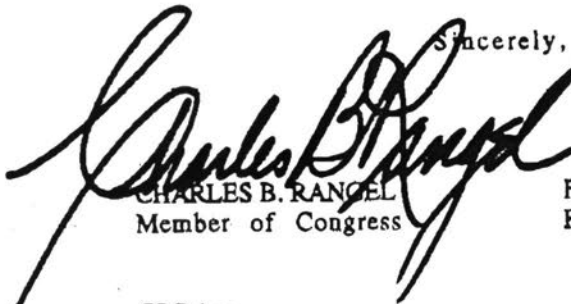
In addition to these major diplomatic accomplishments, President Clinton has helped reduce the world nuclear threat, including the direct threat posed by Russia. He persuaded Ukraine, Balarus and Kazakhstan to give up nuclear weapons left on their territory following the collapse of the Soviet Union. In North Korea, the President has continued his efforts to freeze, and ultimately dismantle, that nation's nuclear program.

In Africa, President Clinton has supported South Africa's transition to democracy, carried out massive humanitarian assistance in Rwanda, and provided important leadership in halting the conflict between Peru and Ecuador.

President Clinton has accomplished all of this while working to revitalize the United Nations, and strengthen other global and regional organizations. His advocacy for democracy and human rights is universal in scope. To preserve and further strengthen peace, the President has also been active in opening world markets, protecting the environment and combating narcotics trafficking and international terrorism.

We are proud to nominate President Clinton to be the third American President to receive the Nobel Peace Prize. He has blended a special brand of personal activist diplomacy with a vision for the maintenance of peace in the world. His commitment to world peace is unparalleled and the Nobel Peace Prize is the most appropriate and deserved recognition.

Sincerely,



CHARLES B. RANGEL
Member of Congress



FRANK GUARINI
Former Member of Congress

CBR/em

WHITE HOUSE
WASHINGTON

cc w/incoming
• Leon Panetta
• Bob Nash
Q: Do you + Leon Panetta
want also?

January 30, 1996

Alan Leventhal
Fred Seigel
The Beacon Companies
50 Rowes Wharf
Boston, Massachusetts 02110

Dear Alan and Fred:

Thanks for your letter of January 26 and for your recommendation of Emily Hewitt for the position of Administrator of General Services. I appreciate your insight, as always, and have shared your letter with Leon Panetta and Bob Nash.

I hope you both are well and look forward to seeing you later this week.

Sincerely,

Bill Clinton

The
Beacon
Companies

50 Rowes Wharf Boston, Massachusetts 02110 617 330-1400

cc: LEON
Bob Nash
Muureen

January 26, 1996

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-2000

Dear Mr. President

Emily Hewitt, General Counsel for GSA and a close friend of ours, has expressed strong interest in assuming Roger Johnson's position as Administrator of the U.S. General Services Administration. Emily has been involved with many of the initiatives within GSA, as well as other important government programs relating to your reinventing government goals.

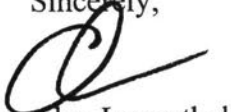
Prior to joining your Administration, Emily worked for a prominent Boston law firm, chairing the firm's real estate department. In that capacity, she represented several public and quasi-public agencies and made significant contributions to both professional and civic causes.

As a member of your New England Finance Committee, and an early coordinator of New England Women Leaders for Clinton-Gore, Emily worked tirelessly on your behalf. She was one of those unique individuals who during the course of a long campaign never lost sight of the mission and importance of helping in your election efforts. She gave selflessly, motivated others to do so, and contributed greatly.

We are confident that Emily would be an even more valuable asset to your Administration in the Administrator position. She enjoys widespread support among the Administration's friends throughout New England and we hope you will consider her interest favorably.

Congratulations on the wonderful job with the State of the Union. We look forward to seeing you in New Hampshire next week.

Sincerely,



Alan Leventhal



Fred Seigel

The
Beacon
Companies

50 Rowes Wharf Boston, Massachusetts 02110 617 330-1400

January 26, 1996

Ms. Nancy Hernreich
Director, Oval Office Operations
The White House
First Floor, West Wing
1600 Pennsylvania Avenue
Washington, D.C. 20500

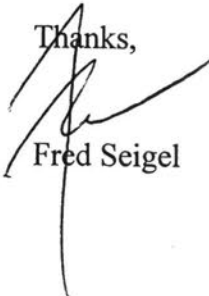
Dear Nancy:

Enclosed is a letter from Alan Leventhal and myself to President Clinton relating to a personnel matter.

Any help you could provide in seeing that it reaches the President would be greatly appreciated.

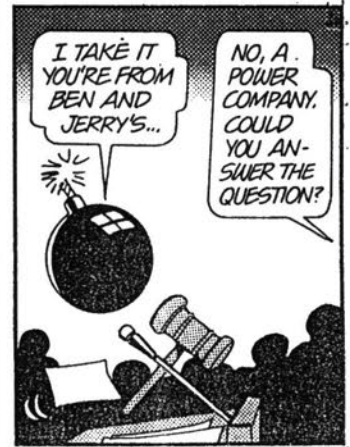
I hope all is well.

Thanks,


Fred Seigel

By G.B. Trudeau

DOONESBURY



THE PRESIDENT HAS SEEN

1/31/96

To VP/Katie

Fyi

THE PRESIDENT HAS SEEN

Tb GS

1-30-96

Donny Galt

~~Page~~ Need reply
PG Draft

Bcs

original given to
NSC / Sales of

5.

7700 COLLEGE TOWN DRIVE
SUITE 101
SACRAMENTO, CA 95826
Tel. (916) 383-2500
Fax. (916) 383-0552

THE PRESIDENT HAS SEEN

1-30-96

January 29, 1996

The Honorable William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

"The United States has a moral obligation as well as a national security interest to see that this illegal occupation of Cyprus comes to an end... A Cyprus settlement can be just and viable only if it provides for the withdrawal of Turkish occupation forces; satisfactorily accounts for all American and Greek Cypriots missing since 1974; provides for the rights of refugees; ensures the sovereign independence and territorial integrity of the state; and establishes a democratic constitution which respects and guarantees the rights of both communities."

— Statement by Governor Clinton, October 2, 1992.

Your administration is about to embark on a concerted effort to achieve a settlement of the Cyprus dispute. Recent statements by Assistant Secretary of State Richard Holbrooke that the Administration intends "to make Cyprus our next priority," and that 1996 will be "the year of the big push on Cyprus," are encouraging.

The essence of your 1992 settlement framework has since been affirmed by the European Union, which commences negotiations by 1997 for the full accession of Cyprus. Ideally, a just and viable settlement would be achieved as soon as possible. However, Turkey's demand that a Cyprus settlement is achieved before full accession is unacceptable.

First, Turkey would be effectively granted de facto veto power over Cyprus' accession. Second, Turkey's position to date of a settlement involves its continued military occupation on Cyprus and continued violations of basic human rights. Third, Cyprus' eventual membership would introduce the European Union's effective institutional mechanisms for conflict resolution into the negotiating process and expedite the achievement of a just and viable settlement.

The U.S. House of Representatives has called for the demilitarization of Cyprus, beginning with the withdrawal of all foreign forces. Occupied Cyprus, saturated with 35,000 Turkish soldiers and massive quantities of offensive armaments, is today one of the most densely militarized areas in the world. The Republic of Cyprus, with a population less than 2% that of Turkey, maintains armed forces to uphold minimal defense needs in the event of renewed Turkish aggression. U.S. support for a demilitarized Cyprus will help meet the security concerns of all parties, and enhance the prospects for a peaceful and lasting resolution of the dispute, to the benefit of all the citizens of Cyprus -- Greek and Turkish Cypriot alike.

The U.S. should reiterate its strong support for binding U.N. resolutions, especially Security Council Resolution 939 of July 1994, calling for the establishment of a bi-zonal, bi-communal democratic federation of single international identity, sovereignty and citizenship. Importantly, the resolution excludes union, in whole or in part, with any country or any form of partition or secession.

The Honorable William Jefferson Clinton
The White House
January 29, 1996
Page Two

To reiterate, a just and viable settlement of the Cyprus dispute depends on U.S. support for these three overriding provisions: full accession to the European Union, demilitarization of the entire country, and adherence to international law as authorized by Security Council resolutions. The most effective manner for moving the peace process forward is the unequivocal delivery of these American positions to the source of the Cyprus division, in Ankara.

Under your leadership, the United States has brought about a settlement in war-torn Bosnia. The days of intractable Middle East conflicts are ending, thanks to American support for Israel's visionary peace initiatives. The end of the occupation in the West Bank and Gaza has brought Israelis and Palestinians together as partners building a peaceful and prosperous future. American mediation is in the process of helping Israel and Syria reach a historic peace, which will include Syrian recognition of Israel and an end to the occupation of the Golan Heights.

Mr. President, now is the time for your administration to build on this momentum for peace in the region. The U.S. should make clear to Turkey that an essential requirement for settlement of the dispute is the end of its military occupation of Cyprus. American moral obligations will be fulfilled, and our national security interests served, by a just and viable settlement based on your stated principles of October 1992. Those same principles have since been advanced, in various forms, by the U.S. Congress, the U.N. Security Council and the European Union.

The establishment of a peaceful, united and democratic Cyprus, in which Greek and Turkish Cypriots alike will enjoy human rights and democratic freedoms, will be an achievement of which all Americans will be rightfully proud.

Sincerely,

Angelo K. Tsakopoulos

Roy M. Spence, Jr.
1250 Capital of Texas Hwy., Suite 400
Austin, Texas 78746

THE PRESIDENT HAS SEEN

1-30-96

January 26, 1996

Dear Mr. President:

Enclosed is the final resolution of the 21st Century Democrats. We finalized it some four weeks ago and at the State of the Union, so many parts of your vision were reflected in what we stand for as well.

So in a real sense, as always, we stand together.

Best regards,


Roy Spence

Attn.

*To Bruce Reed
Re: TX Dec document
Pls review & nice
with to Roy for me*

RK
JIM DORSKIND:
Please coordinate
the reply.

Original to

J. m. D

S.

21ST CENTURY DEMOCRATS

ARTHUR SCHECHTER
CO-CHAIR



STEVE GUTOW
COORDINATIVE CO-CHAIR

The 21st Century Democrats
A New Road Map For Economic Opportunity
And Personal Security For All Texans

The New Road Map Resolution
And
Policy Addendum

1005 CONGRESS AVENUE SUITE 495
AUSTIN, TEXAS 78701 512 / 320-8544 FAX 512 / 320-8575

THE NEW ROAD MAP RESOLUTION

Whereas the 21st Century Democrats have become increasingly concerned about the lack of real economic security, educational opportunity and personal safety for our citizenry.

Whereas a strong, expanding and prosperous middle class and the opportunity for the working poor to enter the middle class is the very foundation of a strong America.

Whereas the working poor and the middle class are working harder for less take-home pay and the Republican Party's agenda is to aggressively deny "those who are trying to make it" the same opportunity to achieve the American dream as the very wealthy.

The 21st Century Democrats request that the Texas Democratic Party ratify the following resolution in the 1996 state Democratic Convention and make this resolution the "centerpiece" of the 1996 Texas Democratic campaign.

THE TEXAS DEMOCRATIC PARTY will make the principle of restoring the American Dream for the working poor and the middle class its main goal by focusing on these critical issues:

- ~ Economic growth, job training and higher take-home pay for the working poor and middle class so that they can make ends meet and save for the future.
- ~ The opportunity for all our young people to receive a quality education so that they can get a good job and through hard work can earn a good living in the New Economy.
- ~ Incentives for small business and entrepreneurs, the creators of most of the new good-paying jobs, so that they can better compete with the megacorporations.
- ~ Bold initiatives that will better ensure the personal safety, health and security of our citizens.

The addendum which follows is composed of the policies already endorsed by the 21st Century Democrats.

THE 21st CENTURY DEMOCRATS POLICY ADDENDUM

Although it is understood that some people may differ with one or more of the specifics, the 21st Century Democrats, a large number of concerned Democrats from around the state who have worked together since last fall, would like the 1996 Democratic campaign to be waged around the policies described in this addendum. In addition to these policies, we will also add a specific policy affirming our commitment to the growth and development of small business.

Economic Growth/Financial Security The Rebirth of the Middle Class

- ~ A balanced budget within seven to ten years, but not at the expense of the middle class, the working poor or our senior citizens.
- ~ A policy of sustained and stable, low, short-term interest rates while continuing to reduce the budget deficits.
- ~ A reduction within the next five years of the federal income tax rate for those couples making \$75,000 or less and singles making \$32,000 or less.
- ~ The continuation of the earned income tax credit.
- ~ A measured yet sustained increase of the minimum wage so that people who work hard and play by the rules can live above the poverty line.
- ~ Make the Low Interest Housing Tax Credit a permanent strategy to create incentives to provide low-income quality housing.
- ~ Continued support for Medicare and Medicaid to live up to our covenant with the elderly and the truly needy and continued support for Social Security to protect all our citizenry.
- ~ A commonsense health care system that provides for anyone to transfer coverage from one job to another, prevents loss of insurance due to the onset of illness and limits the circumstances under which someone can be denied insurance because of a pre-existing condition.
- ~ Maintain FHA mortgage insurance in the amounts and manner it is used today.
- ~ Immunization and nutritional programs for children and a full commitment to clean and safe air, water and food.

Quality Education/Relevant Training

The Only Way To Make A Decent Living In The New Economy

- ~ A mandate to ensure that every child, regardless of geographic area, gets the opportunity of 13 years of quality public school education that prepares him/her for a good job in the New Economy.
- ~ An unrelenting support for quality public schools while encouraging innovative state-supported approaches developed at local levels.
- ~ An understandable yet quantifiable monitoring of our educational system to ensure accountability at all levels of the system including teachers, parents and administrators.
- ~ A commitment to higher salaries for teachers who maintain standards of excellence in the education of our children.
- ~ A full commitment to the continued support of college student loan funding.
- ~ Aggressive joint venture efforts between the public and private sectors to train and retrain our citizens to be competitive in the workplace of the 21st century.

Personal Safety/Community Security

Security Is A Basic Right

- ~ More, better-trained and better-paid police officers on the beat.
- ~ Mandatory drug and alcohol treatment, job training and job interview training before any nonviolent criminal is eligible for early parole or any violent offender can be paroled.
- ~ Opposition to early parole for violent offenders and support of "two strikes and you're out" instead of three for certain violent crimes.

THE CORE PRINCIPLES OF THE 21st CENTURY DEMOCRATS

We believe that our responsibility and the responsibility of all Americans is to leave our nation better off than we found her.

We believe that a clear and relentless pursuit of the rebirth of a growing, expanding, prosperous and secure middle class is the only strategy that will ensure a strong America throughout the 21st century.

This is our belief and mission.



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

January 29, 1996

THE PRESIDENT HAS SEEN

1-30-96

Honorable William J. Clinton
The President
The White House
Washington, D.C. 20500

Bo Ty

Dear Mr. President:

When I called Rupert Murdoch to congratulate him on winning the direct broadcast satellite auction with a bid of \$682 million (see enclosed article) he said, "Tell the President I liked the State of the Union speech so much I threw in an extra couple hundred million dollars."

He also said, in a more serious vein, that he was interested in working with you on the many issues to be raised in your White House conference with broadcasters.

Over here at the Commission, we also were thrilled with your speech and its terrific references to our activities.

Best regards.

Sincerely yours,

[Signature]
Reed E. Hundt
Chairman

cc: Honorable Al Gore, Jr.

JIM DORSKIND:

Please coordinate
the reply.

*original sent to
Jim D.*

S.



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

January 29, 1996

Honorable William J. Clinton
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

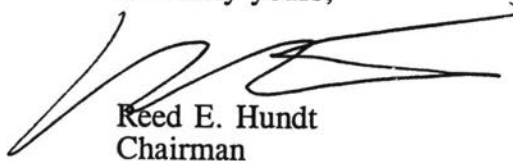
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Best regards.

Sincerely yours,



Reed E. Hundt
Chairman

cc: Honorable Al Gore, Jr.



STATE OF THE UNION

ADDRESS TO THE 104th CONGRESS



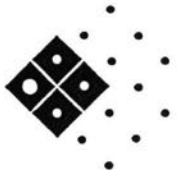
SECOND SESSION

B. Reed Hundt
with appreciation

W. J. Clinton

President William J. Clinton

JANUARY 23, 1996 • WASHINGTON, D.C.



The A.D.S. Group

THE PRESIDENT HAS SEEN

1-30-96

1/29/96

Mr. President -

I am on the Board of
Mass. INC which recently
released a report entitled:
"The State of the American Dream
in New England."

I thought you would be
interested in the Report, and I
asked Mass. INC's Founder - Mitchell
Kertzman -- to prepare this summary
for you. I believe you will find
this validates what you
have been discussing for
some time.

Best regards,
Alan Solomont

400 Centre Street
Newton, MA 02158
Tel 617-332-5522
Fax 617-332-2196

Alan D. Solomont
Chairman and
Chief Executive Officer

THE PRESIDENT HAS SEEN

To Gun Spinning
Pyl - Ms. Nixon

(need to transfer)

T Jones
M Gutterman

to Alan

BC

JIM DORSKIND:

Please coordinate
the reply.

original to

Jim D.

January 26, 1996

Honorable William J. Clinton
President of the United States
White House
Washington, D.C.

Dear Mr. President:

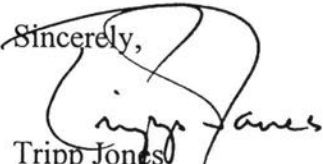
We are extremely pleased to be able to share with you a copy of our first report, The State of the American Dream in New England. At the request of our board member Alan Solomont, we have prepared a special executive summary for your review.

MassINC is a new, nonpartisan think tank dedicated to improving life for ordinary citizens by generating innovative public policy ideas designed to restore the vitality and upward mobility of middle and working class people across Massachusetts. It is our hope that as the federal government continues to shift increasing responsibility to the states, a progressive, state-level think tank organized outside the traditional political arena will be able to play a constructive role in shaping what happens in our state, region and ultimately the country. As you will see from the enclosed news clips, we feel that we are off to a good start.

As two Clinton fans (Mike was your press secretary in Delaware during the '92 general election) who deeply admire your commitment to our country and persistence in leading us into the new century, we are extremely pleased to present you with our report and hope it can be helpful to you and your administration. We would welcome the opportunity to meet with you and/or other members of your administration to talk further about the study or our plans for future work.

We look forward to getting any feedback.

Sincerely,


Tripp Jones
Executive Director


Michael B. Gritton
Policy Director

The State of the American Dream in New England

The Massachusetts
Institute for a
New Commonwealth
January 1996

MassINC

The State of the American Dream in New England

Andrew Sum
Neeta Fogg
Neal Fogg
Paul Harrington

Center for Labor Market Studies
Northeastern University



The Massachusetts Institute for a New Commonwealth
55 Summer Street, 9th Floor
Boston, MA 02110
phone: (617) 338-8900 fax: (617) 338-8785
Internet: www.massinc.org

January, 1996

Executive Summary

THE NATIONAL STORY

IN 1992, presidential candidate Bill Clinton garnered knowing nods of approval from audiences around the country when he uttered one of the signature phrases of his campaign: "People are working harder and harder for less and less."

Unfortunately, for many families that phrase continues to ring true. And for families across America, the central strategy they have used for 15 years to counter the effects of shrinking career prospects and sinking real wages for their primary breadwinner is about to reach its breaking point.

Real median family incomes (adjusted for inflation) began stagnating in 1973, and have been virtually flat for over 20 years. Since 1989, real family incomes have actually declined, despite renewed employment and output growth.

For most men, the news is even worse. Their real annual earnings and weekly wages have been falling for over 15 years. Industries which used to employ men in large numbers, like manufacturing, are transforming themselves. Fewer of those that remain rely on blue-collar workers. More rely on automation and white collar workers with higher educational levels. Thus, while total output and worker productivity have continued to rise, the number of people needed to produce that growing amount of goods has been shrinking.

In response to the decreased earnings and purchasing power of most husbands, many women have chosen to enter the workforce, and those who are working, are working longer and longer hours.

The change has been profound. Two-income families are now the rule, not the exception,

and most married women without children living at home are now working the equivalent of a full-time, year-round job. Even married women with children living at home now work the equivalent of 25 hours per week — a dramatic rise of almost 150 percent since 1979.

Shifting from one-income to two-income families has helped hold real family incomes constant — otherwise they would have declined. But the ability of this strategy to offset another decade of flat or declining real incomes and wages for husbands does not look promising. With 3 out of 4 married women working, and most working full-time or close to full-time, most married couples don't have many additional hours to work in order to offset further declines in incomes and wages.

As millions more women have entered the labor force, the national economy has generated a staggering number of net new wage and salary jobs: 24 million since 1979. But, in that same time period the number of people working or actively seeking work has increased by roughly 26 million. In part because the number of new job seekers has grown as fast as the number of new jobs being created, real wage and income growth have been sluggish. Even more importantly, labor productivity has grown quite slowly and few of the gains in productivity have been passed on to workers, producing minimal wage and earnings growth for the average worker.

The dramatic changes sweeping through the American economy are producing clear winners and losers. The winners have been:

1. The highly educated — because most of the job growth has been generated in occupational areas requiring higher educational attainment levels;

2. Married couples — because they have the resources of a second income-earner to utilize; and
3. Those at the top of the income distribution — because this group is primarily composed of two-income, married couple families with high educational attainment levels.

The principal losers have been:

1. People with lower levels of educational attainment — because blue-collar jobs, requiring lower educational attainment levels and providing more on-the-job training, are disappearing;
2. Single-parent families — because they do not have a second income earner to send into the labor market to offset declining wages and incomes; and
3. Those at the bottom of the income distribution — because this group is disproportionately composed of single-parent families with lower educational attainment levels and limited work experience.

Poorly educated female-headed families have been especially hard hit. In fact, being born to a young, poorly educated single mother is a virtual guarantee of a child living in poverty. A staggering 92 percent of children nationwide living in female-headed households whose head has no high school degree and is under 30 live in poverty — 98 percent in New England! Almost half of all families in the bottom fifth of the income distribution — 42.4 percent in 1994 — are female-headed families.

Because of these changing economic patterns, income inequality has risen dramatically. The gap between those at the top and bottom of the income distribution scale is much greater today than it was 20 years ago.

However, contrary to the “conventional wisdom,” these gaps are not being generated by tremendous real income gains for those in the top 20 percent of the income distribution. In fact, the real income gains for families in the

top 20 percent over the past 15 years have been quite modest, compared to the tremendous strides made at every income level in the 1950s and 1960s. Instead, “the rich are getting richer” primarily because while their real incomes are growing at a moderate rate, real incomes for those in the middle and bottom of the income distribution are actually declining.

Increasingly, the broad middle class is dividing into two distinct groups with very different profiles and prospects for long-term economic success — and education lies at the fault line between these two groups. One group, primarily those with college degrees or postgraduate educations, are moving ahead in the new economy. While higher education levels have not guaranteed economic progress, many of these families have actually moved from the middle class to the top income group.

The second group, primarily those with a high school degree or less, are falling behind in today’s economic world. Their wages and incomes are falling, their career job prospects are decreasing, and the unions that used to help protect their wages and working conditions are vanishing. A growing number of these families are sliding out of the middle class — and face an uphill climb to return to their former economic level.

At the bottom of our income distribution, a distinct underclass has emerged which appears to have minimal prospects for moving up into the middle class in the absence of radical changes in their employability, work effort and real wages. Almost half of all families in the bottom 20 percent of incomes have no wage-earner in their family. Over 40 percent of families in the bottom fifth are headed by a high school dropout. Families in this bottom group also receive more of their family income from government transfer payments than from earnings, regardless of the business cycle. None of these factors bodes well for families in this bottom income group.

NEW ENGLAND'S STORY has varied from the national one in a number of key respects over the past 15 years — especially in the booming 1980s. Compared to the dismal family income growth generated nationally, the 1980s in New England produced dramatic gains across the board — at every educational level, at every income level, and for both married and single-parent families.

As New England family incomes soared in the 1980s, so too did the productivity of New England's workers. New England's gross regional product per worker went from being 10 percent below the national average in 1977 to 4 percent above that national standard in 1992. And the 28 percent gain in real output per worker in New England over that period was the highest for any region in the country, almost tripling the national rate.

The broader trends observed on the national level — that economic changes are favoring the more highly educated, married couples, and those with higher incomes — still held true in New England, because each of those groups did better than their counterparts. But because of the strong economic conditions throughout the region, every demographic group made real economic progress.

The 1990s unfortunately have produced a brutal reversal of the progress made in the 1980s. New England families' real incomes have fallen twice as fast as the national rate from 1989 - 1994. Across the board, in every educational, income, and family composition subgroup, real incomes have fallen. Every group, including those with post-college educational experience, has obtained a level of real income below that they achieved in 1989.

Throughout the 1980s boom and the 1990s recession and slow recovery, the New England economy has been transforming itself. Where once manufacturing was the dominant employer, by 1994, service and retail trade jobs were producing the over-

whelming lion's share of job growth throughout the region.

New Englanders have made remarkable strides in trying to adapt to these new conditions, but these efforts are being swamped by the rapid changes taking place in the economy. By 1992, the majority of New England workers had some schooling beyond high school. The proportion of the region's work force without a high school diploma has been cut in half since 1979. But for those left behind, with only a high school degree or less, the economic future is a bleak one. And even for New Englanders with a college degree, real wages and incomes have fallen since 1989.

For much of New England's working class — those families in the bottom part of the middle class, typically headed by someone with less formal education — economic disaster is only one layoff or illness away. Annual earnings for many of these workers are declining. Corporate downsizings and layoffs continue to throw thousands out of work each month. And health insurance and pension coverage rates for these workers are much lower than for workers with higher educational attainment levels.

New England is still feeling the effects of the devastating recession of the early 1990s. There are fewer people working or actively seeking work today than there were in 1989. And while in the 1980s, New England actually attracted many of the best and the brightest from around the country because of our then-booming economy, today more people are moving out of New England than are moving here from other states.

In a little noticed development, New England has become increasingly reliant on foreign immigration to offset the shrinking size of our labor force — especially in the southern tier states of Connecticut, Massachusetts, and Rhode Island. Many of these foreign immigrants come to New England highly educated

(with at least a college degree) — but the largest proportion, 49 percent, come to New England with only a high school degree or less.

The twin challenges facing New England in the coming years are to continue to raise worker productivity — and to have workers share in the rewards of those productivity

gains, so that real wages can rise. Meeting these twin challenges will be a daunting task — one that will require the efforts of policy makers, business leaders, workers and other concerned citizens from across the region. But failing to meet these challenges will leave the American Dream only a distant memory for working people across New England.

Key Findings

FAMILIES ARE WORKING
HARDER AND HARDER— BUT
FEW HAVE EXPERIENCED
MEANINGFUL GAINS IN THEIR
REAL INCOMES OVER THE PAST
TWO DECADES.

KEY DEFINITIONS

The Middle Class

Families with incomes in the middle 60 percent of the income distribution.

Real Incomes of Families at Various Points Along the Family Income Distribution, 1994 (in dollars)

	United States	New England	Massachusetts
10th percentile	11,000	13,200	13,217
20th percentile	17,940	21,622	22,411
30th percentile	24,513	30,000	32,692
40th percentile	31,300	38,947	41,869
50th percentile	38,820	46,990	49,949
60th percentile	47,000	55,200	59,075
70th percentile	57,000	67,282	70,550
80th percentile	69,998	81,600	84,169
90th percentile	93,179	105,314	107,875

The real “miracle” was in the 1950s — real median incomes increased by 51 percent nationwide and 55 percent in New England. page 23

The 1960s produced performance almost as amazing: 36 percent real growth nationally, 39 percent in New England. Between the end of the 1940s and 1973, the average real income of families in the U.S. and New England more than doubled.

For the past 25 years, real family income growth in the U.S. has been almost flat at the national level, despite increased work effort among family members — while New England has fared somewhat better. page 23

From 1969 - 1994, real median incomes grew by only 7 percent nationally. Because of the boom in the 1980s, New England real median incomes have grown by 20 percent since 1969 — an uninspiring showing compared to the performance of the 1950s and 1960s.

Real median incomes have declined both nationally and in New England since 1989. page 25

From 1989 - 1994, they've declined 5 percent nationally and 9 percent in New England.

In New England, real family incomes have declined since 1989 for families at every educational level, including those with some postgraduate schooling. page 28

Real income declines vary for groups at different educational levels, ranging from a high of 24 percent for high school dropouts to only a 1 percent decline for families whose householders had some post-college educational experience. But every group is worse off today than it was in 1989, despite increased work effort by wives in married couple families.

FAMILY LIFE HAS CHANGED DRAMATICALLY. TWO INCOMES ARE NOW A NECESSITY FOR A MIDDLE CLASS LIFESTYLE. MORE WIVES ARE WORKING, AND WORKING LONGER HOURS, TO OFFSET INCOME DECLINES FOR MOST HUSBANDS.

Two-income families are now the rule, not the exception. page 35

Over 70 percent of married couple families nationally and almost 75 percent in New England had both husband and wife working in 1994.

The one-income middle class family is a thing of the past. page 45

Even families in the lower middle class (in the second lowest fifth of the income distribution) now work an average of over 2,600 hours per year both nationally and in New England, which adds up to substantially more than the 2,000 hours of one full-time job (50 weeks times 40 hours).

National real wage trends for men and women are heading in opposite directions. page 102

Between 1974 and 1994, the median real weekly earnings of full-time employed men in the U.S. fell by 11 percent — while those of employed women rose by nearly 13 percent.

Real wage trends in New England show large gains for women, only small gains for men. page 103

Between 1974 and 1994, the median real weekly earnings of full-time employed men in New England gained 7 percent — while those of full-time employed women rose by 33 percent. In the last five years, men's weekly wages have produced no gain, while women's wages improved by 12 percent.

Married couples are staying afloat primarily because more wives have entered the workforce — and those already working are working longer hours. page 37

New England wives with no children under the age of 18 worked an average of 1820 hours per year in 1994 — equal to 52 weeks of work at 35 hours per week — a 40 percent jump from 1979. New England wives with children in the home worked nearly 1300 hours per year in 1994 — an average of 25 hours per week, representing an increase of 149 percent since 1979.

New England wives and their expanded work hours were responsible for more than 60 percent of the improvement in the real incomes of married couple families over the past 15 years. page 32

New England real incomes improved in the 1980s while incomes nationally stagnated — producing a net increase for the past 15 years even as New England real incomes have fallen since 1989. The expanded work hours of New England wives were responsible for the lion's share of this gain.

The wealthiest families are working extraordinary amounts to maintain their success. page 45

New England families in the top fifth of the income distribution worked an average of 4461 hours per year — more than two full-time, year-round jobs.

MARRIAGE IS A KEY TO ECONOMIC SURVIVAL IN TODAY'S ECONOMY. SINGLE-PARENT FAMILIES FACE AN UPHILL STRUGGLE PARTLY BECAUSE THEY CANNOT RELY ON A SECOND EARNER TO OFFSET DECLINING WAGES. WHEN SINGLE-PARENT FAMILIES ARE HEADED BY SOMEONE WITH LITTLE EDUCATION, POVERTY IS ALMOST A GUARANTEED RESULT.

Married couple families have done much better than single-parent families in good times and in bad. page 27

Married couple families in New England improved their real incomes by 26 percent in the 1980s, compared to an 8 percent gain for single-parent families. The real incomes of married couple families slid by 8 percent in the 1990s, while real incomes plunged 14 percent for single-parent families.

Poverty rates are dramatically lower for married couple families. page 54

While the poverty rate for married couple families in New England was below 4 percent in 1979, 1989 and 1994 — for female-headed households it ranged from 21 percent to 30 percent.

In 1994, the poverty rate for female-headed households was nearly 10 times higher than the poverty rate for married couple families in New England.

page 54

Married couple families had a poverty rate of only 3.2 percent in 1994; female-headed households had a poverty rate of 30 percent.

An overwhelming share (42 percent) of New England families in the bottom fifth of the income distribution were female-headed, while only 3 percent of those in the top fifth were female-headed. page 48

Being born to a young, poorly educated single mother is a virtual guarantee of a child living in poverty. page 57

A staggering 98 percent of children living in female-headed households whose heads are younger than 30 and have no high school degree live in poverty in New England.

Married couple families have much higher rates of health insurance and pension coverage than do single parent families. page 111

While 92 percent of New England's married couple family householders had health insurance coverage in 1994, only 82 percent of female-headed householders and 77 percent of male-headed family householders had health insurance coverage.

**EDUCATION IS MORE IMPORTANT THAN EVER BEFORE FOR
LABOR MARKET SUCCESS. PEOPLE WITH HIGHER EDUCATIONAL
LEVELS ARE DOING BETTER, AND PEOPLE WITH LOW
EDUCATIONAL LEVELS ARE SLIDING BACKWARDS. BUT EVEN
HIGHER EDUCATION IS NO GUARANTEE OF A RISING STANDARD
OF LIVING.**

Real family incomes declined in New England in the 1990s for families in every educational attainment level, but the declines were greater at each step down the educational attainment ladder. page 28

Median real incomes declined by a staggering 24 percent for New England families headed by someone without a high school degree, 15 percent for those with a high school degree, 12 percent for those with some college, 10 percent for those with a college degree, and 1 percent for those with post-college educational experience.

Families at every educational level, including those headed by persons with some post-college educations, have lost economic ground since 1989 in New England. page 28

New Englanders with college degrees have seen their real median incomes drop by almost 10 percent since 1989. But the losses have been less severe for the higher educated than for those with lower educational levels.

Real incomes grew for all families in New England in the 1980s, but those gains formed a stair step up at each educational attainment level. page 27

Median incomes grew by 6 percent for those families headed by high school dropouts, 10 percent for high school grads, 14 percent for those with some college, 28 percent for college grads, and 33 percent for those with some post-college educational experience.

Poverty rates of adults in New England increase exponentially for people with less education. page 53

The 1994 poverty rate was less than 2 percent for those with post-college schooling; 4 percent for those with a four-year degree; 9 percent for those with only a high school degree; and 18 percent for those with no high school diploma or GED.

The higher a person's educational attainment level, the more likely he or she is to have some form of health insurance coverage. page 110

In 1994, 27 percent of high school dropouts in New England had no health insurance coverage. For high school graduates, 19 percent lacked health insurance coverage, but for those with at least a bachelor's degree, only 8 percent lacked coverage.

BOTH FAMILY INCOME AND WAGE
INEQUALITY ARE RISING. REAL INCOMES
AND WAGES ARE NOT INCREASING
DRAMATICALLY FOR THE AFFLUENT, BUT
THEY ARE RISING FOR THEM AT A TIME
WHEN REAL INCOMES AND WAGES FOR
MOST PEOPLE ARE GOING DOWN.

The last 15 years have produced dramatically widening inequality between families at the top and bottom of the income distribution. page 39

The top fifth's share of income grew from 40 percent in 1979 to 43 percent in 1989 to 44 percent in 1994 nationally. The share of income earned by the second highest fifth has remained flat. Families in the lowest three fifths of the income distribution each suffered major losses in their share of the income pie from 1979 - 1994.

New England's income inequality has also grown wider. page 39

The top fifth's share of income grew from 39.7 percent in 1979 to 42.4 percent in 1994. Contrary to the national picture, the share of income going to families in the second highest fifth also grew, from 24.2 percent in 1979 to 24.8 in 1994. The lowest three fifths of the income distribution in New England each suffered major losses in their share of the income pie from 1979 - 1994. By 1994, the top fifth's share was as large as the bottom 70 percent combined.

Within the U.S., not even the most affluent have generated large income gains since 1979. page 40

Families in the top 10 percent of the distribution obtained the greatest gains from 1979 - 1994 — but their improvement of 15 percent over 15 years is paltry by the historical standards of the 1950s, when real median family incomes improved by over 50 percent in just 10 years.

Wage inequality has increased dramatically between groups at the top and the bottom of the wage distribution in New England and the U.S. page 105

In 1973, the weekly wages of a full-time worker in New England at the 90th percentile of the earnings distribution was 3.35 times as large as the weekly wages of a full-time worker at the 10th percentile. By 1994, this ratio had ballooned to 4.14 — a 24 percent increase in inequality.

Wage inequality has not grown as dramatically between those at the top of the income distribution and those in the middle. page 106

In 1973, the ratio for weekly wages between a full-time worker at the 90th percentile and one at the 50th percentile was 1.92 in New England; by 1994, that ratio had increased only slightly to 1.99.

INCREASINGLY, THE BROAD MIDDLE CLASS IS DIVIDING INTO TWO DISTINCT CLASSES: A MORE AFFLUENT GROUP, PRIMARILY WELL-EDUCATED, THAT IS GETTING AHEAD — AND A POORER GROUP WITH LESS EDUCATION AND FEWER TRANSFERABLE SKILLS THAT IS SLIDING BACKWARD.

The middle class is shrinking.

page 26

Using 1979's income distribution data to define the middle class as the middle 60 percent of that distribution, the size of the middle class nationally shrunk to 54 percent (from 60 percent) of families in 1989, and contracted further to 53 percent of families by 1994.

Some families are moving forward into the top income bracket, but just as many are sliding backward into the bottom portion of incomes.

page 26

The percentage of families with real incomes in the top fifth of 1979 incomes surged nationally and in New England during the 1980s, only to fall back in the 1990s. Nationally, 26 percent of families in 1989 (up from 20 percent in 1979) had incomes that would have been in the top fifth in 1979 — but that number contracted to 24 percent in 1994. New England witnessed an even greater surge of families into the top income group in the 1980s — 32 percent by 1989 — but has suffered a substantial fall since, with 25 percent of families having incomes in that top bracket in 1994.

The percentage of families nationally that slid backward into the bottom fifth of 1979 incomes grew slightly in the 1980s, then surged in the 1990s.

page 26

Nationally, 21 percent of 1989 families had incomes that would have placed them in the bottom fifth in 1979 — and by 1994, that percentage had grown to 24 percent.

New England's strong economic performance in the 1980s lifted many more families into the middle class — but the deep recession and slow recovery of the 1990s have produced a huge jump in the number of families in the bottom fifth of 1979 incomes.

page 26

By 1989, only 17 percent of New England families had incomes in what would have been the bottom fifth ten years before, a significant improvement from the 20 percent of 1979. But after the recessionary times of the 1990s, 25 percent of New England families in 1994 had real incomes that would have placed them in the bottom fifth in 1979.

The top quintile of the family income distribution in New England is increasingly dominated by families headed by college graduates.

page 48

In 1979, 48 percent of families in the top fifth were headed by a person with at least a bachelor's degree. By 1994, this ratio had increased to 64 percent.

MANY FAMILIES AT THE BOTTOM OF THE INCOME LADDER HAVE LITTLE CHANCE OF MOVING UP INTO THE MIDDLE CLASS IN THE ABSENCE OF SUBSTANTIVE INCREASES IN WORK EFFORT AND REAL WAGES.

Almost half of all families in the bottom fifth of incomes have no wage earner.

page 47

Forty percent nationally and 45 percent in New England of families in the bottom fifth of the income distribution have no earner in the household.

Families in the bottom fifth of the income distribution obtain more of their income from cash transfers than from wages and salaries — in both good economic times and bad.

page 43

Nationally, in 1994 families in the bottom fifth received 43.1 percent of their family income from wages and salaries, and 43.6 percent from cash income transfers. In New England, the bottom fifth received only 39 percent of family income from wages and salaries, while receiving 53 percent from cash income transfers.

Working families in the bottom fifth of the income distribution earn much less per hour than those in the middle or top of the income distribution.

page 46

In New England, those in the highest fifth averaged \$24.34 per hour; in the second highest, \$17.04; in the middle fifth, \$12.74; in the second to the bottom, \$10.66; and in the bottom fifth, only \$6.82.

The number of families headed by high school dropouts has been sharply reduced, but families headed by those without a high school degree are still very likely to be in the bottom fifth of family incomes.

page 48

The number of families headed by high school dropouts has plunged nationally from 31 percent in 1979 to only 18 percent in 1994. New England has cut the rate in half, from just under 30 percent in 1979 to only 14 percent today. However, nationally 40 percent of families in the bottom fifth of the income distribution are headed by a high school dropout, while in New England one family in three in that bottom fifth is headed by someone without a high school degree.

New England families headed by a person lacking a high school diploma experienced a 24 percent decline in their median real incomes between 1989 and 1994.

page 28

This decline was more than three times higher than the decline for all other New England families.

The unemployment rate of adult dropouts in New England more than tripled between 1989 and 1994, rising from 4 percent to 15 percent.

page 73

No other educational group came close to experiencing such a sharp rise in their unemployment rate. Because many high school dropouts have given up on finding a job, half of all adult high school dropouts in New England were jobless in 1994.

WHILE WORK BY ITSELF IS NO
GUARANTEE A PERSON WILL ESCAPE
POVERTY, THERE IS NO ANTIPOVERTY
STRATEGY THAT CAN TAKE THE PLACE OF
HARD WORK.

During 1994, approximately 5 percent of all New England families with at least one worker still remained with incomes below the poverty line. page 56
The poverty rate among working families, however, was considerably below the 31 percent poverty rate for those families with no earner in the labor market.

Poverty rates increase sharply as adults work fewer hours. page 53
Poverty rates in New England are under 2 percent for those who worked 1,800 or more hours; 6 percent for those who worked between 1,000 and 1,500 hours; 12 percent for those who worked less than 1,000 hours; and 25 percent for those adults who had no earnings in 1994.

Poverty levels are very low for those adults who work year-round in New England. page 53
The poverty rate for those adults who worked more than 1,800 hours was less than 2 percent in New England in 1994 and 3 percent nationwide.

The non-elderly poor in New England are primarily poor because either they are not employed or they work few hours. page 53

NEW ENGLAND IS EXPORTING THE ONE PRODUCT WE
DON'T WANT TO EXPORT: PEOPLE. AS A REGION, WE
ARE GROWING INCREASINGLY RELIANT ON FOREIGN
IMMIGRATION FOR LABOR FORCE GROWTH.

Since 1989, the New England labor force has actually shrunk. page 62
New England's labor force fell by .6 percent while the national labor force grew by 5.8 percent. This regional decline was produced by a combination of a stagnant working-age population and declining labor force participation.

Labor force participation rates have been declining for New England teenagers. page 72
The more limited employment experience of teenagers not only reduces their immediate earnings, but also has adverse long term consequences for their earnings in their young adult years because of the loss of early work experience.

Labor force participation rates are also plunging in New England for 50-54 year olds. page 72
Many older workers are losing their jobs through downsizing, finding it hard to acquire another job, and withdrawing prematurely from the labor market.

Almost 200,000 more people have moved from New England to other parts of the United States than have moved from those states to New England since 1990. page 64

Net domestic immigration was -193,900 from 1990 - 1994.

Slightly over 40 percent of the net growth in the region's civilian labor force over the past 15 years was attributable to foreign immigration. page 67

In the last seven years, New England more than offset its domestic out-migration loss with an annual average of 56,000 foreign immigrants per year.

New England's dependence on foreign immigration as a source of new labor supply was third highest in the nation. page 67

Our dependence on foreign immigration was exceeded only by the Pacific region (54 percent), dominated by the experience of California, and the Mid-Atlantic region (96 percent), including New York.

In New England's southern tier (Connecticut, Massachusetts and Rhode Island) foreign immigration has played a critical role in labor force growth. page 67

Foreign immigration has accounted for 60 percent of the rise in the Massachusetts labor force, 83 percent in Connecticut, and all of the labor force growth in Rhode Island. In each of the northern tier states (New Hampshire, Vermont and Maine), foreign immigration has accounted for less than 10 percent of their labor force growth in the past 15 years.

Foreign immigrants usually come to New England either with very high or very low educational levels. page 68

From 1985 - 1990, 49 percent of all foreign immigrants who came to New England had only a high school degree or less — while 31 percent arrived with a college degree or higher.

THE REGIONAL ECONOMY IS CHANGING. BLUE COLLAR JOBS ARE VANISHING. NEW JOBS ARE REQUIRING MORE AND DIFFERENT SKILLS.

The industrial distribution of jobs in the New England economy has been dramatically altered over the past 12 years. page 82

In 1983, the manufacturing sector was still the largest industrial employer in New England, and it accounted for one job in every four. By 1995, only one job in six was found in the manufacturing sector. Service industries now employ nearly twice as many workers as the region's manufacturing industries.

New England has added almost 1 million jobs in service and trade industries since 1983. page 82

From 1983 - 1994, the region added 679,000 jobs in service industries and 258,000 jobs in trade industries, increasing service employment levels by more than 50 percent and trade payroll employment levels by more than 20 percent.

Manufacturing jobs are vanishing. page 82

Between 1983 and 1994, New England lost one-fourth of its manufacturing jobs. New England experienced a net loss of 339,000 manufacturing jobs from 1983 - 1994.

The manufacturing jobs that remain are increasingly calling for workers with higher education levels. page 85

In 1980, about 20 percent of the region's manufacturing jobs were in the professional, managerial, technical and high level sales areas that typically require college degrees. By 1994, over 33 percent of all manufacturing workers were employed in college labor market jobs. At the same time, the proportion of manufacturing workers holding skilled and semi-skilled blue collar jobs fell from 57 percent to only 45 percent — a relative decline of 21 percent.

The overwhelming share of the net increase in regional employment has been in professional, technical, and managerial occupations. page 88

Of the 654,000 net increase in New England employment from 1983 to 1994, 635,000 — or 97 percent — occurred in professional, managerial and technical jobs.

Pension and health insurance coverage rates are lowest in the industrial sectors where New England is experiencing most of its job growth. page 118

Pension coverage rates and health insurance coverage rates are lowest in smaller firms in the region's retail trade and service industries. The lion's share of job growth in New England is taking place in exactly these same sectors.

NEW ENGLAND REAL WAGES HAVE INCREASED IN THE LAST FIFTEEN YEARS — BUT SO DID THE PRODUCTIVITY OF NEW ENGLAND WORKERS.

The real weekly wages of full-time New England workers improved considerably relative to their national counterparts over the past two decades. page 104

In 1973, the weekly wages of full-time workers in New England were 3 percent below the U.S. average. By 1994, full-time workers in New England outearned their U.S. counterparts by 17 percent.

New England labor productivity soared between 1977 and 1992. page 105

In 1977, the gross regional product per worker in the region was \$34,401, nearly \$4,000 or 10 percent below the national average. By 1986, New England's real output per worker had surpassed the national average. By 1992, real output per worker in New England had risen to \$44,132, exceeding the national average by 4 percent.

New England's labor productivity improvement was the highest for any region in the nation between 1977 and 1992. page 105

Real output per worker increased by 28 percent in New England, versus a national rate of only 10 percent. Productivity gains provided the economic foundation for higher real wages of the region's workers.

THE WORKING CLASS – THOSE IN THE BOTTOM PART OF THE MIDDLE CLASS, TYPICALLY WITH LESS FORMAL EDUCATION – FACE A BLEAK FUTURE. ANNUAL EARNINGS OF MANY SUCH WORKERS ARE DECLINING, AND THEIR HEALTH INSURANCE AND PENSION COVERAGE RATES ARE MUCH LOWER THAN FOR MORE EDUCATED WORKERS.

The median real annual earnings of New England husbands with no college education declined between 1979 and 1994. page 32

The decline was considerably greater for those lacking a high school diploma (30 percent). The steep decline in blue collar jobs, particularly since 1988, has been a key factor in this real earnings decline.

Workers with less education have a considerably lower chance of having health insurance coverage. page 110

In 1994, 27 percent of New England high school dropouts and 19 percent of high school graduates had no health insurance coverage. Only 8 percent of four year college graduates lacked health insurance coverage.

Low-education workers are losing career employment opportunities in industries that typically provided health insurance coverage, and when they find new employment, it is usually in industries with much lower coverage rates. page 110

In New England, the proportion of high school dropouts working in manufacturing industries has fallen by more than 33 percent since 1979. A growing proportion of high school dropouts and graduates became employed in the retail trade, business, repair and personal service industries — sectors that have health insurance coverage rates 10 to 17 percentage points lower than those prevailing in durable manufacturing.

The working poor and near-poor are suffering the largest losses in health insurance coverage rates. page 113

In New England, health insurance coverage rates for families in the bottom 10 percent of the income distribution have actually improved since 1979 — from 76 to 78 percent. But health insurance coverage rates for families in the second lowest decile have declined from 80 percent in 1979 to 73 percent in 1994. Lower middle class families have also lost ground: families with incomes in the third lowest decile went from 84 percent coverage in 1979 to 82 percent in 1994. Families with incomes in the fourth lowest decile saw their health insurance coverage rates drop from 93 percent in 1979 to 86 percent in 1994.

Pension coverage rates in New England are lowest for the more poorly educated and in those sectors generating most of our new job growth. page 117

Only 18 percent of employed high school dropouts were covered by a pension plan in 1994, versus 39 percent of high school graduates and 64 percent of those with some schooling beyond a bachelor's degree. Pension coverage rates in New England are lowest in smaller firms in the region's expanding retail trade and service industries. The largest share of job growth in New England is taking place in exactly these same sectors.

**UNION MEMBERSHIP IS DISAPPEARING,
ESPECIALLY FOR WORKERS WITH LOWER
EDUCATIONAL LEVELS.**

Labor union membership is plunging both nationally and in New England.

page 119

Nationally, the number of workers who were either labor union members or covered by the provisions of a union contract fell from nearly one in four in 1983 to only one in six by 1995. In 1983, nearly 27 percent of New England's workers were labor union members or were covered by a collective bargaining agreement; by 1995, the coverage rate had dropped to only 17 percent.

The least well-educated have experienced the largest drops in union membership.

page 119

Regionally, approximately 29 percent of workers who failed to complete high school and 31 percent of those with only a high school degree were union members or covered by a collective bargaining agreement in 1983; by 1995, only 16 percent of both groups were covered, a relative decline of nearly 50 percent. Union membership declines have been steepest in the private sectors, including the region's manufacturing industries.

By 1995, nearly one half (43 percent) of all the union members in New England were employed by a federal, state, or local government agency.

page 121

Implications

Time is running out on the strategy families have used to counter declining wages and incomes of male family heads over the past 20 years.

- Two income families are now the rule, rather than the exception.
- More wives are working, and those that are working are working longer hours.
- Most families simply do not have many more hours to work.

The challenge facing New England is to continue to raise worker productivity — and to have workers share in the rewards of those productivity gains so that real wages can rise.

- The challenge facing the region is not how to drive wages down, like any other cost of doing business.
- The challenge is how to keep productivity gains rising so that the wage and income gains experienced over many of the last 15 years can continue and expand.

Policy makers and the media make a fundamental error when they lump virtually all families above the poverty line together as the middle class.

- The broadly defined middle class is splintering into two distinct groups, with a more affluent, mainly well-educated group making sustained progress, and a less affluent, primarily less well-educated group losing economic ground.
- The working class — those families in the bottom part of the middle class, typically with less formal schooling — face a particularly bleak future because for many, their annual earnings are declining, and their health insurance and pension coverage rates are much lower than for more educated workers.

We must make and keep a commitment to improving the education of the region's population.

- Education is not a panacea, and having a higher education provides no guarantee of ever-rising wages and incomes.
- But education is still the best assurance of a strong economic future for individuals, their families, and the region.
- The economy is changing in fundamental ways that are creating a growing demand for more highly-educated workers.
- The economic data are clear that people with higher educational attainment levels achieve better results in both good economic times and bad.

Marriage is as important to economic survival today as it was a century ago.

- A century ago, the odds of a single man or woman succeeding on the prairie were much lower than for a married couple because of the simple strength that is generated when two people work together economically as a team.
- So today, marriage significantly increases the chances of a family's economic success, improving real income prospects and substantially reducing the risk of poverty and dependence.
- The days when a family could achieve a middle-class lifestyle with only one income earner appear to be over.
- Even families barely hanging onto a lower-middle class existence (in the second lowest income quintile) now work an average of over 2,600 hours per year — 30 percent more hours than a 40 hour per week job, 50 weeks per year.

Out-of-wedlock births to young women with limited education are an unmitigated economic and social disaster.

- The odds of a young, single mother who does not have a high school degree living in poverty and providing a disadvantaged lifestyle to her (and the father's) children are almost 100 percent.
- The growth in single-parent families has also contributed in a substantive way to the rise in family income inequality.

The impact of foreign immigration on wages, unemployment levels and other economic factors in New England deserves careful further study.

- New England has grown increasingly reliant on foreign immigrants to provide its labor force growth, and almost half of all foreign immigrants arriving here have no more than a high school education.
- Given that real wages and employment opportunities are plunging for New Englanders with the lowest educational levels, and recognizing that fully half of all high school dropouts are jobless, it is quite likely that foreign immigrants are exerting a downward pressure on the low end of the New England wage scale that is contributing to our stagnating wages and incomes and to rising wage inequality.

Many families in the bottom fifth of the income distribution have little hope of ever moving forward economically into the middle class in the absence of increased work effort, improved employability, and rising real wages.

- They have lower educational levels.
- They are coming increasingly from single-parent families.
- And they have fewer resources, in economic and social capital, to reverse their current economic position.

Income and wage inequality is rising rapidly as top wage and income earners achieve modest real gains while most others are losing ground.

- Wage inequality among full-time workers in New England has increased sharply over the past two decades, especially between the top and bottom of the wage distribution.
- These trends have occurred among both men and women.

New England should not forget the enormous economic progress that was made in the 1980s when full employment conditions were reached and maintained.

- The bitterness of public reaction to the deep recession of 1989 - 1991 has tended to obscure the high levels of economic progress that were achieved throughout New England in the 1980s.
- Real incomes rose for virtually every family group: married couples and single-parent families, the poor, the middle class, and the wealthy, high school drop-outs and college graduates.
- Poverty rates plunged, unemployment rates were very low, long-term unemployment came close to being eliminated and the region made enormous strides in comparison to our national competitors.

The growing number of two-income families and the rising amount of work done each year by both men and women in American families raise important questions about our family life, our children and our society.

- How much time do people have left to devote to and spend with their families?
- Who is taking care of our children, and are we doing all that we can to assure them the same opportunities that our parents and grandparents gave to us?
- To what degree have these changes impacted the ability of citizens to participate in the civic affairs of their state and community?

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1/30/96

TO: Jocelyn

FROM: Staff Secretary

Please put in final
form and send back to
me.

Thanks. *J. Klein*

DRAFT

Dear Representative Shaw:

✓ Thank you for your hard work and leadership in securing passage of the Housing for Older Persons Act of 1995. Please accept the enclosed signing pen and copy of your bill as a token of my appreciation. ¹⁹

Sincerely,

The Honorable E. Clay Shaw, Jr.
House of Representatives
Washington, D.C. 20515

H2

BC SIG-

Have these
go back to
you - I gave
over - I don't
want them back
in my box.
1.

Todd,
A couple edits. Also,
sending letters & pens
seems appropriate. Shaw
introduced this bill and
Walsh is Chair of the
OE approp Subcommittee.
Autopen or BC sig?
Selen

DRAFT

Dear Mr. Chairman:

Thank you for your leadership in securing passage of H.J.Res. 153, the continuing resolution for the District of Columbia. Through your hard work, the citizens of the District were ~~ensured that they would not have to endure~~ *spared* undue hardship as the normal appropriations process continued.

Please accept the enclosed signing pen and copy of your bill as a token of my appreciation.

Sincerely,

The Honorable James Walsh
Chairman
Subcommittee on the District of Columbia
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

EXECUTIVE OFFICE OF THE PRESIDENT

30-Jan-1996 04:08pm

TO: Helen P. Howell
FROM: Jocelyn M. Jolley
Office of Legislative Affairs
CC: Carolyn E. Cleveland
SUBJECT: Pens

I would like to request 2 pens for the following:

Rep. Jack Reed - HR 1606, naming of a post office ** 1 pen

Rep. Clay Shaw - HR 660, the Housing for Older
Persons Act ** 1 pen

Jedd,

This is a request for a pen only (no POTUS letter). Apparently, H.R. 1606 named a post office after one of Rep. Reed's constituents.

Helen

OK?

THE WHITE HOUSE

WASHINGTON

January 30, 1996

THE PRESIDENT HAS SEEN
96 JAN 30 1:30 PM
P1:47

Wier Falls
RECOMMENDED TELEPHONE CALL

TO:

Doug Coe
Coordinator
National Prayer Breakfast Committee
(703) 247-3883 or (703) 247-3860

DATE:

January 30, 1996 between 3:15 pm and 6:00 pm

RECOMMENDED BY:

Alexis Herman
Flo McAfee

PURPOSE:

To review the overall agenda of this year's National Prayer Breakfast.

BACKGROUND:

Due to everyone's hectic schedules in December, we were unable to hold a pre-briefing with you and the Prayer Breakfast Committee members: Senator Bob Bennett (chairman of this year's breakfast); Representative Pete Garen (D-12th TX); and Doug Coe. Doug felt a brief telephone conversation with you a few days before the breakfast would serve the same purposes as a meeting, since you and Senator Bennett have had ongoing discussions about the breakfast.

Senator Sam Nunn will be the keynote speaker. Van Cliborn will do a solo and in place of Rev. Billy Graham, Senator Carol Moseley-Braun will give the prayer for national and international leaders. Others on the program include Senator Akaka, the Pine Forge Academy Choir (from Pennsylvania), General Shalikashvile (opening prayer) and Dr. Dorothy Height (closing prayer). Wintley Phipps will sing "Amazing Grace" with the Pine Forge Academy Choir.

Doug Coe is meeting with Senator Nunn this afternoon from 2:00 pm to 3:00 pm to discuss his remarks.

DISCUSSION:

1. Acknowledge the tireless efforts of Doug Coe and his staff in serving as the liaison between the Members of Congress and the Administration to put together this year's breakfast program. Doug has been extremely accommodating.

2. Seek his input on what you should discuss in your remarks.

3. On a personal note, you might thank Doug for offering his prayers for the First Lady and sending her the St. Christopher charm which Mother Theresa gave him.

CONTACT PERSON:

Jo Staats at (703) 247-3883

DATE OF SUBMISSION:

January 30, 1996

from the office of

THE PRESIDENT HAS SEEN

1-30-96

Senator Edward M. Kennedy of Massachusetts

MEDIA ADVISORY

For Immediate Release
January 5, 1996

Contact: Pam Hughes
202/224-2633

DASCHLE, DORGAN, SARBANES, AND KENNEDY TO CALL FOR CUTS IN CORPORATE WELFARE TO HELP BALANCE THE BUDGET

Senators Thomas A. Daschle, Byron L. Dorgan, Paul S. Sarbanes and Edward M. Kennedy will hold a press conference today at 2pm in the Senate Press Gallery of the U.S. Capitol to discuss the current budget negotiations and emphasize the need for greater savings through reductions in corporate welfare.

Corporate welfare and tax breaks for wealthy individuals will comprise the largest federal entitlement by the year 2002 and should bear their fair share of the cuts needed to achieve a balanced budget.

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THE PRESIDENT HAS SEEN
1-30-96

from the office of

THE PRESIDENT HAS SEEN

1-30-96

Senator Edward M. Kennedy of Massachusetts

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from the office of

Senator Edward M. Kennedy

of Massachusetts

SENATOR KENNEDY URGES CORPORATE CEO'S TO SHARE THE SACRIFICE
REQUIRED TO REACH A BALANCED BUDGET

For Immediate Release:
December 19, 1995

Contact: Jim Manley
(202) 224-2633

Responding today to advertisements placed in the New York Times and the Washington Post by leading corporate executives on the budget crisis, Senator Edward M. Kennedy (D-MA) today called on the executives to agree that tax subsidies for wealthy individuals and corporations should bear their fair share of the reductions needed to reach a balanced budget.

A copy of the letter is enclosed:

United States Senate

WASHINGTON, DC 20510-2101

December 19, 1995

Mr. Paul Allaire
Chairman and CEO
Xerox Corporation

Mr. Jon Corzine
Chairman and Senior Partner
Goldman, Sachs & Co.

Mr. M.R. Greenberg
Chairman and CEO
American International Group, Inc.

Mr. Richard H. Jenrette
Chairman and CEO
The Equitable Companies, Incorporated

Mr. Peter G. Peterson
Chairman, The Blackstone Group
President, The Concord Coalition

Mr. John Snow
Chairman and CEO, CSX Corporation
Chairman, The Business Roundtable

Dear Sirs:

I welcome and agree with the message in your two-page advertisement in the New York Times and the Washington Post this morning that America should live within its means and achieve a balanced budget. The issue is not whether we achieve a balanced budget, but how to do it in a way that assures that the sacrifices as well as the benefits of reaching a balanced budget are fairly shared among all Americans. I hope you agree that equal sacrifice is the heart of a fair balanced budget.

The original Republican budget plan was properly vetoed by President Clinton last week, because it failed to meet this test. It inflicted deep cuts in Medicare, Medicaid, education, the environment, and other important national priorities, and it included large tax breaks for wealthy individuals and corporations. Half of all the spending cuts in the Republican plan came from the bottom 20% of families in America, while only 9% of the cuts came from the top 20% of families in

America. Two-thirds of the tax breaks in the Republican plan go to this same top 20% of Americans, while the bottom 20% would face a tax increase. The middle 60% of Americans would also be hit unfairly. They would lose an average of \$600 each because of the spending cuts, and get back only a third of that amount in tax reductions. These are conservative distributional estimates, and they plainly demonstrate the unequal sacrifices and unequal benefits contained in the Republican plan.

You say that every form of spending should be on the table, "including long term entitlement programs." I agree. By the year 2002 the largest of all entitlement programs will be the tax entitlements. Between now and the year 2002, the federal government will spend over \$4 trillion in tax loopholes and tax preferences which go disproportionately to wealthy individuals and corporations. In 2002, these tax entitlements will represent a larger share of the budget than Social Security, Medicare, Medicaid, or any of the other entitlement programs. But so far, out of the \$4 trillion of tax entitlements, the Republicans are willing to cut only \$16 billion.

Surely, if elderly couples depending on Medicare and having an average income of less than \$17,000 a year would be required by the Republican plan to pay an additional \$2,500 in Medicare premiums to balance the budget over the next seven years, corporations can be asked to contribute their fair share. If four million children would lose their health care and five million senior citizens and disabled Americans would lose their Medicaid protection to balance the budget, corporations can be asked to bear their fair share. Surely, if education funding would be cut by 30% and millions of college students would have the cost of their student loans increased to a point where they may no longer be able to afford college, corporations can be asked to bear their fair share.

If you are truly interested in balancing the budget, I hope you will agree that corporations should bear their fair share of the cuts, along with working Americans, senior citizens, children, and students.

I make the following proposal. The Republican plan would provide a reduction of 17% in the federal budget over the next seven years, exclusive of defense spending and Social Security. Reducing the \$4 trillion in tax subsidies by 17% would achieve savings of \$680 billion. If we applied the 17% reduction to only one-quarter of the tax expenditures, we would save \$170 billion -- more than enough to provide the additional savings needed in the current impasse to balance the budget fairly in seven years. Surely it makes sense to reduce corporate subsidies by a similar percentage as programs that benefit working Americans and the poor are being cut.

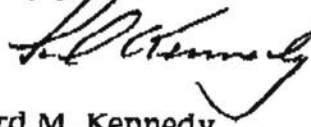
Or, a number of specific corporate loopholes that are contrary to sensible national policy could be eliminated entirely to achieve the needed savings. It would

make sense under this approach to focus specifically on tax subsidies that have the direct or indirect affect of encouraging American businesses to move transactions and jobs overseas. It is particularly offensive, at a time when large numbers of American workers are losing their jobs and being dislocated by changes in the economy, that the tax code is subsidizing corporations to move transactions and jobs overseas.

I urge you to appoint a task force of CEOs to put together a proposal by which tax entitlements would bear their fair share of needed budget reductions. I am ready to meet with this task force at any time to discuss your proposals. If you took this step, the balanced budget which we all support would be within our grasp almost immediately. Most importantly, the balanced budget would be achieved with equal sacrifice from all Americans, without destructive cuts to Medicare, Medicaid, education, and the environment.

I look forward to hearing from you that you are prepared to bear your share of the sacrifice in the name of fairness as we put America on a course of living within its means.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "E. M. Kennedy", with a stylized flourish at the end.

Edward M. Kennedy

from the office of

Senator Edward M. Kennedy of Massachusetts

SENATOR KENNEDY URGES A BALANCED BUDGET WITH EQUAL SACRIFICE

For Immediate Release:
January 5, 1996

Contact: Jeannie Kedas
(202) 224-2633

Equal sacrifice should be the heart of a fair balanced budget. The original Republican budget plan was properly vetoed by President Clinton last month, because it failed to meet this test. It inflicted deep and painful cuts in Medicare, Medicaid, education, the environment, and other important national priorities, and it included excessive and unjustified tax breaks for wealthy individuals and corporations.

Half of all the spending cuts in the Republican plan came from the bottom 20% of families in America, while only 9% of the cuts came from the top 20% of families in America.

At the same time, two-thirds of the tax breaks in the Republican plan go to the top 20% of Americans, while the bottom 20% would face a tax increase.

In order to achieve a fair balanced budget, every form of federal spending, including tax subsidies, should bear its fair share of the sacrifice required to achieve the goal. We are cutting spending for social programs. We are cutting spending for defense. We are cutting entitlement spending. But so far, our Republican colleagues are unwilling to make any significant reductions in tax subsidies. Their refusal to do so is one of the most flagrant failures of fairness in the entire Republican plan.

X [Between now and the year 2002, the federal government will spend over \$4 trillion in tax subsidies which go disproportionately to wealthy individuals and corporations. In the year 2002, these tax subsidies will represent a larger share of the federal budget than Social Security, Medicare, Medicaid, or any of the other large spending programs.

But so far, out of the \$4 trillion of tax subsidies, the Republicans are willing to cut only \$16 billion, or four-tenths of one percent. Compare this to the 17% overall cut in other federal programs, excluding defense and Social Security. Compare it to the 30% cut in programs such as education and research.

- more -

If we applied the 17% reduction to only one-quarter of the tax subsidies -- exempting such basic items as the home mortgage interest deduction and the exemption for employer-provided health and pension benefits -- we would save \$170 billion over the next seven years.

That is more than enough to provide the additional savings needed to end the current impasse in the budget negotiations and balance the budget fairly. Surely it makes sense to reduce tax subsidies, which go primarily to the wealthy and special interest groups, by the same percentage that programs benefiting working Americans and the needy are being cut.

A recent article in the Wall Street Journal cited the increasing disparity of the tax burden between individuals and corporations. The article cites Treasury Department figures that corporate taxes in 1993 accounted for only 10% of total federal tax collections. In 1960, that figure was 23%. The proportion of taxes paid by corporate America has decreased by more than half. Yet in recent years, corporate profits have soared, and wages have remained stagnant.

The tax code is rife with loopholes through which the country's major corporations jump with ease. And some of the most flagrant loopholes are used by wealthy multinational corporations who game our tax laws to evade their fair share of U.S. taxes. Often, they succeed in reducing their U.S. taxes to zero by cooking their books to show no profits from U.S. operations, and artificially high profits from foreign tax havens.

* [In 1991, according to the respected Congressional General Accounting Office, 73% of foreign-based multinational corporations doing business in the United States paid no U.S. income taxes -- none at all. And more than 60% of U.S.-based corporations paid no U.S. income taxes -- not a single penny.

It is time to end these abuses, whether or not we are balancing the budget. But it is unacceptable to tolerate these abuses when millions of families are being asked to accept deep sacrifices in order to balance the budget.

[Surely, if elderly couples depending on Medicare and having an average income of less than \$17,000 a year would be required by the Republican budget to pay an additional \$2,500 in Medicare premiums to balance the budget over the next seven years, wealthy corporations can be asked to contribute their fair share.

Surely, if four million children would lose their health care and five million senior citizens and disabled Americans would lose their Medicaid protection under the Republican plan to balance the budget, wealthy corporations can be asked to bear their fair share.

- more -

Surely, if education funding would be cut by 30% and millions of college students would have the cost of their student loans increased to a point where they may no longer be able to afford college, corporations can be asked to bear their fair share.

A number of specific tax loopholes are contrary to sensible national policy and should be eliminated entirely to help achieve savings needed to balance the budget.

One of the least justifiable of these abuses is the "Runaway Plant Loophole," which has the direct effect of encouraging U.S. corporations to close down their plants in the United States and move their jobs overseas. That single loophole will cost the Treasury an estimated \$8 billion over the next seven years.

At a time when large numbers of American workers are already losing their jobs and being dislocated by changes in the world economy, it is particularly offensive that our tax laws are actually subsidizing corporations to abandon U.S. workers and build plants overseas.

Over the course of the past 15 years, the U.S. has lost three million manufacturing jobs. Fifty percent of these jobs have been lost in the last five years alone. And these jobs were being lost at the same time U.S. corporations were receiving tax breaks for pulling up stakes in America and moving overseas.

Legislation to close this loophole was rejected by the Senate earlier this year on a party line vote. But now, the stakes are even higher. It is time for Congress to close the Runaway Plant Loophole, and close it now.

A second notorious tax subsidy is the "Price-Rigging Loophole." U.S. multinational corporations have a significant incentive to manipulate their costs and profits to reduce their world-wide taxes. They cook the books of their operations to show high costs and low profits in the United States, and low costs and high profits in their operations overseas.

One analysis of this abuse, for example, discovered that a corporation was charging its U.S. operation \$18 for a toothbrush and \$29 for a safety pin. Clearly, something is rotten in Corporate America when abuses like this are widespread.

Even the most respected American corporations do it. IBM, for example, had \$25 billion in U.S. sales in 1987. Its 1987 annual report stated that one third of its worldwide profits were earned by its U.S. corporations. Its U.S. operations were very successful and highly profitable. Yet its tax return reported almost no U.S. earnings. Clearly, everybody is doing it -- and it is time Congress stopped everybody from doing it.

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It's not just U.S. multinational corporations which engage in this abuse. Foreign multinational corporations do it too, in order to avoid U.S. taxes on their U.S. profits. According to one estimate, this abuse costs the Treasury as much as \$40 billion a year. Clearly, it is time for Congress to crack down on this abuse.

A third notorious gimmick is the "Title Passage Loophole," which is used by large U.S. multinational corporations to shift entire sales to overseas operations, thereby eliminating taxation in this country.

Normally, when a U.S. corporation makes a sale and sends a product to a customer overseas, the sale takes place in the United States and the profit is taxed under U.S. law. But if the corporation passes title to the product on the high seas, it avoids all federal taxes.

In fact, this loophole is so flagrant that both the House and Senate ended it in their 1986 Tax Reform Bills. But the loophole was quietly reopened by the House and Senate conferees who wrote the final bill. The Treasury estimates that if Congress eliminates it now, as we tried to do in 1986, we will generate as much as \$16 billion in revenues to help balance the budget over the next seven years.

Finally, Congress still hasn't closed the Billionaires' Loophole, the tax break that allows billionaires to renounce their American citizenship and avoid millions or even billions of dollars in U.S. taxes.

This loophole enables citizens to enjoy all the benefits of America, strike it rich and accumulate vast fortunes because of the blessings of America, and then thumb their nose at Uncle Sam to avoid taxes on their wealth.

On April 6, the full Senate voted 96-4 to close this loophole. The Senate Finance Committee has voted to close it twice. But every time the issue goes to conference, the loophole is quietly opened up again by Republicans in the House of Representatives. The provision in the vetoed Republican budget bill would raise only \$300 million over the next seven years, compared to the \$1.6 billion that the Treasury estimates would be raised if the loophole is completely closed.

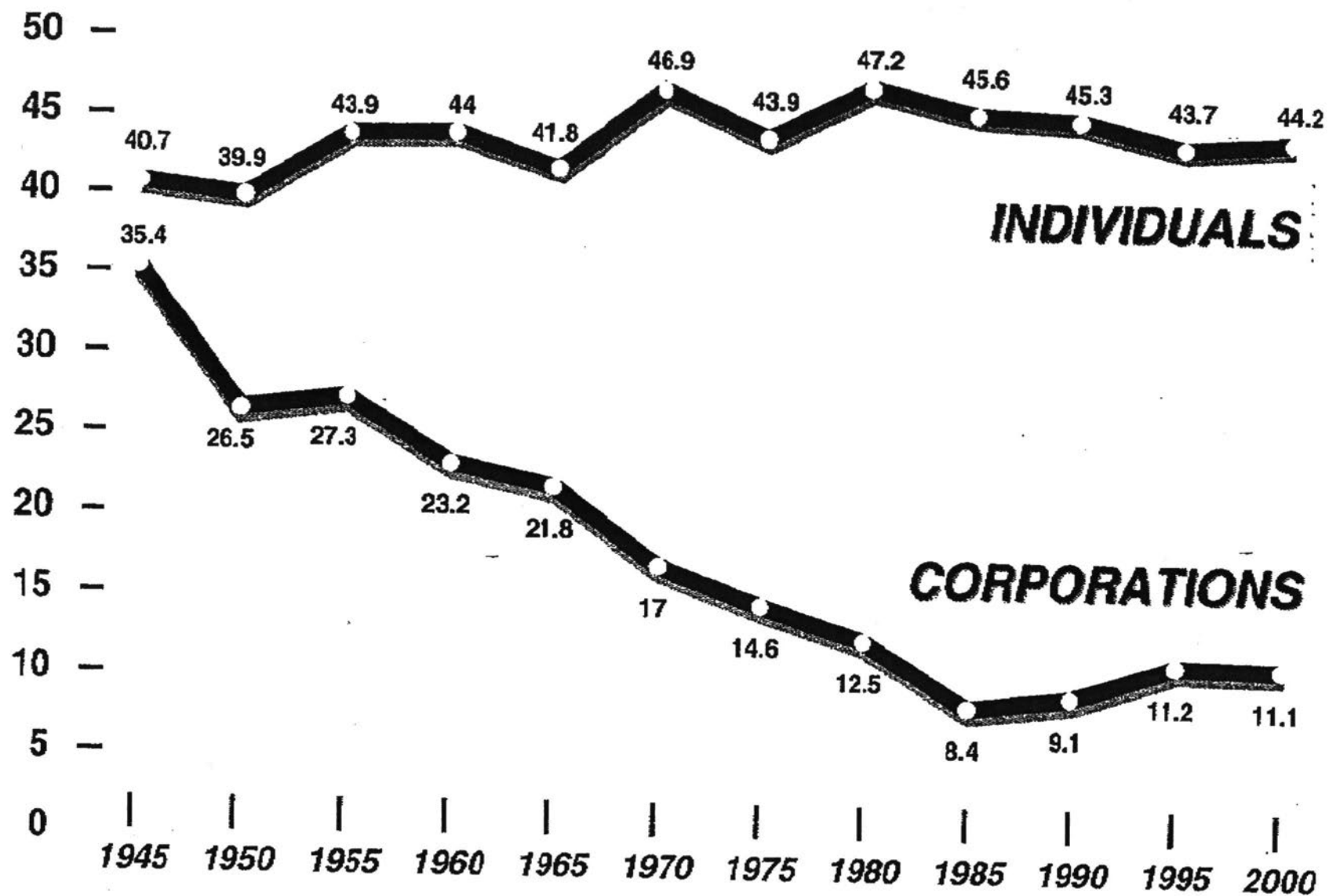
If the Republicans are prepared to deal with these kinds of corporate welfare and tax loopholes with the same fervor they cut programs for senior citizens and working families, the balanced budget we all support would be within our grasp immediately -- and it would be achieved with fair sacrifice from all Americans, including corporate America. Our Republican colleagues say that everything should be on the table in the current budget negotiations -- the question is, do they mean it?

30-30-30

(ATTACHMENTS)

TAX FAIRNESS: Corporations v. Families

Percentage of Total Tax Revenues



Source: Office of Management and Budget

CORPORATE WELFARE TAX EXPENDITURES
(Seven Year Budget Savings)

Billionaires' Tax Loophole	\$1.6 billion
Shifting U.S. Sales Overseas (Title Passage)	\$16.9 billion
Runaway Plants	\$2.0 billion
Transfer Pricing	<u>\$10 billion</u>
 Total Budget Savings	 \$30.5 billion



original ✓ given to NSC

Unofficial Translation

The Crown Prince of the Kingdom of Saudi Arabia

"I was pleased to receive your kind greetings (on the occasion of the New Year). I wish to thank you for your thoughtfulness and extend my best wishes for your continued health and happiness."

Abdullah bin Abdulaziz Al-Saud

1/29

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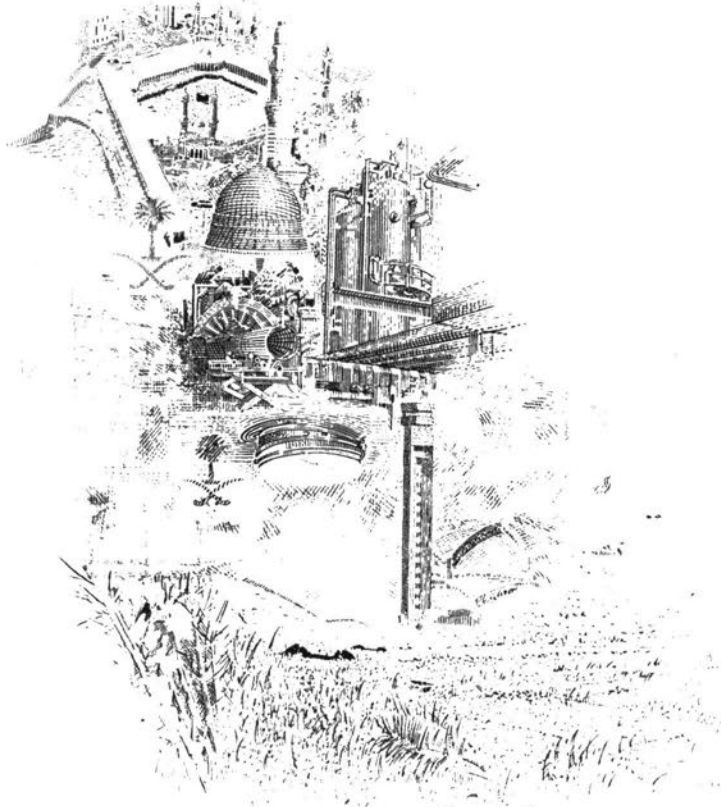
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ERNEST DUMAS

THE PRESIDENT HAS SEEN

1-30-96

Do for the rich so they'll do for you

It is easier to endure the selfish ideology of the Republican leadership of Congress than its self-righteousness.

Whether the subject is the budget deficit, taxes or congressional procedure, the common refrain of these people is that they are determined to change the historical way of doing things in Congress. They are going to end pork barrel and the subservience to special interests.

What they do more assiduously even than the encrusted Democratic leadership they replaced is grease the interests that pay their campaign bills. The defense and public works appropriations are larded with projects for the districts of Republican committee members and the contractors and suppliers who support them.

They say one thing, do the opposite and get credit for both.

Nowhere is it more transparent than the celebrated seven-year balanced budget package. One after another of the pious freshman class in the House of Representatives asserted that they would not compromise on the sacred principles embraced by the package, which they view as cutting overly generous government benefits for the undeserving poor and giving \$245 billion of tax relief to

middle-class families and job-creating investors. They would rather lose re-election than back down.

Noble sentiments are these, but what are they defending so righteously?

No tax bill in modern times, save perhaps the joint Reagan-Democratic tax cuts of 1981, doles out more largesse to economic interests that do not need it. A common denominator of most of them is that they give generously to Republicans.

A few examples:

- The bill would create tax incentives to make medical savings accounts more attractive. It would be a bonanza for Golden Rule Insurance Co., which pioneered them and which has been lobbying for years for the tax incentive. They are not universally cheered in the health industry because they tend to favor healthy patients and prove costly to the gravely ill. But Golden Rule made its case for the savings accounts this way: According to Common Cause, it pumped \$620,000 into Republican campaigns in the last election cycle and its chairman and its president gave \$152,000 to GOPAC, the flush political action committee run by Speaker Newt Gingrich that helped bring conservative Republicans and Gingrich to power.

- It would increase the wealth that can be passed along to the next generation free of estate taxes from \$600,000 to \$750,000 and exempt \$1 million of the value of the family-owned farms and businesses from taxes. Half the next \$1.5 million would be exempt. By a stretch you can call this family values, but it would benefit only about 20,000 of America's richest. The windfall would be about \$90,000 a person. They'll have Sen. Bob Dole to thank.

- The beggarly funeral industry also will have Dole to thank for raising the cap on income values in tax-free funeral insurance. Only a handful of companies would benefit. Chiefly, it is for American Home Life Insurance Co., which employs a former Dole assistant as its lobbyist.

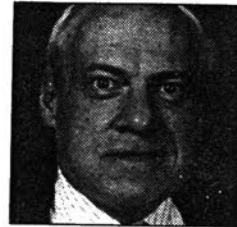
- Rep. Bob Archer of Texas, chairman of the Ways and Means Committee, who may be the most sanctimonious of them all, engineered a \$3 billion tax cut for big research firms. It is written to give special consideration to three big firms.

- Sen. Don Nickles of Oklahoma got a special tax cut for convenience stores.

The biggest bonanza is the capital gains tax cut, always described by righteous Republicans as relief for hard-pressed families when they sell their homes and small businesses. Most of the benefits would go to some 2 percent of the nation's wealthiest people when they sell stocks and bonds.

When the Republicans say they are being sacrificial, remember that far more people are being sacrificed than are being sacrificed for.

WORDS



DOUG SMITH

"MANCHESTER, N.H.—Walter Page was discovered slain in his burning house as he was working to uncover an embezzlement at his Masonic lodge."

What a Trojan! Dead, with flames leaping around him, he sticks to his task. This must be the real spirit of Masonry.

The Associated Press article went on to say that for a time, the Manchester police feared "a wild-killer was targeting Masons." They abandoned the theory after finding evidence to the contrary.

I was reminded of the published speculation that Masons were behind the Jack the Ripper murders—something to do with protecting the Royal Family. Here's an idea for a made-for-TV movie: Descendants of "Jack's" victims take their revenge on modern Masons. Now that I've provided the inspiration and the research, somebody else should be able to flesh out the screenplay pretty quickly. It's not much more than a typing job, really. I'd do it myself

1-30-96

THE WHITE HOUSE
WASHINGTON

96 JAN 29 P5:

January 29, 1996

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE WALLEY *SW*

SUBJECT: SCHEDULING DECISIONS

Accept:

Date of Event:Description of Event:

1/30/96

Interview With David Broder of the
Washington Post

This interview is the last in a week-long series of articles on government and politics. In his piece, Broder will concentrate on the challenge of governing in a climate of distrust.

2/5/96

Drop By Meeting of the National
Legislative Council of the American
Association of Retired Persons @ WH

2/8/96

Drop By Meeting With Irish Deputy
Prime Minister Dick Spring

2/11/96

Conference Call With California Caucuses

2/13/96 - 2/15/96

Formal Statement to the National
Information Infrastructure Advisory
Committee

2/13/96 - 2/19/96

Meeting With Representatives From the
Central and Europe Coalition

2/14/96

Oval Office Ceremony For the Release of
Your 1996 Economic Report

2/16/96

Meeting on the Intelligence Community

2/22/96

Meeting With Private Sector Leaders to
Discuss Teen Pregnancy

Pending:

Date of Event:

Description of Event

✓ 2/13/96

Event With Super Bowl Champions,
the Dallas Cowboys

✓ 2/25/96 - 2/26/96

Address to the National Association of
Community College Trustees in
Washington, DC

✓ 2/26/96

Event With World Series Champions,
the Atlanta Braves

3/17/96 - 3/19/96

Address United Jewish Appeal Young
Leadership Conference in Washington, DC

Regret:

Date of Event:

Description of Event:

1/25/96 - 1/30/96

Speech to Women CEOs

You are doing a brief Oval office meeting
with women business owners and
entrepreneurs on 1/29/96.

2 1/25/96 - 2/10/96

Satellite Town Hall Meeting With
Iowa High School Seniors

You will be doing Iowa interviews
and traveling to Iowa before the
Feb. 12th caucus date. This was not
a high priority for McCurry or Sosnik.

2/10/96 - 2/14/96

Address the National Jewish Community
Relations Board in St. Louis

*Went to
in person
cup - do it.*

Nader Candidacy Worries Democrats

The consumer advocate could win as much as 10 percent of the vote in California on the Green Party ticket, taking votes away from Clinton

Pro-Clinton Democrats are increasingly worried that consumer activist Ralph Nader's candidacy on the Green Party ticket in California will pull away votes Clinton will need to beat the GOP presidential nominee in that state.

Nader is expected to secure the California Green Party's presidential nomination in March.

Although the Green Party attracts less than 1 percent of California voters, Nader would offer the party a national name and presence. Polls are showing he might win as much as 10 percent of the vote

"Democratic leaders are concerned," said California Democratic Party Chairman Bill Press, making the assumption that Senate Minority Leader Bob Dole will be the GOP nominee for president: vote for Ralph Nader this fall would be a vote for Bob Dole," he said.

But Mark DiCamillo of the survey group Field Poll said Clinton still came out ahead in the company's recent theoretical race between Clinton, Dole and Nader. "Nader seemed to draw most heavily from people who had already abandoned Clinton -- and Dole, too, for that matter," DiCamillo said.

Nader said he is neither interested in being a political spoiler nor in leveraging deals with Clinton. "Both the Democrats and Republicans refuse to change, won't give up the special interests' money, won't reform and give the people more power," he said. "[This campaign is] about getting a new political movement going for the long haul." Nader does not plan to travel much, hold traditional rallies or spend beyond \$5,000.

While he is not yet running in any state except California, Nader says he has been approached by Green Party officials in a dozen or more states. And the prospect of Nader's candidacy also has prompted Clinton to lean to the left a bit to hold on to disaffected Democrats -- at least, so say insiders following the president's reported intention to ask investment banker Felix Rohatyn to replace Alan Blinder as vice chairman of the Federal Reserve. Rohatyn was one of Clinton's strongest Wall Street supporters, but pursues a left-of-center economic philosophy.

Jan. 22, 1996

Other News Today

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POLITICSUSA](#)



January 24, 1996

*To be on
 E-1
 Good!
 RM*

Office of the Vice President
 Old Executive Office Building
 Washington, D.C. 20501

Dear Mr. Vice-President,

As you know, Miami International Airport (MIA) suffered very severe international passenger clearance problems during June 1995, culminating in two-hour clearance times on Friday, June 29. Miami's problems were caused by very high rates of growth of international passengers (with 1995 approximately 12% above 1994), the opening of a new Concourse and the resultant extension of the hours of international passenger clearance facilities, and an acute shortage of Immigration inspectors. Our immediate crisis was solved this summer, with the detachment to Miami of additional Immigration inspectors. Also, the airlines, the Federal agencies, the airport and even the skycaps held emergency planning meetings and learned to work in partnership together.

Miami International Airport was honored when you formally designated Miami as a "Re-invention Lab" on August 30, 1995. This has permitted Miami Airport to integrate its very successful airline and Federal-agency partnership program into the Federal Agencies' overall strategic "Re-invention Program." The results of Miami's designation as a "Re-invention Lab" and the diligent efforts of everyone involved over the past four months have achieved outstanding results.

During the recent record holiday travel peak, with 16 days of more than 25,000 arrivals daily, and three days of more than 30,000 arrivals daily, passenger clearance times from the door of the aircraft to the front door of the terminal averaged less than 40 minutes. This is a tremendous improvement from the more than two-hour clearance times in June!

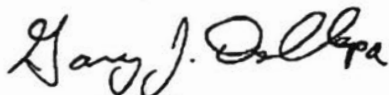
The dynamics of the "Re-invention Lab" Program, combined with the outstanding efforts of the Federal Agencies (Agriculture, Customs, Immigration and Public Health) and the airlines have produced tremendous results. Miami Airport now has the busiest single international terminal in the nation, with the best passenger clearance times of any major airport in the nation. These great results in passenger service were achieved with excellent professional performance by the Federal agencies, who also intercepted record numbers of prohibited agricultural products, narcotics and illegal immigrants.

MIAMI INTERNATIONAL AIRPORT

The Re-invention Program at Miami Airport is clearly a great success, and more than a dozen large posters around the airport's international facilities proudly proclaim that Miami Airport was designated by you as a "Re-invention Lab." We are also constantly receiving positive comments from Florida's large international business community, so people have actually seen the change. We know that with the continued cooperation of the airlines and the Federal agencies we can achieve even more during 1996.

Florida's international business community, the Dade County Aviation Department, Miami's airlines and all of our international passengers would like to thank you personally for your leadership in designating Miami Airport as the "Re-invention Lab", under your "Re-inventing Government" Program, and for enabling Miami International Airport to achieve these outstanding results.

Sincerely,



Gary J. Dellapa
Aviation Director
Dade County Aviation Department
Miami International Airport



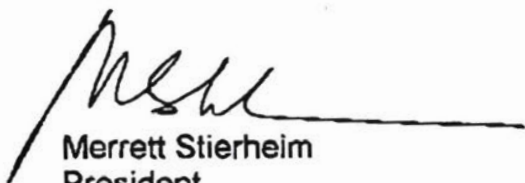
Arthur J. Torno
Managing Director
American Airlines



Robert Gallagher
Co-Chairman
Greater Miami Chamber of Commerce
Passenger Facilitation Committee



Alexandra Villoch
General Manager
Miami and the Caribbean
United Airlines



Merrett Stierheim
President
Greater Miami Visitors and
Convention Bureau



Thomas Werner
President
Airline Station Managers Council

1-30-96



Scientists: Antarctica falling apart because of global warming

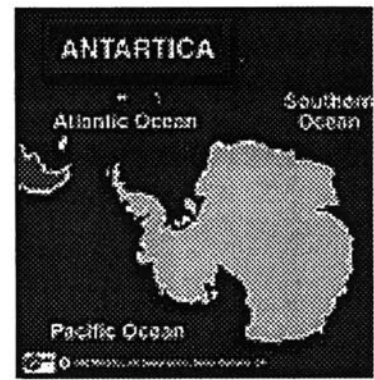
January 25, 1996

Web posted at: 12:50 a.m. EST

LONDON (Reuters) -- Antarctica's ice shelves are melting away as temperatures climb because of global warming, British scientists said Wednesday.

At least five of the thick ice shelves that make up much of what is considered Antarctica have retreated dramatically over the past 50 years, David Vaughan and colleagues at the British Antarctic Survey in Cambridge said.

"Ice-shelf retreat has occurred on both coasts of the Antarctic Peninsula," they wrote in the science journal Nature.



Noting that a huge chunk of ice fell off the Larsen Ice Shelf a year ago -- 1,300 square kilometers (500 square miles) "calved" into the sea -- they said the decay of the ice sheets coincided with a steady rise in temperatures in Antarctica.

"Meteorological records along the west coast of the Antarctic Peninsula show a ... consistent warming trend. At Faraday Station, a warming of 0.056 degrees Celsius (0.12 degree Fahrenheit) a year has been measured since 1945, a total of about 2.5 degrees Celsius (4.2 degrees Fahrenheit)," they wrote.

"We conclude that ice shelf extent may well be a sensitive indicator of regional climate change."

They said it was not clear whether the disappearance of the ice shelves was part of a natural cycle.

"We have still, however, to determine the precise mechanisms whereby the atmospheric warming had such a catastrophic effect on the ice shelves of the Antarctic Peninsula but it is clear that ice shelves cannot survive periods of warming that last more than a few decades," they said.

Related site:

- [Gateway to Antarctica](#)

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THE PRESIDENT HAS SEEN

1/27/96



CONFERENCE CANCELLED
See page 16.

WEED & SEED IN-SITES

*This is the Dept. of Justice Weed & Seed Newsletter.
Our "Just Serve AmeriCorps" program is implemented
in five of our W&S sites - see pp. 10-11.*

Nancy McWhorter (editor)

VOL. III, NO. 11

NOVEMBER/DECEMBER 1995

Grant Awarded for Impact Evaluation of Weed and Seed

The National Institute of Justice (NIJ) has awarded a grant to Abt Associates to conduct an impact evaluation of Operation Weed and Seed. This 24-month study will evaluate eight sites (utilizing eight comparison sites) and the National Performance Review Laboratory (NPRL) as it is applied to Weed and Seed. Process and impact data will be assessed through a multi-method approach including comparison sites, topical case studies, phone interviews, in-person interviews, observations, and records extractions. The evaluation will focus on the following issues:

- ✓ the extent to which the strategy has been implemented as intended (e.g., the extent of citizen involvement in anti-crime/anti-drug community events);
- ✓ services provided in relation to the elements of the strategy (e.g., law enforcement, community policing, prevention, neighborhood revitalization);
- ✓ costs of the strategy, including federal, state, local and private funds, and in-kind resources;

(Continued on Page 14)

IN-SITES OUTSIGHT!

Because of the recent furlough of "non-essential" federal government employees, the Executive Office for Weed and Seed was unable to publish the November issue of *Weed and Seed In-Sites*. We resume our regular schedule with this combined November/December issue.



PRESIDENT BILL CLINTON PARTICIPATED IN THE KICK-OFF FOR THE SECOND YEAR OF AMERICORPS, THE NATIONAL SERVICE INITIATIVE. HE IS SHOWN HERE AT THE WHITE HOUSE, WHERE HE SWORE-IN NEW AMERICORPS MEMBERS IN OCTOBER. SEE STORY ON PAGE 10.

(OFFICIAL WHITE HOUSE PHOTO.)

THE DIRECTOR'S CHAIR

by Gwen Tyre

Director

Executive Office for Weed and Seed

We are sorry that we have felt it necessary to cancel the Weed and Seed National Training Conference, scheduled for January 3-5, 1996. All registrants should have received a cancellation notice in the mail, and as soon as we have an appropriation we will reschedule it. As 1995 draws to a close, it is exciting to look back at all we have accomplished in the Weed and Seed program during the past year (see "1995 Retrospective," pages 8-9). Perhaps this time next year, we can add a national training conference to the list of accomplishments!

The Executive Office for Weed and Seed and the Bureau of Justice Assistance have been working together to bring to Weed and Seed sites in the near future a number of training and technical assistance (T/TA) resources. General T/TA is being planned for all 36 funded sites and as many Officially Recognized sites as resources will allow. The American University will be conducting an assessment of the sites' current needs for T/TA; and the Institute for Law and Justice will identify and arrange for the delivery of needed help.

In addition, more specific T/TA is planned for targeted sites:

- **Strategy Development/Enhancement** will be provided to assist the sites in strategy development and program design. It will build upon the six basic planning steps and the Prevention, Intervention and Treatment element as described in the Weed and Seed Implementation Manual. Developmental Research and Programs, Inc., (DRP) will be contacting the 15 sites first funded in FY 1994, and selected sites overlapping with HUD Hope VI and Safe & Healthy Community efforts, as well as

participants in the Weed and Seed National Performance Review (NPR) Laboratory.

- **Neighborhood Restoration** will be the focus of assistance to be provided through the National Congress for Community Economic Development (NCCED). This training and technical assistance activity will provide assistance in the design and implementation of strategies for economic development, expansion of employment opportunities, and restoration of housing and the overall physical environment in 10 sites combining Weed and Seed strategies with Empowerment Zone/Enterprise Community status, and HUD Hope VI efforts.

Additional T/TA covers a variety of areas including: home visitation in up to five sites; community policing training through DOJ's Consortium; and the Step-Up apprenticeship program. *All T/TA is voluntary and is on a first come, first served basis.*

More information about all of these efforts will be made available through *In-Sites* in the months to come. Please direct any questions about this subject to Terry Donahue at (202) 616-3556. Best wishes for the New Year!

Weed and Seed In-Sites

is a publication of the
U. S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
EXECUTIVE OFFICE FOR
WEED AND SEED

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**Please send all submissions, comments, or
address corrections to the above address.**

OFF THE PRESS

★ The October issue of *San Antonio Fighting Back of the United Way* newsletter published an article on the August demolition of the Cresthaven Nursing Home as part of the city's Weed and Seed Operation CrackDown. The nursing home was one of 85 crack houses demolished on the City's East Side, known for high crime activity. Operation CrackDown targets unsafe, abandoned structures in which drug activity, alcohol abuse, prostitution, and gang activity are prevalent. An article published in the *Express-News* in August reported that the razed land will be used for a nonprofit drug rehabilitation center. The *Express-News* also reported the recent destruction of an old home known for drug activity and prostitution, marking the expansion of the program's neighborhood revitalization efforts to the West Side. U.S. Attorney James H. De Atley, District Attorney Steve Hilbig, and Police Chief Al Phillipus participated in the demolition. Chief Phillipus stated, "This is a San Antonio success story and a key element to an increase in our quality of life here."

★ The Las Vegas Weed and Seed site has been receiving "good press" recently. In October, the *Las Vegas Review Journal* reported the grand opening of a new police substation in Gerson Park as part of the Weed and Seed program. The new substation replaces one which was burned down three and a half years ago in response to the Rodney King incident. Gerson Park residents welcomed the police back into their community to help increase police presence and control the robberies and drug sales in the area. Bike team member Sgt. Cindi West stated, "We want to meet the residents and let them have an opportunity to meet us. We want the community to see that we are sincerely interested in helping them live normal lives without the fear of crime."

Another article published in the *Las Vegas Review Journal* in September reported the opening of the Cool Down House, which will provide men with a haven in which to avoid a potentially violent situation. Captain Dave Sweikert of the Las Vegas Police Department and Weed and Seed steering committee noted that police officers will be able to refer individuals to the house "to help them diffuse a situation that might otherwise end with a trip to jail." The facility is large enough to assist 40 men per day and will be staffed by counselors and ministers 24 hours a day.

Also reported by *The Review Journal* and *Las Vegas Sun* was the success of the Stupak Community Center's job fair in September. The center is described as the "hub of the Weed and Seed effort in Meadows Village" in the City of Las Vegas. The job fair facilitated the residents' search for work by bringing prospective employers and employees

together in the same building. The event focused on reaching those residents of the area's large Hispanic population who have difficulty finding work because of language barriers. Weed and Seed administrator Corinne Digilio stated, "It's a labor force that needs to be wooed." The event was helpful to the more than

200 people who attended the job fair seeking employment opportunities from 17 employers, trade unions, and job service providers.



▲ PICTURED ABOVE:
The San Antonio community watches
as another building is razed during
Operation CrackDown.

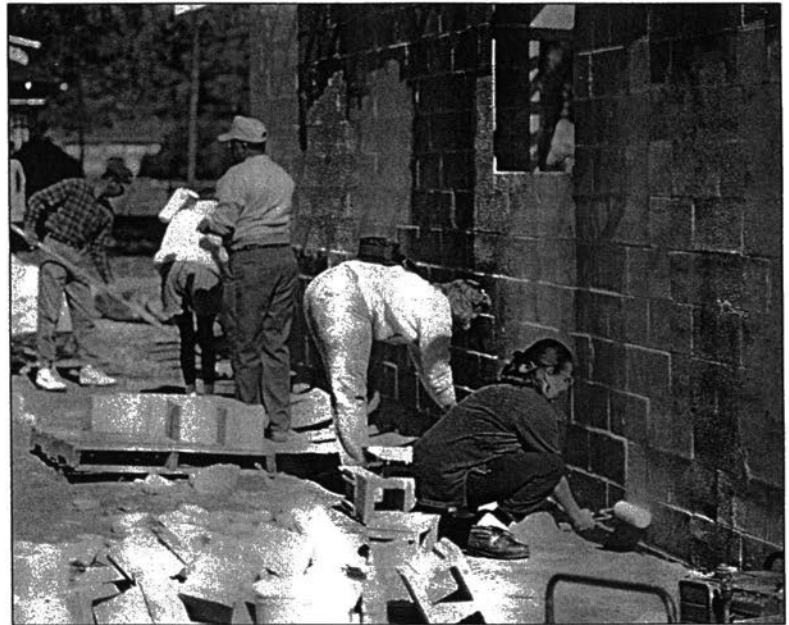
People Who Make a Difference:

UNITED STATES ATTORNEYS

The 93 United States Attorneys (USAs) are the chief federal law enforcement officials in each of the federal judicial districts. Each USA is appointed by the President and reports to the Attorney General. Since President Clinton and Attorney General Reno have taken office, USAs have been encouraged to expand their traditional prosecutorial roles and become increasingly involved in their communities. The Weed and Seed program has been an excellent vehicle for this involvement, since the strategy relies heavily upon the USA taking an active role in pulling together the community's leaders and encouraging their commitment to the strategy.

Each of the approximately 105 communities in 55 judicial districts currently implementing the Weed and Seed strategy have USAs involved in some way, such as in using the power of federal law enforcement to clean up drug-infested neighborhoods. USAs also make available to the program the assistance of personnel from their offices, such as Assistant United States Attorneys (AUSAs) and LECC Coordinators. Some USAs work quietly behind the scenes, and others--like those shown on these pages--are more visible, but the support of every USA is critical to the success of the program. We salute the United States Attorneys and the great work they are doing in the Weed and Seed programs across the nation!

★ When the police mini-station under construction in Dyersburg, Tenn., was burned by gang members, the community banded together to rebuild it (see September 1995 *In-Sites*, page 4). One of the people on the front



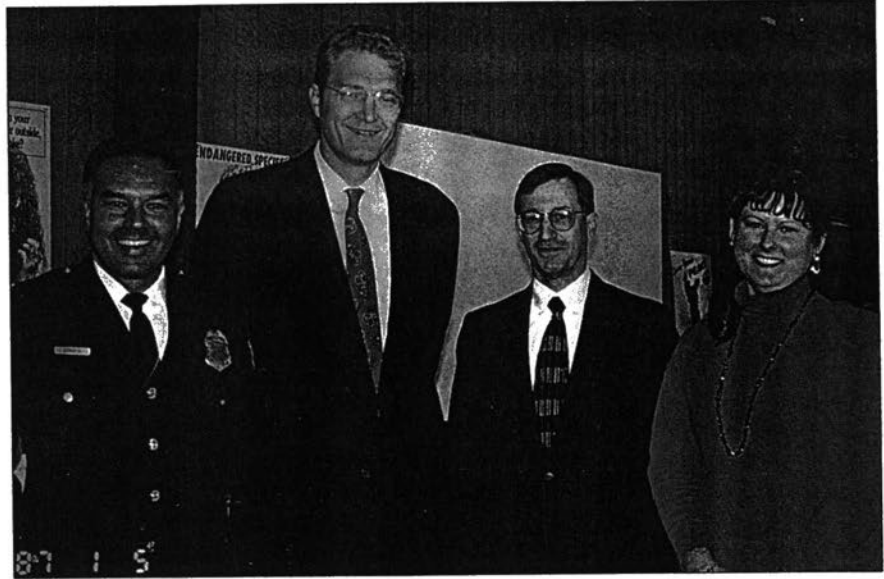
lines in the rebuilding effort was **United States Attorney Veronica Coleman** (Western District of Tennessee), shown painting (above). On her left is LECC Coordinator **Sandra Stapleton-McQuain**.

★ The Stowe Village public housing development, the Hartford, Conn., Weed and Seed site, has its very own health center. Named for Dr. Frederick G. Adams, who was instrumental in its establishment, the center will be staffed by a family nurse practitioner and medical assistant from the Saint Francis/Mount Sinai Health Care System. The center is the result of a four-way partnership involving the Stowe Village Tenants Association, the Black Men's Society, the Hartford Housing Authority, and the Saint Francis/Mount Sinai Health Care System.



Pictured (bottom left) at the dedication are (l-r): **David D'Eramo**, Ph.D., president and CEO, St. Francis/Mt. Sinai; **Mellanee Bennet**, president, Stowe Village Tenants Association; **Dr. Frederick G. Adams**, health committee chairman, Black Men's Society; and **Christopher F. Droney**, United States Attorney for the District of Connecticut.

★ On October 16, 1995, Thomas P. Schneider, United States Attorney for the Eastern District of Wisconsin, announced that the Department of Justice funding for the City of Milwaukee Weed and Seed program would continue for another year. Demonstrating their strong support for the program, the city's leaders and its Congressional Representative attended the event. Present were United States Attorney Schneider, Congressman Thomas Barrett, Mayor John Norquist, Alderperson E. Faye Anderson, Weed and Seed Grant Evaluator Dr. Richard Zevitz, Lt. Robert Surdyk (the "Weeder"), Director of Weed and Seed Sue Kenealy, Liaison for Avenues West Lorenzo Henderson, Midtown Association Liaison Steve Jounghan; Charles Walton from the Social Development Commission; community residents; and officers from the Milwaukee Police Department.



Development Commission West, Grand Avenue School, and the Midtown Neighborhood Center means positive recreation and learning experiences and real alternatives for kids."

At the meeting, United States Attorney Schneider said: "Weed and Seed has brought together a significant array of community organizations, local and federal law enforcement agencies, and individuals. Weed and Seed has helped to support and fund Safe Havens--neighborhood centers open longer hours so kids have places to go and things to do at night as an alternative to the streets. Our support for the Highland Boys & Girls Club, Social

▲ Pictured above (L-R) at the announcement of the Weed and Seed grant are happy Milwaukee Weed and Seeders: Lt. Robert Surdyk, Milwaukee Police Department; Mayor John Norquist; United States Attorney Thomas P. Schneider; and Weed and Seed Director Sue Kenealy.



★ Pictured at left, United States Attorney Caryl P. Privett, Northern District of Alabama (r.) recently presented a Certificate of Appreciation to Capt. R. L. Webb (center) for his outstanding job in commanding the "weed" component of Birmingham's Officially Recognized Weed and Seed program. Joining in the ceremony was Assistant United States Attorney Frank Salter, who coordinates the program for the United States Attorney's Office.

WHAT'S WORKING

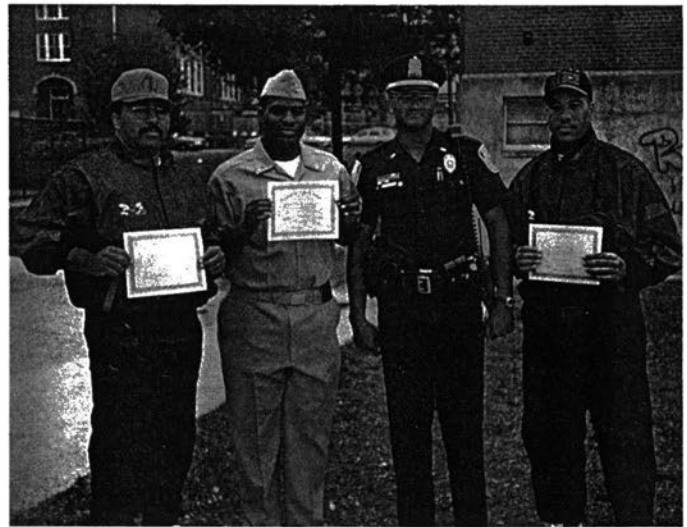
BLOCK CLEAN-UP Milwaukee, Wis.

On Saturday, September 23, 1995, almost 60 percent of Metcalfe Park's neighborhood residents, including many children, participated in a block-by-block clean-up. Metcalfe Park is one of three target areas in the Milwaukee, Wis., Weed and Seed site. The Weed and Seed program coordinated its efforts with the Metcalfe Park Residents Association, the Milwaukee Keep America Beautiful Campaign, the Milwaukee Police Department, and Masterlock, Inc., a neighborhood manufacturing plant. Following the four-hour clean-up, a picnic was held by the residents to talk and plan for future neighborhood events.

HEALTHY COMMUNITIES Dallas, Texas

In October 1994, the East Dallas, Texas, Weed and Seed effort joined forces with the Healthy Communities Initiative which is now known in Dallas as the East Dallas Healthy Communities Initiative (EDHCI).

Representing a positive first step toward weaving a healthy, sustainable community for all residents and business owners in this Officially Recognized site, the initiative has gained the support of government, the private sector, nonprofits, and community-based organizations. EDHCI will coordinate, enhance, and build resources that improve the quality of life for all who live, work, worship, and play in the community of East Dallas. This will be accomplished by focusing on strengthening the capacity of neighborhoods to take ownership of their community's future. The approach has been proven successful, creating positive, measurable results in Chicago, Orlando, Boston, Philadelphia, and many other cities. A luncheon was recently hosted by Baylor Health Care System to share the Healthy Communities Initiative with prospective Co-Ambassadors Regina Montoya, wife of U.S. Attorney Paul E. Coggins; and Matrice Kirk, wife of



recently elected Dallas Mayor Ron Kirk. Also present at this luncheon were members of the Weed and Seed revitalization committee, who have dedicated many hours to the healthy communities initiative thus far. The EDHCI will have its kick-off stakeholders meeting in March 1996.

BROCHURE St. Louis and Sikeston, Mo.

The Weed and Seed programs in St. Louis and Southeast Missouri have published brochures which explain the Weed and Seed program. The St. Louis brochure has a graphic of the Gateway Arch and a quotation from Mayor Freeman Bosley, Jr. It describes the Fox Park neighborhood efforts in this Officially Recognized site and answers questions such as "What is Operation Weed and Seed?" and "How does the strategy work?" Also included is a list of participating agencies and a number to call for more information. The Southeast Missouri brochure follows the same format, including a quotation from Sikeston Mayor Terry Bryant. These photocopied brochures are an inexpensive and helpful way to keep the communities informed about the strategy.



COMMUNITY DAY Richmond, Va.

Once again, the Richmond Weed and Seed neighborhood of Blackwell came together as a community to hold a Community Day. Sponsored by the Housing Authority, the Community Day had many participants such as the Weed and Seed leaders, local schools, the Department of Recreation, local police, and the fire department. The Housing Authority presented Certificates of Appreciation to Blackwell Weed and Seed police officers Boyd Jackson, Rusty Williams, and George Banks, for their contribution to the after-school tutoring program. In addition to being treated to hot dogs and hamburgers, the crowd saw a demonstration by the Safe Haven Karate Team.

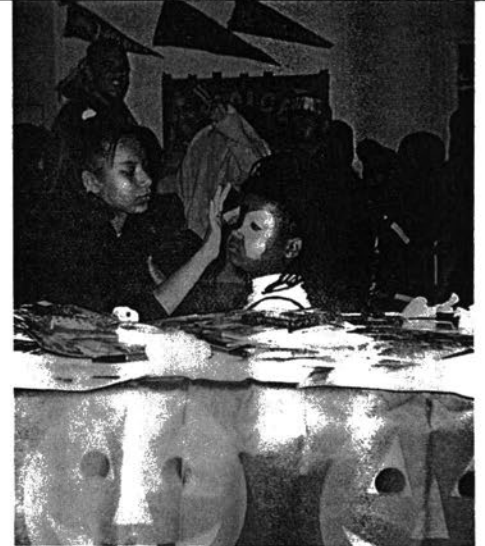
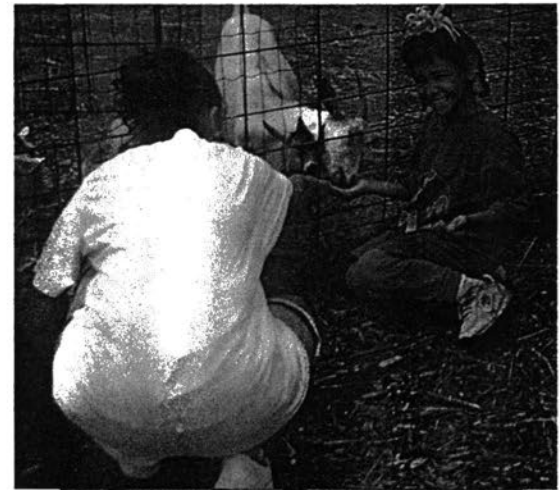
ANNUAL KICK-OFF Mobile, Ala.

Mobile's Weed and Seed program held its annual Steering Committee kick-off with an open house at the

Dearborn Community Center on October 18. Throughout the first year of operation, the Weed and Seed program worked with diverse partners such as the Franklin Memorial Health Center, Coalition for a Drug-Free Mobile, Boys and Girls Clubs, and the Aimwell Learning Tree. Held during Crime Prevention Week, this event also included exhibits highlighting activities of each participating agency. Approximately 100 people attended to view projects highlighted such as summer youth day camps, youth leadership training, small business development, parenting seminars, and health fairs. Following the open house, the Weed and Seed Public Safety Action Committee, chaired by Dr. Walker B. LeFlore, hosted a public forum leading to Red Ribbon/Drug-Free Week. Approximately 60 residents attended to air their concerns about drugs, crime, and violence.

SUMMER TRIP Philadelphia, Pa.

Twenty-nine youth, six Phil-A-Job workers, and three JustServe AmeriCorps members from the UNAD Safe Haven Summer Camp in Philadelphia's Weed and Seed site went on a trip to Highland Orchard



on July 21. The youth got to view, pet, and feed goats, donkeys, and llamas at the orchard. They also had the opportunity to pick their own blueberries, something urban dwellers rarely get to do!

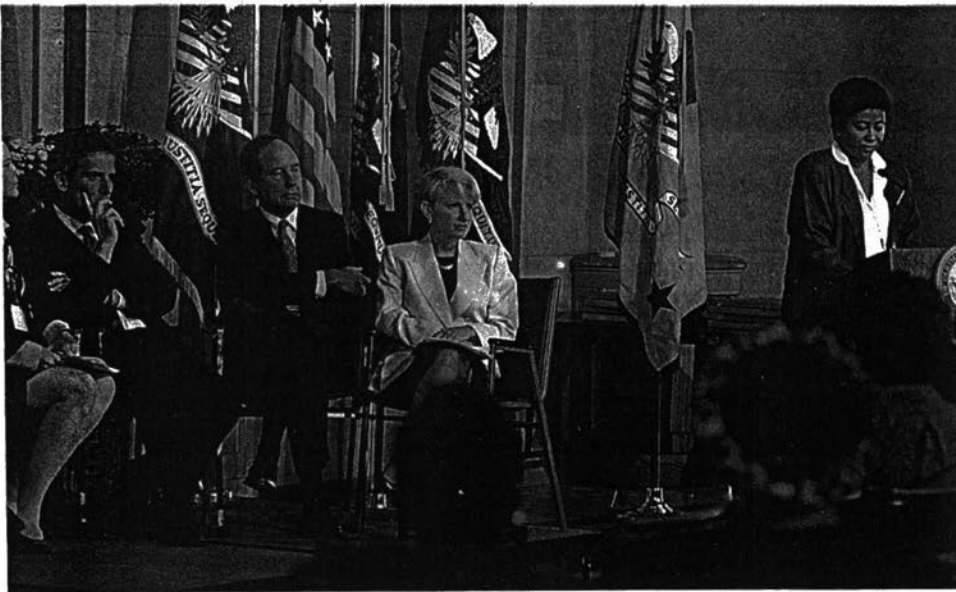
PICTURED (LEFT PAGE, TOP): Police Captain Roane presents Certificates of Appreciation to Richmond's Blackwell police officers Boyd Jackson, Rusty Williams, and George Banks.

(LEFT BOTTOM): East Dallas Healthy Communities Initiative held a luncheon.

(RIGHT PAGE, TOP): Princess Wilcox (r.) enjoys a summer trip to pet the goats in Philadelphia.
(MIDDLE): Over 125 children and youth participated in the Chelsea, Mass., Safe Haven's annual Halloween celebration this year. In addition to the face painting, participants enjoyed a haunted house, games, and great food!

(BOTTOM): Volunteers in Milwaukee's Block Clean-Up had fun and accomplished a lot!





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1995 Retrospective

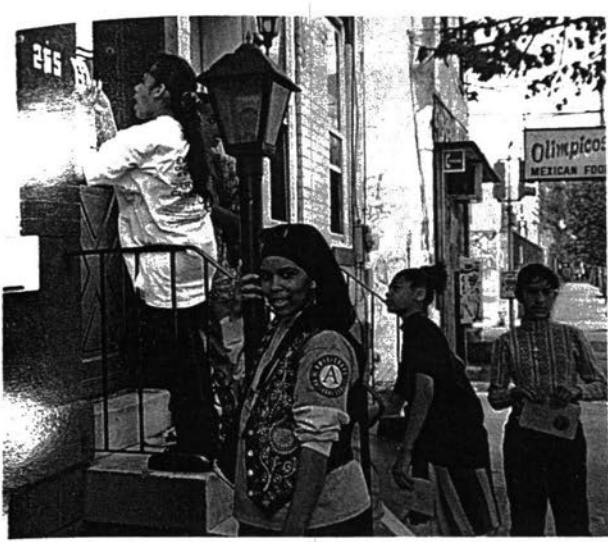


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1995 saw many changes in the Weed and Seed program as its popularity grew nationally, expanding into 105 communities. In Washington, the joint administration of the program by the Executive Office for Weed and Seed and the Bureau of Justice Assistance was facilitated by the transfer of EOWS into the Department of Justice's Office of Justice Programs, of which BJA was already part. ① Left to right: National Institute of Justice Director Jeremy Travis, Associate Attorney General John Schmidt, and Assistant Attorney General Laurie Robinson listen to BJA Director Nancy Gist (at podium) at the Office of Justice Programs' Town Meeting in October. ② The Executive Office for Weed and Seed welcomed new Director Gwendolyn R. Tyre, formerly an Assistant United States Attorney from the District of Massachusetts. ③ Weed and Seed's expansion included the designation of 22 new Officially Recognized sites during the year, including Orlando, Fla. Shown outside the community center located in Orlando's Weed and Seed site are some of the program's leaders, who worked toward Official Recognition.

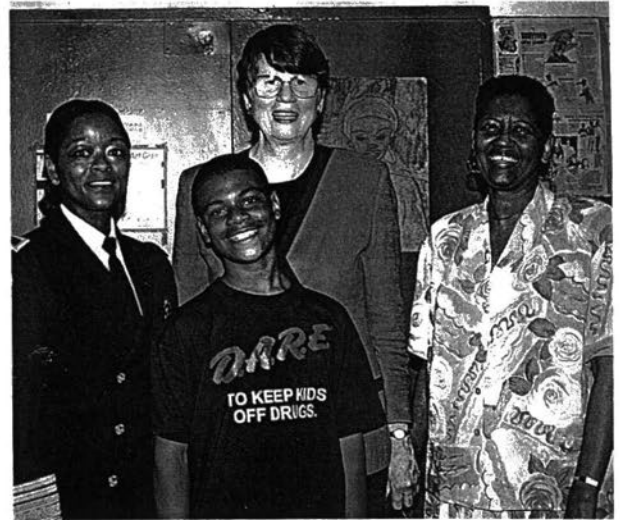


④ JustServe AmeriCorps completed its first year of service. Pictured is Philadelphia, Pa., JustServe member Brenda Scott (wearing AmeriCorps uniform) and community volunteers as they paint missing house numbers. ⑤ The 15 sites first funded in FY 1994--such as Milwaukee, Wis.--completed their first year with Department of Justice funding. Shown here is a group from Milwaukee's Metcalfe Park Weed and Seed site during their September neighborhood clean-up. ⑥ Attorney General Janet Reno continued her strong support of the Weed and Seed program by visiting sites, such as Atlanta, Ga. She is pictured here with (l-r) Atlanta Police Chief Beverly Harvard, Capitol Homes resident Dwayne Harmon, and Weed and Seed Program Director Elaine Brown. ⑦ The United States Attorneys and their staffs remained a vital part of the program. Shown here riding with the Savannah, Ga., bike patrol is LECC Coordinator Dan Drake (r.). ⑧ Young people continued to benefit from the Weed and Seed efforts, as these Richmond, Va., Safe Haven participants shown with Safe Haven Director Nancy Brooks.

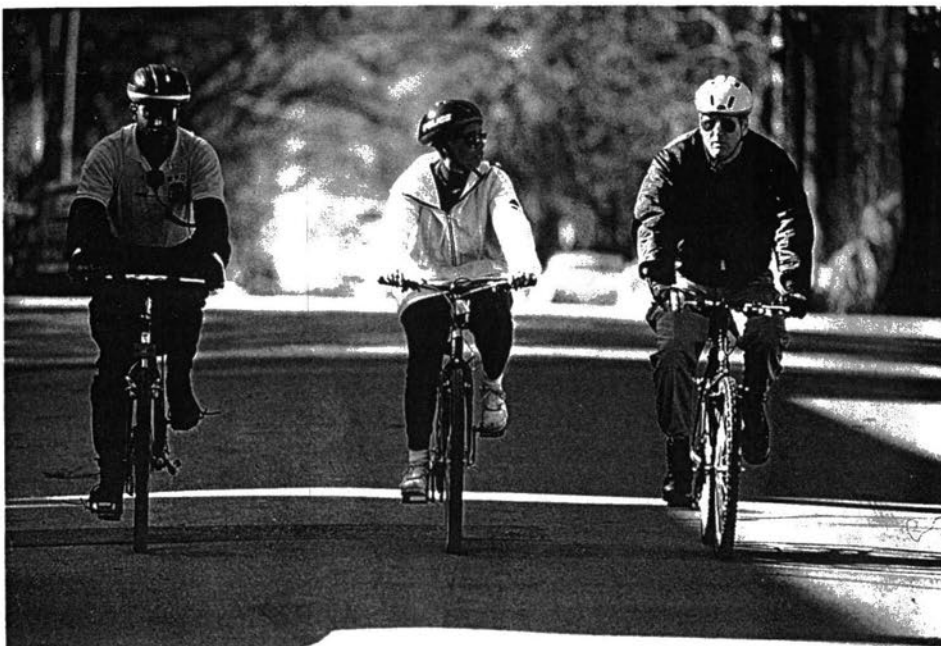
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JUSTSERVE AMERICORPS BULLETIN

What's Happening Around the Nation

On October 12, the second year of AmeriCorps officially began with President Clinton welcoming the new class of AmeriCorps recruits at an East Room ceremony in the White House. Joining with new AmeriCorps director Harris Wofford (former Senator from Pennsylvania), President Clinton administered the official oath to the new group, ending with the words: "I am an AmeriCorps member and I am going to get things done." The first year of the program proves just that--these members really do get things done!

The Department of Justice AmeriCorps program, **JustServe**, had a very successful first year. Over 150 members from Philadelphia, Pa.; Trenton, N.J.; Madison, Wis.; San Antonio and Fort Worth, Texas; Los Angeles, Calif.; and Seattle, Wash., graduated from the program in ceremonies held in August and September. The JustServe AmeriCorps programs were "getting things done" in these seven Weed and Seed communities during the past year, and some of these accomplishments included:

- teaming up with local community groups in graffiti paintouts,
- teaching conflict resolution skills to students,
- setting up "safe corridors" for children to travel safely to and from school,
- producing a violence prevention video,
- conducting neighborhood safety surveys,
- and assisting with local community policing efforts.

Twenty-eight members from last year's program have decided to return for a second year of service, leading the way to another productive JustServe AmeriCorps year.

PROGRESS REPORT FOR YEAR TWO

Five Weed and Seed cities will host a JustServe AmeriCorps program in 1995-1996. Philadelphia, Pa.; San Antonio and Fort Worth, Texas; Seattle, Wash.; and Los Angeles, Calif., will each have 29 members participating in their programs, totaling 145 Department of Justice AmeriCorps members! These members will work with local agencies in three priority areas: community policing, violence prevention, and victim assistance.

The Department of Justice provided national training for the five JustServe programs with trainers from Project U.S.E., Youth Service America, and Catalyst. In addition, each site held program-provided local training for the members as well. Once again, site coordinators funded by the Department of Justice will run these corps. They are:

Fort Worth
Los Angeles
Philadelphia
San Antonio
Seattle

Wendi Wroten
Deborah Reed
Pat Schwartz
Angie Perez
Kim Gordon

San Antonio, Texas. JustServe AmeriCorps members in San Antonio joined thousands of others in welcoming President Bill Clinton to San Antonio. Members waited for two hours to see the man responsible for creating the AmeriCorps program. Members agreed that the long wait in the hot sun was worth the lifelong memory! San Antonio members also participated in national training. Even San Antonio's Coordinator Angie Perez participated, walking a tight rope and crossing Salado Creek on a "Swiss seat" with the help and encouragement of Project U.S.E. and corps members.



President Bill Clinton waves to the crowd as he greets San Antonio AmeriCorps members.

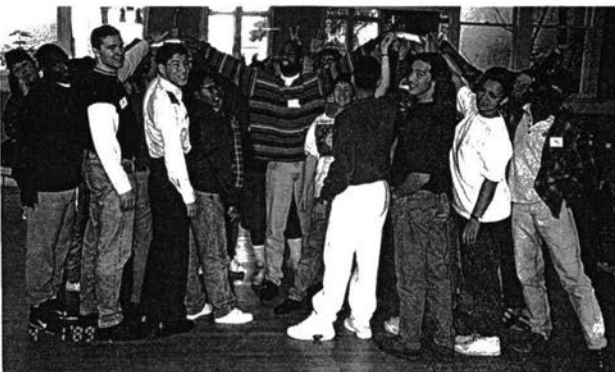
Philadelphia, Pennsylvania. Twenty-nine JustServe AmeriCorps members participated in the Year Two Launch of AmeriCorps held at Penns Landing on October 12, 1995. These members joined hundreds of other AmeriCorps members from the Philadelphia area and across the state of Pennsylvania in this swearing-in ceremony. Philadelphia Mayor Edward Rendell and Councilwoman Joan Specter were among those present to address the members, who will be working with the community police officers, Safe Havens, and local victim assistance services to effect change in the Weed and Seed target area this year.

Seattle, Washington. In addition to the national AmeriCorps member training provided by the Department of Justice, the Seattle JustServe program held extensive local training. The training objectives were to understand AmeriCorps and JustServe; prepare for a year of service; and

build community and teamwork. To help meet these goals, local community leaders and organizations were asked to participate by engaging members in presentations and discussions throughout the two-week training. For example, the artistic director of a local public theater group led the members through an interactive theater activity to explore and address the members' "worst fears" for the coming year. Another local group provided members with an HIV/AIDS awareness workshop and will do a joint service project with JustServe later in the year. Overall, the training was a huge success. One member commented, "The most valuable aspect of the training was setting goals as a group for how we want our community to become and how we can achieve it." At the conclusion of training, the Seattle JustServe members were prepared for and excited about another great year of service.



TOP ROW: Seattle JustServe members participated in training activities provided by DOJ. MIDDLE ROW (left): Seattle JustServe members shared "visions of service" and the improvements they hope for their communities as a result of service. (right): Fort Worth JustServe members ham it up for the camera with trainers from Project U.S.E. BOTTOM ROW (left) Seattle JustServe members participating in team building. (right): The Philadelphia 1995-1996 JustServe AmeriCorps team.



*A gathering of
Community
Development
Corporation members
highlights the
grassroots effort to
provide housing, jobs,
and economic
opportunity.*

**"ALL OF THE JOB TRAINING
IN THE WORLD DOESN'T
HELP IF THERE ARE NO
JOBS AND NOWHERE TO
LIVE."**

--ROBIN GARR

CONFERENCE HIGHLIGHTS NEIGHBORHOOD REVITALIZATION

by Megan Walline

Around the country, Community Development Corporations (CDC) form partnerships from the grassroots up to provide affordable housing, create jobs, and develop economic opportunity in neighborhoods. CDC members gathered in Portland, Ore., in October for the National Congress for Community Economic Development's (NCCED) annual conference, "A Vision for Change through Community Economic Development."

Keynote speaker Robin Garr, a Pulitzer Prize-winning journalist and author of *Reinvesting in America: The Grassroots Movements that are Feeding the Hungry, Housing the Homeless, and Putting Americans Back to Work*, talked about the programs he discovered while researching his book. He was looking for innovative programs developed at the grassroots level with real track records on poverty and hunger that could be replicated in other communities. Among the programs he found was Cafe 458, a bistro in Downtown Atlanta that sits in a row of abandoned buildings and liquor stores. "It looks just like an expensive French Bistro you might find in the nicer parts of most cities," Garr said. "There is a sign in the window that says, 'Reservations Only.' But the only people who can get a reservation are homeless people. Inside are tables covered in white cloth, daily specials listed on a board, and waiters in black bow ties who are polite to the customers. When people go to Cafe 458, they get a meal. More important, the cafe offers a little dignity and respect to people who don't get much. Then, through friendship and caring, Cafe 458 gets to know the patrons and directs them to other services to help move them back into being 'taxpaying citizens.'"

Garr also talked about a program in Milwaukee, Wis. called United Hope. Here, an abandoned auto dealership found new life as a 501(c)(3) nonprofit organization. United Hope hired retired auto mechanics and reopened the shop. Young people serve as apprentices for six months and receive training while working on cars brought to the shop by paying customers. Eighty percent of the revenue invested in the program comes back, and the young people move on to \$16 to \$18 an hour jobs as auto mechanics.

"All of the job training in the world doesn't help if there are no jobs and nowhere to live," said Garr. He summarized his findings, saying that "current welfare and traditional charity offer a handout, not a hand up. Successful programs teach self-reliance and personal initiative. We must build on strengths of poor people."

Other speakers had words of advice for community groups based on their experiences. Here are some of them:

1. Research neighborhood history. "It's a source of pride and unity," said Stephan Fairfield, Executive Director of the Fifth Ward Community Development Corporation in Houston, Tex. Sixty-two percent of Fifth Ward citizens live below the federal poverty level. Research into the neighborhood revealed a rich history intertwined with that of people such as Barbara Jordan, an African-American Congresswoman from the South; civil rights pioneer Dr. Lonnie Smith; boxer George Foreman; and jazz artists Joe Sample and the Crusaders. Through Enterprise Zone funding, several buildings have been refurbished and designated as historic sites.

2. "Define your mission and stick to it, no matter who comes along with other ideas," says Paula Taylor, Executive Director of the Jefferson Manor CDC. Her North Central Philadelphia neighborhood shares Empowerment Zone designation with Camden, N.J. CDC members wrote a mission statement summarizing their goals and look to it repeatedly to stay on track.

3. Invest in capacity building. Vera Jones, from the Development Training Institute in Washington, D.C., advised neighborhood groups to "create a common vision and bring all stakeholders to the table. Everyone might have their own agenda, but that's okay. You can still work together." Jones emphasized that once everyone is at the table, standards for participation need to be set. "People should know that others will respect them and will listen to their ideas without interrupting." Also important is investment in capacity-building. Members should help each other understand and improve to encourage independence and self-determination.

4. Work with state legislatures to encourage private business participation in community development. Shirley Dennis, Director of Community Affairs at PECO, a Philadelphia public utility company, is involved in a Community Economic Development Partnership that is working. Her company became involved in community revitalization primarily because of Philadelphia's Neighborhood Tax Credit Assistance Program, which has been replicated in nine other states. Through the program, corporations make major financial and time commitments to communities, and in return, 70 percent of their contributions are tax deductible. Income tax incentive programs get businesses involved in crime prevention, public housing, job training, and other programs that benefit communities. Community groups can unite and encourage their state legislatures to pass similar legislation.

5. Build and plan with crime prevention in mind. The old maxim about "an ounce of prevention" should be kept in mind as new businesses come to formerly crime-ridden neighborhoods. Businesses need to apply principles of crime prevention through environmental design in the planning and building stages to help keep crime out of the neighborhood and to help their businesses thrive.

Weed and Seed sites will soon benefit from the experience of NCCED members. The Executive Office for Weed and Seed, in conjunction with the Bureau of Justice Assistance, the Department of Housing and Urban Development, and the Department of Health and Human Services' Office of Community Services, will announce a multi-million dollar training and technical assistance project with NCCED to help Weed and Seed sites develop and implement the Neighborhood Revitalization portion of their Weed and Seed Strategy. Additional information regarding the effort will be forthcoming.

Megan Walline is a second-year law student at Northwestern School of Law, Lewis and Clark College, Portland, Oregon. She worked for the U. S. Department of Justice, Washington, D.C., for five years, in the Executive Office for United States Attorneys and most recently in the Executive Office for Weed and Seed.

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**--PAULA TAYLOR
EXECUTIVE DIRECTOR
JEFFERSON MANOR CDC
PHILADELPHIA, PA.**

IMPACT EVALUATION (Continued from Page 1)

- ✓ whether the strategy changes/reduces drug-related and violent crime in the target neighborhood;
- ✓ whether the strategy reduces fear of crime among residents and businesses;
- ✓ whether crime is displaced to adjacent neighborhoods;
- ✓ whether neighborhood restoration and economic development, including increased employment opportunities, have been implemented;
- ✓ changes in the quality of life of target neighborhoods, including perceptions of safety, educational and social improvements;
- ✓ the impact of Weed and Seed on public safety by examining the extent to which offenders have been removed (weeded) from the target areas;
- ✓ comparisons across Weed and Seed programs will include a discussion of the strengths, limitations and issues regarding National Performance Review Laboratory(NPRL)-funded sites versus non-NPRL.

Anticipated results of this study will inform policymakers and practitioners of the impact of Weed and Seed and NPRL at these sites. Findings should be useful for planned replications or expansions of Weed and Seed. The eight selected sites are in Sarasota/Manatee Counties, Fla.; Shreveport, La.; Hartford, Conn.; Las Vegas, Nev.; Pittsburgh, Pa.; Seattle, Wash.; Salt Lake City, Utah; and Akron, Ohio. More information on the scope of this evaluation and its importance to the overall Weed and Seed program will be forthcoming.

DON'T BE LEFT OUT!

Submit your information to
Weed and Seed In-Sites!
Let us hear what's going on
in your
Weed and Seed
community!

CUNAD REOPENS IN A GRAND WAY

On Monday, September 11, 1995, Community United Neighbors Against Drugs (CUNAD) re-opened its building to the youth in Philadelphia's Weed and Seed community. In August 1994, CUNAD's building, located at 2801 N. Reese Street, was fire-bombed, presumably by drug dealers. Throughout the year CUNAD members, along with residents and community agencies, worked hard to remodel the building, and after a year of hard work, patience, and dedication the re-opening was a memorable moment for CUNAD.

During the Grand Re-Opening, Father Rafael Mendez from the Church of Visitation offered prayers and blessed the building. CUNAD's board members were present, along with Mike Stiles, U.S. Attorney for the Eastern District of Pennsylvania; Bill Hausmann, also from the U.S. Attorney's Office; John Smith and Wanda Correa from DEA; James Haggarty from the Delaware River Port Authority; Police Officers from the Weed and Seed Mobile Mini-Unit; Mike Cruz, Weed and Seed Project Coordinator; Pat Schwartz, the new AmeriCorps Coordinator; and Joe Valdes; Carl Anderson; David Castro; Mr. Jamillo and many others. Miriam Colon, CUNAD's Director, was on hand to cut the ribbon, welcoming the youth and the residents of the community to the after-school program.

ATTORNEY GENERAL ANNOUNCES SAFEFUTURES GRANTS

On November 9, Attorney General Janet Reno and Shay Bilchik, Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP), announced six grants made by OJJDP under the SafeFutures initiative. OJJDP will award \$8 million in this program, which combines efforts such as community-wide gang strategies, juvenile justice interventions for offenders, and prevention programming into a collaborative initiative that will target at-risk and delinquent youth throughout their development.

The \$8 million will be shared among Contra Costa, Calif.; Imperial County, Calif.; Boston; St. Louis; Seattle; and the Fort Belknap Indian Community in Harlem, Mont. The Attorney General said of the program, "SafeFutures is an investment in finding ways to do better and make our streets safer. . . . We must reach at-risk youth at every point of their development with partnerships among government, law enforcement, corrections, education, social services, and community residents."

WEED AND SEED RESOURCE LIBRARY

The Reading Shelf

□ The September 1995 issue of *FBI Law Enforcement Bulletin* includes "The FBI Challenge Program." The article features the FBI Challenge Program at the Police and Fire Academy of Santa Teresa High School in San Jose, Calif., established as a magnet program for students interested in a law enforcement career. In response to Attorney General Janet Reno's challenge to Department of Justice employees to volunteer their time to their communities, academy staff and FBI volunteers developed the FBI Challenge Program in 1994 as a supplement to the academy. The instructional program encourages at-risk youths to excel academically, stay in school, and pursue a career in law enforcement. As instructors, FBI volunteers serve as role models, inspiring positive alternatives to student involvement in gang activity and drug abuse. For a copy of the article (9512P-1), contact the EOWS Staff at (202) 616-1152.

□ The National Crime Prevention Council published *How Communities Can Bring Up Youth Free From Fear and Violence* as an instructional guide for reducing youth violence in communities. The document provides a framework for community leaders interested in developing youth violence reduction strategies by reviewing the extent, cost, and causes of violence. Comprehensive community partnerships are emphasized as a necessary step in creating effective community-wide youth violence solutions and prevention measures. The guide illustrates strategies with local examples for preventing youth violence: family life; school and childhood; adolescence, transition to adulthood; and community citizenship. A list of resources for further information is also provided. For a copy of this publication, call or write the National Crime Prevention Council, 1700 K Street N.W., Second Floor, Washington, D.C. 20006-3817; (202) 466-6272.

□ The President's Crime Prevention Council published a catalog titled *Preventing Crime and Promoting Responsibility: 50 Programs that Help Communities Help Their Youth* in September 1995. The catalog was produced as a resource and planning guide to assist communities in developing youth crime and violence prevention efforts tailored to local needs and resources. General principles and basic planning questions involved in developing a comprehensive crime prevention strategy are discussed. An index of 50 federal programs supporting

community crime prevention efforts through information, funding, and technical assistance is included to make these programs more accessible to local planners. The guide also includes an appendix which lists federal resource centers, clearinghouses, and on-line databases related to crime prevention. For a copy of this publication, call or write the President's Crime Prevention Council, 736 Jackson Place N.W., Washington, D.C. 20503; (202) 395-5555.

□ The National Center for Education in Maternal and Child Health has produced a workshop summary of the June 1991 conference, *The Impact of Community Violence on African American Children and Families, Collaborative Approaches to Prevention and Intervention*, sponsored by the Child and Adolescent Service System Program and the Maternal and Child Health Bureau. The report summarizes the key workshop presentations including discussions on the extent, and nature of community violence in African American communities, theoretical and conceptual frameworks guiding related research, prevention and intervention programs, and the impact community violence has on the social and emotional development of African American youth. For a copy of this publication, call the National Maternal and Child Health Clearinghouse at (703) 821-8955.

□ *The Family Sculpt: An Instructional Guide on How to Portray a Dysfunctional Family and How This System Operates* is an informal play/skit, portraying a dysfunctional family. The script is a powerful tool to raise awareness, educate, and motivate and is directed to the general public, treatment professionals, and high-risk families. Characters include the addict, hero, scapegoat, lost child, mascot, and the professional enabler. Processing questions are provided at the end of the booklet. The script is available for \$3.00 from Sonlight Publishing, Inc., P.O. Box 110512, Nashville, Tenn. 37222-0512; Phone: (615) 331-0691.

OJP GUIDE AVAILABLE

The Office of Justice Programs has published *OJP Resource Guide* as a road map for communities seeking opportunities and assistance in fighting crime. The guide includes descriptions of community-based initiatives; information on available training, technical assistance, and financial assistance opportunities; and an index of criminal and juvenile justice related publications, clearinghouses, and resources centers. For a copy of this publication, contact the Department of Justice Response Center at (800) 421-6770.

CALENDAR OF EVENTS

WEED AND SEED NATIONAL TRAINING CONFERENCE IS **CANCELLED** UNTIL FURTHER NOTICE!

All hotel reservations have been cancelled by EOWS. Conference will be rescheduled when the Department of Justice receives an appropriation from Congress.

DECEMBER

- 6-9 "SECD-95/The Southeastern Conference on Alcohol and Drug Abuse," Atlanta, Ga., sponsored by Charter Medical Corporation. For more information, call (800) 845-1567 or (912) 750-2731.
- 11 "Activities for Concerned Persons Groups," Milwaukee, Wis., sponsored by DePaul Training Center. For more information, call (414) 281-4400, ext. 3388, or (800) 423-6028.

JANUARY

- 8-12 "Kids Are Special 5-Day Group Leadership Training," Campbell, Calif., sponsored by Kids Are Special. For more information, call John Rinaldi at (408) 364-4148.
- 28-30 "Local Public Policy Matters," San Antonio, Texas, co-sponsored by Join Together, Center for Substance Abuse Prevention, and Substance Abuse and Mental Health Services Administration. For more information, call Join Together at (617) 437-1500 or (617) 437-9394 (FAX).

U.S. Department of Justice
Office of Justice Programs
Executive Office for Weed and Seed

Washington, D.C. 20531

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