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March 1, 1996

This is good

MEMORANDUM TO THE PRESIDENT

THROUGH: Laura Tyson

FROM: Gene Sperling

Copied Tyson & Sperling

False Claims and Responses on the Economy and Clinton Record

r the last couple of weeks, there have been a significant number of false claims conomy and the Clinton record made by several Republican members of Congress nt Economic Committee. We have carefully researched these claims and provided factual response.

you will see, under Section I is one page of talking points; under Section II is a six page summary document, and under Section III are 29 false claims and responses. The table of contents under Section III provides a summary of these claims. They can be found under the respective tabs that follow.

I am fortunate to have a small, but exceptionally talented team of three twentysomethings -- Jason Goldberg, Pauline Abernathy and Jon Orszag -- who worked tireless hours this week to help me put this together. Under Laura's supervision, we are ready to stay on top of further false claims, working closely with CEA, Treasury, Labor and OMB.

TALKING POINTS ON WAGES AND THE ECONOMY

February 27, 1996

AN ECONOMIC VISION THAT ADDRESSES AMERICA'S CHALLENGES. President Clinton governed with an economic growth strategy to turn the economy around and address the long-term issu that have left too many Americans working harder without getting the raises they need and deserve. Unlike Republicans who have recently discovered this economic challenge -- only as a political issue -- the President has governed with a comprehensive, consistent economic growth strategy.

PRESIDENT CLINTON'S ECONOMIC STRATEGY IS BASED ON BASIC CHALLENGES:

- **Balance the Budget.** Balance the budget in a way that protects America's values.
- **Open Markets.** Open markets to create high-wage jobs for American workers.
- **Educational Opportunity.** Increase educational opportunity and lifelong learning.
- **Reward Work.** Reward work by protecting the EITC and increasing the minimum wage.
- **Economic Security.** Worker training; safeguard and simplify pensions; health care portability.
- Chall Bus Comm to be Fair.

A STRONGER ECONOMY -- TURNING THE CORNER ON 20 YEARS OF STAGNANT WAGES.

- **The Deficit Is Down** -- cut nearly in half in three years, after quadrupling in the previous 12 years.
- **Job Growth At Historic Highs.** The economy has added 7.7 million new jobs -- more per year than under President Bush or Reagan or any Republican Administration since the 1920s.
- **Lowest Combined Unemployment, Inflation and Mortgage Rates in 27 years.**
- **Strong Economic Growth.** Private sector GDP is at 3.2%, higher than the 2 previous Administrations.
- **Wages Are On The Way Back Up.** Real median family incomes and hourly earnings are up.
- **Exports Are Up.** Exports are up $149 billion -- creating hundreds of thousands of high-wage jobs.

PRESIDENT CLINTON IS MEETING THE CHALLENGES OF TODAY AND TOMORROW WITH NEW EFFORTS TO:

- **Help Lower-Income Workers Get Ahead.** Raise the minimum wage and protect the EITC.
- **Help Workers Get 21st Century Skills.** GI Bill of Rights for workers to get needed training.
- **Continue Major College Access Emphasis.** $10,000 Tuition Tax Deduction, 1 million work study opportunities, merit scholarships, protect Direct Student Loans.
- **Safeguard Workers' Pensions and Health Care.** Simplify pensions and protect health insurance for people who change or lose their jobs.
- **Help Every Child Become Technologically Literate.** America's Technology Literacy Challenge.

PRESIDENT CLINTON IS STANDING UP TO REPUBLICAN POLICIES THAT WOULD SQUEEZE WORKING FAMILIES AND DENY THEM AND THEIR CHILDREN OPPORTUNITIES.

- **They Oppose Increasing the Minimum Wage** even though it would give 10 million workers a raise.
- **They Passed Tax Increases on Working Families.** They passed a $32 billion EITC tax increase.
- **They Proposed Cuts In College Opportunity.** Cut Pell Grant scholarships, student loans, and Direct Student Loans.
- **They Proposed $30 Billion In Education Cuts,** including cuts in Head Start, basic skills, and Safe & Drug Free Schools, Goals 2000, and AmerCorps National Service.
- **They Passed Medicare Premium Increases.** Passed Medicare premiums increases on 37 million beneficiaries.
- **They Supported Corporate Raids On Workers' Pensions.**

SETTING THE RECORD STRAIGHT ON THE ECONOMY

February 27, 1996

I. THE CLINTON ECONOMY.

FALSE CLAIM: The Clinton Economic Plan has led to a weaker economy and is steering us towards a recession. The recent quarter shows economic growth is weak.

THE FACTS: The Clinton economic record is the best in a generation -- far better than past Republican Administrations. While many Americans are still not getting raises, the economy has certainly turned around. And experts say that it is on track for sustained growth.

CLINTON ECONOMY IS STRONGER THAN PREVIOUS REPUBLICAN ADMINISTRATIONS

★ **Stronger Overall Economic Growth.** Over the last 3 years, the economy has grown faster than any major economy in the world -- twice as fast as during the previous Administration.

★ **Stronger Private Sector Economic Growth.** Since President Clinton took office, the private sector has grown 3.2% annually -- far stronger than either of the previous two Administrations.

★ **Stronger Business Investment Growth.** Productive Investment has grown at double-digit rates for 3 years in a row for the first time in 30 years.

★ **Stronger Exports.** Exports of American goods have grown by one-third -- up $149 billion -- a better record than either of the previous two Administrations.

★ **Stronger Overall Job Growth.** Nearly 7.7 million new jobs added in 3 years -- a better record of job growth than any Republican Administration since the 1920s.

★ **Stronger Stock Market.** The stock market has increased more rapidly under President Clinton than under any other president since World War II.

★ **Lower Combined Unemployment, Inflation, and Mortgage Rates.** The combined unemployment, inflation, and mortgage rate is at its lowest level in 27 years.

★ **Higher Homeownership.** Homeownership is now at its highest level in 15 years.

WHO DO YOU TRUST ON THE ECONOMY?

Haley Barbour, Chairman of the Republican National Committee. Speech to the Conservative Political Action Conference, 2/23/96: *"There is a looming Clinton recession."*

[or]

Alan Greenspan, Testimony to the House Banking Committee, 2/20/96: *"A number of fundamentals point to an economy that is basically on track for sustained growth....the most likely outcome for 1996, as a whole, is further moderate growth. The unemployment rate is expected to remain around current levels."*

Blue Chip Forecasters, a consensus view of 49 economists, *Forecasts of Economic Growth In 1996 and 1997 Fall*, 2/10/96: *"...the economy has not, nor is on the verge of falling into recession."*

II. WAGES.

FALSE CLAIM: Family incomes have been lower every year of the Clinton Administration than they were when he took office. No wonder wages are stagnant: the government got your pay raise.

THE FACTS: Clinton's policies are helping turn the corner on 20 years of wage stagnation. The problem of wage stagnation has been around for 20 years -- and it won't be solved overnight. But President Clinton has implemented a long-term economic strategy that is starting to turn it around. And his pro-growth economic agenda for the future will help lift workers' wages.

CLINTON'S POLICIES ARE HELPING TURN THE CORNER ON 20 YEARS OF WAGE STAGNATION

- ★ **Increase In Average Hourly Earnings.** During the last three years, real average hourly earnings increased, after dropping 79 cents during the previous two Administrations. [Source: Bureau of Labor Statistics (adjusted to December 1995 dollars using the CPI-U).]

- ★ **Increase In Real Median Family Income.** After falling 4 percent in the previous Administration, real median family income is up since President Clinton took office. Indeed, it increased 2.3 percent in 1994. [Source: Bureau of the Census. *Income, Poverty, and Valuation of Noncash Benefits: 1994.*]

- ★ **America Is Growing Together.** In 1994 -- the most recent year data are available -- every family income group, from the richest to the poorest, experienced a real increase in their incomes, for the first time since 1989. [Source: Bureau of the Census. *Income, Poverty, and Valuation of Noncash Benefits: 1994.*]

- ★ **The Poverty Rate Is Down, After Increasing During The Previous Administration.** The poverty rate has declined from 14.8 percent in 1992 to 14.5 percent in 1994. In 1994 -- the year after President Clinton's Economic Plan -- the number of people in poverty declined by 1.2 million. [Source: Bureau of the Census. *Income, Poverty, and Valuation of Noncash Benefits: 1994.*]

PRESIDENT CLINTON'S PRO-GROWTH ECONOMIC AGENDA WILL HELP LIFT WORKERS' WAGES

- **Balance The Budget.** The President's balanced budget would further lower real interest rates, even further increasing private sector investment, while also maintaining critical public investments in our future.

- **Increase Educational Opportunity And Lifelong Learning.** An all-out emphasis on college access for higher wages through Direct Student Loans and pay-as-you can loans; new $10,000 tuition tax deduction; increase in Pell Grants; new merit scholarships; expand work study to more than 1 million students.

- **Reward Work.** Increase the minimum wage to provide a living wage to 10 million workers. Protect the Earned Income Tax Credit.

- **Increase Workers' Economic Security.** Protect workers' pensions. Make health care portable, eliminate pre-existing conditions exclusions, and allow the unemployed to purchase health insurance.

- **Open Trade.** The President will continue a trade policy designed to open markets. New trade policies have helped create hundreds of thousands of high-paying American jobs -- jobs that, on average, pay 13 percent more than other jobs.

HOW CAN REPUBLICANS SAY THEY WILL STAND UP FOR WORKING PEOPLE WHEN THEY FOUGHT FOR POLICIES THAT WOULD HAVE SQUEEZED WORKING FAMILIES AND DENIED THEM AND THEIR CHILDREN NEEDED OPPORTUNITIES?

Republicans fought for policies that would have squeezed working families.

- **They Refuse To Raise The Minimum Wage.** Republicans refuse to act on the President's proposal to raise the minimum wage and give 10 million workers a living wage.

- **They Passed Higher Taxes For Working Families.** Their budget would have raised taxes on some 7.7 million of our most hard-pressed families by an average of $318 in 1996 alone.

- **They Passed A Medicare Premium Increase On 37 Million Beneficiaries.** Their budget would have raised premiums by $264 for an elderly couple in 1996 alone.

- **They Passed A Corporate Raid On Workers' Pensions.** Their budget would have allowed corporations to raid pension funds, risking pensions for millions of workers.

- **They Passed A Repeal Of The Medicaid Guarantee Of Nursing Home Coverage.** Their budget would have put more and more working families at financial risk.

Republicans Fought For Policies That Would Have Denied Educational Opportunities.

- **2.5 Million Students Cut Off Direct Student Loans.** Their budget would have cut off Direct Student Loan opportunities for 2.5 million students in 1,350 colleges and universities.

- **380,000 Students Denied Pell Grants.** The Republican budget would make devastating cuts to the Pell grant program, denying Pell grants to 380,000 deserving students in 1996 alone.

- **50,000 Young People Denied The Opportunity To Serve Their Community While Earning Money For College.** Their budget would have eliminated AmeriCorps National Service Program, preventing nearly 50,000 young people from learning responsibility through community service.

- **180,000 Children Denied Head Start.** Their budget would have denied 180,000 children comprehensive Head Start education, health, and social services by the year 2002.

- **1 Million Children Denied Basic And Advanced Skill Training.** Their budget would cut Title I by more than $1 billion -- cutting 1 million students from the program.

THE EVIDENCE SAYS THAT EDUCATION IS KEY TO INCREASING EARNINGS

★ **College Graduates Earn 74 Percent More.** Today, college graduates earn *74 percent more* than workers with only a high school degree or less. [Source: Bureau of Labor Statistics, Current Population Survey]

★ **Every Year Of Education Has Been Found To Increase Earnings By 6 To 12 Percent.** [Council of Economic Advisers and U.S. Department of Labor, *Educating America: An Investment For Our Future*, September, 1995]

★ **High-Wage Jobs Require More Education.** High-skilled jobs are growing fastest. Over the last 10 years, job growth in high-skilled occupations have grown 32%, while low-skilled occupations have grown just 7%. [Source: U.S. Department of Labor, Office of the Chief Economist.]

III. 1993 ECONOMIC PLAN.

FALSE CLAIM: President Clinton does not deserve credit for bringing down the deficit, lowering interest rates, or strengthening the economy. These things would have happened without Clinton's plan.

THE FACTS: President Clinton's Economic Plan is widely accepted by experts from all sides as bringing down the deficit, lowering interest rates, and strengthening the economy.

The Deficit Was On The Rise When President Clinton Took Office.

- CBO reported in January 1993 that "the federal budget deficit is stuck near $300 billion for the next few years and will move even higher in the second half of the 1990s." CBO projected the deficit would soar to $455 billion in 2000 and to $579 billion in 2002.

President Clinton Brought Down The Deficit.

- President Clinton's economic policies have nearly cut the deficit in half in 3 years, from $290 billion in fiscal year 1992 to $164 billion in fiscal year 1995.
- The actual 1995 deficit under President Clinton was $120 billion lower than CBO projected it would be when President Clinton took office.
- According to CBO, even without President Clinton's much-needed balanced budget plan, deficits will be $1.5 trillion lower over the next 7 years than CBO projected prior to President Clinton's 1993 deficit reduction plan.

THE EXPERTS GIVE PRESIDENT CLINTON THE CREDIT FOR BRINGING DOWN THE DEFICIT AND GROWING THE ECONOMY

★ **Paul Volcker**, Federal Reserve Board Chairman (1979-1987), in Audacity, Fall 1994: *"The deficit has come down, and I give the Clinton Administration and President Clinton himself a lot of credit for that. ...What's important is that he acknowledged that it was a big problem and did something about it, fast. And I think we are seeing some benefits."*

★ **Alan Greenspan**, Federal Reserve Board Chairman, 2/20/96: The deficit reduction in President Clinton's 1993 Economic Plan was *"an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter."*

★ ***Fortune* Magazine**, 10/3/94: Clinton's *"economic plan helped bring interest rates down, spurring the recovery."*

★ ***Washington Post***, 2/14/94: *"Next year the CBO calculates, the budget deficit will smaller in proportion to the size of the economy than in any year since 1979. As a result of those two things, interest rates are low, and businesses investment is rising powerfully."*

IV. CLINTON TAXES.

FALSE CLAIM: The Clinton tax increase in 1993 was the largest tax increase in history and now taxes are at an all-time high.

THE FACTS: That is just not true. The 1982 tax increase was larger and the average federal tax rate for the typical 4-person family is lower today than a decade ago under President Reagan.

THEY'RE NOT TELLING THE TRUTH: PRESIDENT REAGAN'S 1982 TAX INCREASE WAS LARGER

★ **Wall Street Journal,** 10/26/94: "Contrary to Republican claims, the 1993 package...is not 'the largest tax increase in history.' The 1982 deficit reduction package of President Reagan and Sen. Robert Dole in a GOP-controlled Senate was a bigger tax bill, both in 1993-adjusted dollars and as a percentage of the overall economy."

★ **Washington Post,** 2/1/95: "The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan."

WHAT THE REPUBLICANS DON'T TELL YOU ABOUT TAXES UNDER CLINTON:

[illegible]? Why? industry

- **The Average Federal Tax Rate For The Typical 4-Person Family Is Lower Today Than When Clinton Took Office, And It Is Lower Than A Decade Ago Under Reagan.** The average federal tax rate for the typical four-person family will be lower in 1995 than in 1992 or 1985 under Reagan.

- **Taxes Take Less Of Income Today Than At The End Of The 1980s.** The percent of personal income going to pay taxes was lower in 1994 -- following President Clinton's 1993 Economic Plan -- than in 1989.

1993 ECONOMIC PLAN ONLY INCREASED TAX RATES ON TOP 1.2%-- WHILE CUTTING TAXES FOR 15 MILLION WORKING FAMILIES

★ **H&R Block Confirms.** Income tax rates were only raised on the "top 1.2% of all taxpayers." There was "no income tax increase for middle-income taxpayers...income tax rates are unchanged on middle incomes -- 82.2% of all tax payers." There is a tax cut for the other "16.6% of all taxpayers [who] benefit from Earned Income Tax Credit Expansion." [H&R Block Analysis of Income Tax Consequences of the Revenue Reconciliation Bill of 1993, pp. 21-24.]

★ ***Washington Post*.** CBO found "only a sliver of tax filers -- 1.2% will face a higher income tax bill on April 15 because of the Clinton Administration's economic program." ["GOP Tax Issue May Fade Away: Only 1.2% of Filers Will Face Increase, CBO Study Finds," *Washington Post*, 1/13/94, p. A8.]

V. TRADE POLICIES.

FALSE CLAIM: President Clinton's trade policies and weak enforcement have led to the highest trade deficit in history.

THE FACTS: President Clinton's trade policies have increased exports, helped grow the economy, and created high wage jobs.

EXPORTS ARE SURGING -- CREATING HIGH-WAGE JOBS.

- **Stronger Exports Than Previous Administrations.** Under President Clinton, exports of American goods have grown by one-third -- up $149 billion -- that's a better record than under President Bush or President Reagan.

- **Trade Policies Are Creating High-Wage Jobs.** President Clinton has concluded over 200 trade agreements, helping create hundreds of thousands of high-paying American jobs -- jobs that, on average, pay 13 percent more than other jobs.

- **The World's Most Competitive Economy.** The United States has now been ranked Number One on competitiveness for two years in a row -- for the first time in 10 years -- and up from Number Five in 1992.

- **The World's Automobile Leader Once Again.** The United States is the world's Number One producer of automobiles for the first time since the 1970's -- overtaking Japan.

- **The World's Semiconductor Leader Once Again.** The United States has regained its position as the world's Number One producer of semiconductors -- surpassing Japan.

PRESIDENT CLINTON STOOD UP FOR AMERICAN WORKERS AND COMPANIES AGAINST UNFAIR COMPETITION

- ★ **Stood Up To The Japanese To Open New Markets To American Goods.** The Clinton Administration stood up to the Japanese government and opened 15 market sectors in Japan, ranging from medical equipment to autos to rice. Since 1993, U.S. exports to those sectors have grown 80 percent.

- ★ **Stood Up To The Japanese To Increase U.S. Auto Sales.** As a result of the 1995 U.S.-Japan Auto Agreement, Big Three exports of vehicles to Japan increased significantly in 1995 -- almost 50 percent.

- ★ **President Clinton Fought For NAFTA -- Opening Markets, Cutting Tariffs, Increasing Exports, and Creating High-Wage Jobs for American Workers.** Exports to Mexico and Canada grew by 16 percent in NAFTA's first year alone and U.S. market share in Mexico is up to 74 percent -- creating hundreds of thousands of high paying jobs.

CLAIM: *President Clinton inherited a healthy economy growing at a rate of 3.7 percent (fourth quarter of 1991 to the fourth quarter of 1992) and turned it into an economy that grew at only 1.4 percent (fourth quarter of 1994 to the fourth quarter of 1995).*

THE FACTS:

1. **President Clinton inherited an economy with high unemployment and anemic job growth. He put the fiscal house in order and helped turned the economy around.** President Clinton inherited what experts called a "jobless recovery" with unemployment topping 7 percent. President Clinton's Economic Plan helped turn the economy around and laid the foundation for the lowest combined unemployment, inflation, and mortgage rate in 27 years, and 7.7 million new jobs -- a faster annual rate of job growth than any Republican Administration since the 1920s.

2. **The unemployment rate was over 7 percent during every month in 1992 -- ~~now it has fallen and has been~~ between 5.4 percent to 5.8 percent for 17 months in a row.** [Source: Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*.]

3. **Since President Clinton took office, the private sector of the economy has grown 3.2 percent annually -- a stronger record of private sector growth than either the Bush or Reagan Administrations.** [Source: Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts.]

4. **The 1992 growth number is exaggerated because much of the good news was generated by the election of President Clinton.** Growth for the entire year was 2.7 percent -- not 3.7 percent -- and was boosted significantly by a strong fourth quarter that benefited from a fall in interest rates and rise in consumer confidence brought on by the election of President Clinton. [Source: Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts.]

   - *New York Times* [11/25/92]: "The post-election rebound in consumer spirits entirely reversed a string of monthly declines in the measure [consumer confidence] since June... analysts attributed most of the jump in consumer confidence to Governor Bill Clinton's victory in the Presidential election."

5. **Interest rates fell from 7.76% at the beginning of November of 1992 to 7.26% by inauguration because of confidence in the incoming Clinton Administration:**

   - *New York Times* [12/7/92]: "The sharp rally in the bond market...seems to show a surprising comfort among market players with President-elect Bill Clinton, a Democrat who will govern with a Democratic-controlled Congress."

CLAIM: *A Wall Street Journal survey of economic forecasters predicts the overall growth rate for 1996 will be below 2%. That rate, together with the 1995 growth rate, will mark the slowest two-year period of growth (short of past recessions) since 1956-57.*

THE FACTS:

1. **This is a bogus comparison.**

   The fact is the private sector of the economy has grown 3.2 percent annually since President Clinton took office -- that's stronger than either the Bush or Reagan Administrations. [Source: Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts.]

2. **If you look at the past two years, the growth rate in the private sector is even higher -- 3.4 percent -- again higher than the Bush or Reagan years.** [Source: Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts.]

3. **Indeed, even if the pessimistic assumption for 1996 came true, private-sector growth during President Clinton's first term would be stronger than the growth during the Reagan-Bush years.** [Source: Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts.]

4. **Even using this pessimistic assumption for 1996, overall economic growth during the 1995 and 1996 would be stronger than the average rate during the previous Administration.** [Source: Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts.]

PRESIDENT CLINTON'S ECONOMIC RECORD IS FAR BETTER THAN EITHER OF THE PREVIOUS TWO ADMINISTRATIONS:

- **Better Job Growth.** Nearly 7.7 million new jobs added under President Clinton -- that's faster job growth than during any Republican Administration since the 1920s, including Ronald Reagan's term in office. [Source: Bureau of Labor Statistics, *Employment Situation: January 1996*, February 2, 1996, Table B1; and Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00000001, February 20, 1996.]

- **Better Private-Sector Job Growth.** More than 7.1 million new private-sector jobs created under President Clinton -- that's faster private-sector job growth than during any Republican Administration since the 1920s, including Ronald Reagan's term in office. [Source: Bureau of Labor Statistics, *Employment Situation: January 1996*, February 2, 1996, Table B1; and Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00000001, February 20, 1996.]

- **Turning The Corner on Jobs in High-Wage Industries.** After losing 268,000 jobs in high-wage industries during the previous Administration, the economy has added more than 3 million since President Clinton took office. [Source: Update to Department of Labor, *The Nature of Recent Employment Growth*, February 1996.]

CLAIM: *More jobs were added in the last six months of the Bush Administration than were created in the last six months of the Clinton Administration.*

THE FACTS: **IF THEY WANT TO TALK ABOUT JOB GROWTH, LET'S TALK. PRESIDENT CLINTON'S JOBS RECORD IS BETTER THAN THAT OF ANY REPUBLICAN PRESIDENT SINCE THE 1920s.**

1. **President Clinton Has A Better Jobs Record Than Any Republican Administration Since the 1920s.** Since President Clinton took office, the economy has added nearly 7.7 million new jobs -- that's a faster annual rate of job growth than any Republican Administration since the 1920s. [Source: Bureau of Labor Statistics, *Employment Situation: January 1996*, February 2, 1996, Table B1; and Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00000001, February 20, 1996.]

2. **President Clinton Has A Better Private-Sector Jobs Record Than Any Republican Administration Since the 1920s.** More than 7.1 million new private-sector jobs have been created -- that's a faster annual rate of private-sector job growth than any Republican Administration since Harding was President in the 1920s. [Source: Bureau of Labor Statistics, Employment Situation: January 1996, February 2, 1996, Table B1; and Bureau of Labor Statistics, BLS Internet site: www.bls.gov, series EES00500001, February 20, 1996.]

3. **Over 7 Times More Private-Sector Jobs Per Month Than Bush.** Since the President was inaugurated, the private sector has created 198,000 jobs per month, 7.4 times as many jobs per month as were created under the Bush Administration (26,900). [Source: Bureau of Labor Statistics, *Employment Situation: January 1996*, February 2, 1996, Table B1; and Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00500001, February 20, 1996.]

4. **Turning The Corner on Jobs in High-Wage Industries.** After losing 268,000 jobs in high-wage industries during the Bush Administration, the economy has added more than 3 million since President Clinton took office. [Source: Update of Department of Labor, *The Nature of Recent Employment Growth*, October 7, 1994.]

CLAIM: *From January 1995 to January 1996, the economy lost 258,000 high-paying manufacturing jobs.*

THE FACTS: **Manufacturing jobs are UP under President Clinton -- after falling dramatically during the previous two Administrations.**

- **Since President Clinton took office -- even counting recent losses -- the economy has added 158,000 new manufacturing jobs, after losing 2.2 million during the previous two Administrations.** [Source: Bureau of Labor Statistics, BLS Internet site: www.bls.gov, series EES30000001, February 20, 1996.]

- **President Clinton has a better record of manufacturing job growth than any Republican Administration since before the Great Depression.** [Source: Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES30000001, February 20, 1996.]

- **Under President Reagan alone, the economy lost 752,000 manufacturing jobs.** [Source: Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES30000001, February 20, 1996.]

CLAIM: *While 7.5 million non-farm payroll jobs have been created since Clinton took office...many of these are part-time jobs. On the basis of the number of hours worked, the economy has created only 758,000 full-time jobs annually since 1992.*

THE FACTS:

1. **This is nonsense. How is it possible that an unusual amount of the new jobs are part-time, if part-time employment is down under President Clinton?**

   - **While the economy is creating millions of jobs, part-time employment is down!** According to the Bureau of Labor Statistics, in the last two years, the number of people working part-time has dropped by half a million workers. [Source: BLS Current Population Survey.]

2. **If an unusual amount of the new jobs were part-time jobs, average hours should fall. Since President Clinton took office, average hours have ticked up.**

   - **Average hours are up slightly.** According to the Bureau of Labor Statistics, average weekly hours have increased slightly during the Clinton Administration; from 1992 to 1995, they have increased from 34.4 to 34.5 hours per week. [Source: Update to Department of Labor, "The Nature of Recent Employment Growth," February, 1996.]

3. **Simply put: Their analysis is flawed.** As Sylvia Nasar wrote in the *New York Times* in April 1993:

   > "As it turns out, there was no way for anyone to know what proportion of the payroll jobs were part-time, since the Labor Department simply does not ask businesses whether their payroll jobs are full-time or part-time when it surveys them each month."

Then how do we know

CLAIM: *Average hourly earnings are 5 percent lower than a decade ago.*

THE FACTS: **THEY'RE BLAMING THE WRONG FOLKS. All of the drop occurred on the watch of Presidents Reagan and Bush. Wages have improved slightly under President Clinton.**

- **While average hourly earnings declined 4.5 percent in the last decade, they declined 4.6 percent under Presidents Reagan and Bush. Since President Clinton took office, hourly wages are on the rise again.** (Source: Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00500049, Adjusted to December 1995 dollars using CPI-U, February 20, 1996.)

- **In today's dollars, this means that under Presidents Reagan and Bush, real average hourly earnings fell 79 cents, from $12.34 in January 1981 to $11.55 in January 1993.** (Source: Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00500049, Adjusted to December 1995 dollars using CPI-U, February 20, 1996.)

- **Since President Clinton took office, real average hourly earnings have increased slightly.**

  Since President Clinton took office, average hourly earnings have increased slightly from $11.55 in January 1993 to $11.62 in December 1995. (Source: Bureau of Labor Statistics, BLS Internet site: *www.bls.gov*, series EES00500049, Adjusted to December 1995 dollars, using CPI-U, February 20, 1996.)

CLAIM: *In each and every year of the Clinton presidency, the typical American family had less real income than when President Clinton took office. Last year alone, the typical family earned $790 less than in 1992.*

THE FACTS: **THIS IS SIMPLY UNTRUE. Family incomes fell under the previous Administration. They have increased since President Clinton took office.**

1. **Median family income is higher now than in 1992.** Median family income in 1994 was higher than the year before President Clinton took office. In 1994, median family income was $38,782, up from $38,632 in 1992. (Source: Bureau of the Census, *Income, Poverty, and Valuation of Noncash Benefits: 1994*, Series P-60-189, Supplemental Tables: Families, By Total Money Income.)

2. **Median family income increased in 1994.** According to the Bureau of the Census, real median family income increased 2.3 percent in 1994 -- the first year following President Clinton's Economic Plan -- for the first time since 1989. (1994 is the most recent data available) (Source: Bureau of the Census, *Income, Poverty, and Valuation of Noncash Benefits: 1994*, Series P-60-189, Supplemental Tables: Families, By Total Money Income.)

3. **It's impossible to make a three-year estimate.** It is impossible to even make a three-year estimate since the Bureau of the Census hasn't even collected the data for the third year!

4. **Family incomes declined under the previous Administration.** It was during the previous Administration when family incomes slipped. From 1988 to 1992, median family income declined 4 percent. (Source: Bureau of the Census, *Income, Poverty, and Valuation of Noncash Benefits: 1994*, Series P-60-189, Supplemental Tables: Families, By Total Money Income.)

CLAIM: *From 1979 to 1994, the inflation-adjusted hourly wage of men with a high school education fell from $13.84 to $11.57, a 16.4 percent drop... Any American whose income has fallen 16 percent has good reason to be angry.*

THE FACTS: **THE ENTIRE DECLINE HAPPENED BEFORE PRESIDENT CLINTON TOOK OFFICE.**

SINCE THE PRESIDENT TOOK OFFICE, THE DOWNWARD SLIDE IN HOURLY WAGES FOR MEN WITH A HIGH SCHOOL DEGREE HAS STOPPED:

- While hourly wages of men with a high school education fell 16.4 percent between 1979 and 1994, 100 percent of the decline occurred between 1979 and 1992 -- before President Clinton took office. [Source: Economic Policy Institute.]

- In other words, while real average hourly earnings of men with a high school education fell from $13.84 in 1979 to $11.57 in 1992 -- a 16.4 percent drop. Since President Clinton took office, the decline has stopped, remaining steady at $11.57 in 1994. [Source: Economic Policy Institute.]

AVERAGE HOURLY EARNINGS OF MEN WITH ONLY A HIGH SCHOOL DEGREE WENT DOWN UNDER REAGAN, DOWN UNDER BUSH, AND REMAINED STEADY UNDER CLINTON.

Average Hourly Earnings Of
Men With High School Education

Reagan		
1980	$13.38	
1988	$12.41	*Down $0.97*
Bush		
1988	$12.41	
1992	$11.57	*Down $0.84*
Clinton		
1992	$11.57	
1994	$11.57	*Holding Steady*

[SOURCE: Economic Policy Institute. Adjusted to 1994 dollars.]

CLAIM: *In 1995, wages and benefits advanced 2.9 percent -- their smallest increase in 14 years.*

THE FACTS: **THIS IS JUST NOT TRUE.**

1. **In real dollars, <u>wages and benefits have grown twice as fast under President Clinton than they did during the previous Administration.</u>** (Source: Based on data from the Bureau of Labor Statistics, Employment Cost Index, adjusted to December 1995 dollars using the CPI-U.)

2. **In 1995 alone, the inflation-adjusted increase in wages and benefit -- while not as strong as the Administration would have liked -- was faster than the average growth during the previous Administration and better than a couple of years during the Reagan expansion period.** (Source: Bureau of Labor Statistics, Employment Cost Index, adjusted to December 1995 dollars using the CPI-U.)

CLAIM: *The typical family now devotes 24.5 percent of its income to federal taxes -- a greater share of income than at any time in America's peacetime history.*

THE FACTS: THIS IS SIMPLY WRONG.

1) **The typical family's tax rate is not the highest in peacetime history -- indeed it is lower than when President Clinton took office in 1992.** [Source: Treasury Department Office of Tax Analysis, based on Census Bureau data, 4/18/95]

2) **In their claim, they are not just counting people's federal income taxes, he's also thrown in employee and employer payroll taxes.** ***Even using this calculation, the effective tax rate in 1995 is still lower than it was in 1992, the year before President Clinton took office.***

- In 1995, the average combined federal income and employee *plus employer* Social Security and Medicare tax rate for the typical four-person family will be 24.46 percent. [Source: Treasury Department Office of Tax Analysis, based on Census Bureau data, 4/18/95]

3) **When you do not count the employer's portion of payroll taxes, the typical family's tax rate is 16.81 percent -- *lower* than when President Clinton took office, and the same or *lower* than 7 of the 8 years when Ronald Reagan was President.** [Source: Treasury Department Office of Tax Analysis, based on Census Bureau data, 4/18/95]

CLAIM: *President Clinton vetoed the first balanced budget to reach a President's desk in 27 years.*

THE FACTS:

1. **President Clinton did not veto the Republican Budget because it balanced the budget -- he strongly supports a balanced budget and has presented his own balanced budget plan based on CBO numbers.** *The President's FY1997 budget is the first official budget presented by a President that balances based on CBO numbers in 19 years.*

2. **President Clinton vetoed the extreme Republican Budget because it included extreme cuts in Medicare, Medicaid, Education, the Environment as well as a large tax increase on the hardest pressed working families.** President Clinton vetoed their budget because their policies would squeeze working families and deny them and their children needed opportunities.

   - **Higher Taxes For Working Families.** Their budget would have raised taxes on some 7.7 million of our most hard-pressed families by an average of $318 in 1996 alone.
   - **Medicare Premium Increase On 37 Million Beneficiaries.** Their budget would have raised premiums for an elderly couple by $264 in 1996 alone, and by hundreds more over 7 years.
   - **Corporate Raid On Workers' Pensions.** Their budget would have allowed corporations to raid pension funds, risking pensions for millions of workers.
   - **Repeal Of The Medicaid Guarantee Of Nursing Home Coverage.** Their budget would have put more and more working families at financial risk.
   - **2.5 Million Students Cut Off Direct Student Loans.** Their budget would have cut off Direct Student Loan opportunities for 2.5 million students in 1,350 colleges and universities.
   - **380,000 Students Denied Pell Grants.** The Republican budget would make devastating cuts to the Pell grant program, denying Pell grants to 380,000 deserving students in 1996 alone.
   - **180,000 Children Denied Head Start.** Their budget would have denied 180,000 children comprehensive Head Start education, health, and social services by the year 2002.
   - **1 Million Children Denied Basic And Advanced Skill Training.** Their budget would cut Title I by more than $1 billion -- denying assistance to 1 million students in 1996 alone.

3. **President Clinton has continually called for passing the common savings in both plans so that we can have a balanced budget and modest tax cut *without* the harmful Medicare, Medicaid, Education and Environmental cuts.** After more than 50 hours of negotiations, both sides now have some $700 billion of savings in common -- more than enough to balance the budget in 7 years while providing tax relief for middle-class families. President Clinton's door remains open. He urges the Republicans to come back to the table and work with him to get the job done.

CLAIM: *The deficit has not been balanced in 26 years and Bill Clinton was content to run deficits for another 26 years.*

THE FACTS: 1. **THE RECORD SHOWS THAT BILL CLINTON IS THE PRESIDENT WHO HAS BEEN COMMITTED TO LIVING WITHIN OUR MEANS AND BALANCING THE BUDGET.**

- **Because of President Clinton's 1993 Economic Plan, the FY1995 budget would have had a $14 billion *surplus* but for the interest on the debt accumulated during the Reagan and Bush Administrations.**

- **The deficit exploded between 1981 and 1986 under a Republican-controlled White House and Senate.** The main dramatic increase in the deficit occurred under a Republican-controlled White House and Senate -- the deficit nearly *tripled* in just three years, from $74 billion in FY1980 to $208 billion in FY1983.

- **In just 3 years, President Clinton has cut the deficit nearly in half.** President Clinton's economic policies have cut the deficit from $290 billion in FY1992 to $164 billion in FY1995.

- **CBO today projects that deficits will be *$1.5 trillion lower*** over the next 7 years than CBO projected as President Clinton took office in January 1993.

- **President Clinton asks the Republicans to come back to the table and get the job done.** President Clinton is the one who is currently asking Congress to come back to work and pass the common ground savings that would allow us to balance the budget and provide a targeted tax cut.

CLAIM: *President Clinton placed excessive and unproductive regulatory burdens on the American people -- totaling $600-700 billion per year.*

THE FACTS:

1. **THIS IS SIMPLY THE SAME OLD HOSTILE VIEW TO ENVIRONMENTAL PROTECTION AND PUBLIC SAFETY: EXAGGERATED COSTS AND NO CALCULATION OF BENEFITS.**

2. **THE ADMINISTRATION'S COMMON SENSE REGULATIONS WORK: ELIMINATING NEEDLESS AND BURDENSOME REGULATIONS WHILE PROTECTING THE ENVIRONMENT, GROWING THE ECONOMY, AND CREATING JOBS.**

   - President Clinton is strongly committed to reforming our regulatory system so that it is more flexible, costs less, and imposes fewer rigid rules on the American economy. *The Administration is eliminating 16,000 pages of needless regulations, and is streamlining another 31,000.*

   - **Significant steps include:**
     - Shrinking a SBA loan application form from an inch thick to one page.
     - Rewarding results, not red tape, by changing performance measurement systems to focus on ultimate goals (e.g., cleaner air and safer workplaces.)
     - Enacting interstate banking deregulation and intrastate trucking deregulation.
     - Dramatically simplifying bank regulations issued by the Comptroller of the Currency, and radically reducing the regulatory burden placed on exporters.

   - **A Stronger Economy.** Over the last 3 years, the economy has grown faster than any major economy in the world -- twice as fast as during the previous Administration.

   - **Stronger Job Growth.** Nearly 7.7 million new jobs added in 3 years -- a better record than either of the previous two Administrations.

3 **THIS COMPLAINT IS FROM THE SAME FOLKS WHO TRIED TO PUSH THROUGH EXTREME ENVIRONMENTAL CUTS AND POLICIES THIS YEAR, INCLUDING:**

   - Halting new standards for meat inspections.
   - Cutting EPA's enforcement budget by 50 percent.
   - Eliminating all clean drinking water state loan funds.
   - Halting EPA action or enforcement to keep storm water pollution out of the nation's waterways.
   - Prohibiting EPA enforcement to keep raw sewage off beaches and out of waterways.
   - Eliminating EPA's ability to set standards to prevent industrial water pollution.
   - Curtailing protection of toxic air pollutants from all oil refineries.

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CLAIM: *More than 90 percent of all reductions [in the federal work force] come from the closing of Resolution Trust Corp. and the firing of tens of thousands of civilian military employees -- on orders from the base-closing commission.*

THE FACTS: **THIS IS FLAT WRONG.**

- **More than 40 percent of the reductions are non-Defense.** More than 40 percent of the reductions in the federal workforce come from departments and agencies other than defense. Virtually every department and agency has reduced their number of employees. [Source: Office of Management and Budget data, as presented in the National Performance Review Report: President Clinton's Record In Reducing The Federal Workforce, February 8, 1996.]

- **Defense had a buy-out program earlier than other agencies.** The civilian Defense Department made up slightly less than half of the federal workforce (44%) and has contributed somewhat more than half of the workforce reductions (59%). This modest additional contribution to workforce reduction from the Defense Department is not surprising given that the Defense Department began downsizing and had a buy-out program earlier than other agencies. [Source: Office of Management and Budget data, as presented in the National Performance Review Report: President Clinton's Record In Reducing The Federal Workforce, February 8, 1996.]

- **RTC closing has done little to reduce workforce.** The closing of the RTC has done little to reduce the federal workforce. Thousands of the former RTC workers have moved to the FDIC, having little effect on the level of federal employment. [Source: National Performance Review, 1996.]

CLAIM: *President Clinton's spending policies are reducing the size of the economy by 38 cents for every additional federal dollar spent.*

THE FACTS: THIS IS PATENTLY FALSE.

1. **After federal deficit spending <u>exploded</u> during the previous two Administrations, President Clinton has cut spending -- and cut the deficit nearly in half** -- reducing the Federal workforce to its smallest size in three decades and cutting 16,000 pages of regulations.

   - **Federal spending as a share of the economy is lower today than at any time in 16 years.**

   - **CBO today projects that deficits will be *$1.5 trillion lower*** over the next 7 years than CBO projected when President Clinton took office in January 1993.

2. **The study used to support this claim fails to account for the important fact that government investments -- such as education, the environment, Medicare, and Medicaid -- help the economy grow.** The study -- conducted by Lowell Gallaway and Richard Vedder for Reps. Armey and Saxton -- treats these investments the same as wasteful spending. The distinction between investment and wasteful spending is crucial to evaluating the effects of government spending on the economy.

   - **General Accounting Office**, "public investment plays a key role in economic growth, directly and by creating an environment conducive to private sector investment. Accordingly, in addition to the overall level of deficit or surplus, the proportion of the budget devoted to investment spending will also affect long-term growth. [GAO, *The Deficit and the Economy*, April 1995, pp. 11-12]

3. **The study is based on a fundamentally flawed methodology.** The study use inappropriate techniques to examine the impact of government spending on output. The study fails to account for the fact that the amount the government spends affects the economy and vice-versa. Thus, the simple statistical techniques adopted produce <u>misleading results</u> and underestimate the benefits of government spending. This study even makes the absurd claim that their simple theory can account for 99.9 percent of the movements in the economy over the past five decades.

CLAIM: *Today, federal spending approaches 22 percent of the economy.*

THE FACTS: **It is true that spending is between 21% and 22% of the economy, but this is *lower than any year under the Reagan and Bush Administrations* -- *the lowest in 16 years.***

- Federal spending in fiscal year 1995 was 21.1 percent of the economy -- the lowest of any year since 1979. This is based on the actual fiscal year 1995 figures, not estimates.

  [Based on actual fiscal year 1995 outlays and GDP. Historical data in CBO. *Economic and Budget Outlook,* January 1995; actual fiscal year 1995 outlays from Treasury Department, September Monthly Treasury Statement of Receipts and Outlays of the U.S. Government, October 27, 1995; actual fiscal year 1995 GDP from Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts, February 23, 1996.]

- Ironically, the study that Rep. Armey cites to make this claim shows that spending as a share of the economy was *lower in fiscal year 1995 than in 1980 or 1990.* The study says that fiscal year 1995 spending as a share of the economy was 21.6% based on *estimates as opposed to actual* GDP, but even at 21.6% federal spending as a share of the economy would *still be lower than any year since 1979* -- lower than every year under the Reagan and Bush Administrations.

CLAIM: *The President even wants to add new obstacles like a minimum wage hike -- putting the bottom rung of the economic ladder of success out of reach for millions of unskilled workers*

THE FACTS: AND THEY CLAIM TO BE FOR RAISING WORKERS' WAGES?

1. **Between 10 million and 13 million workers would benefit from the President's proposal to increase the minimum wage:** An estimated 10 million hourly workers earn between $4.25 and $5.14 and would directly benefit from the President's proposal. Research indicates that an increase in the minimum wage to $5.15 could have a "ripple" effect on the more than 3 million workers who earn within 60 cents of the new minimum wage.

2. **Within a year, if the minimum wage is not increased, it will fall to its lowest real level in 40 years.** Indeed, the value of the minimum wage is now 27 percent lower than it was in 1979, and has fallen 45 cents in real value since its last increase in April of 1991. The first half of the President's 90-cent proposal simply restores the minimum wage to its value from the last increase.

3. **Raising the minimum wage primarily helps adult workers -- most of whom rely on their minimum wage jobs to support their families:** Nearly two-thirds of minimum wage workers are adults (63%); almost two-fifths of all minimum wage workers (39%) are the sole breadwinners in their families; the average minimum wage worker brought home half of his or her family's earnings. Thus, a 90-cent rise in the minimum wage means an extra $1,800 to a full-time minimum wage worker -- *that's enough for the average family to pay for over 7 months of groceries.*

4. **Empirical evidence shows the President's proposal can increase wages without costing jobs:** Over a dozen empirical studies -- a majority of those published in peer-reviewed journals in the last five years -- have found that moderate increases in the minimum wage would not cost jobs. These studies include state-specific research that shows that higher state increases in the minimum wage did not result in significant job impacts. As Nobel Laureate Robert Solow stated: "[T]he evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small."

5. **The last minimum wage -- also 90 cents -- garnered strong bipartisan support.** In 1989, the minimum wage was passed by votes of 382 to 37 (135 Republicans) in the House, and 89 to 8 in the Senate (36 Republicans) and was supported by Senator Dole and Rep. Gingrich.

CLAIM: *He wants...the government to choose "winners" and "losers" by redirecting pension funds into "social investment."*

THE FACTS:

1. **President Clinton Kept Ronald Reagan's Policies!** The Clinton Administration has done absolutely nothing new in this area. The Interpretive Bulletin the Labor Department put out last summer (No. 94-1) merely brings together 20 years of Labor Department opinions on the subject:

   - **Robert Monks, who was responsible for ERISA in the Reagan Administration,** confirmed that, in Monks' words, "Interpretive Bulletin 94-1 sets forth a policy that is consistent with the policies announced by DOL during the years that I had principal responsibility for the ERISA program." (Letters attached.)

   - The ETI Clearinghouse that the Saxton bill proposes to defund was the outgrowth of the November 1992 Report of the Work Group on Pension Investments, appointed by the Bush Labor Department, that found that *"economically targeted investments (ETIs) exist which constitute prudent investments under traditional financial criteria, but which also create collateral economic benefits."*

2. **This Is The Same Group That Passed A Corporate Raid On Workers' Pensions.** Their budget would have allowed corporations to raid pension funds, risking pensions for millions of workers.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 3-4

TO: Shelley (Fidler)

FROM: Staff Secretary

This look OK to you?

Todd

NATIONAL PARK WEEK, 1996

- - - - - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

For millions of visitors every year, America's 369 national parks serve as living examples of the diversity, history, and natural wonders that have always defined this country. We owe a debt of gratitude to the men and women of the National Park Service, whose outstanding work to preserve and protect these treasures ensures that they will be available to educate and enrich generations of Americans to come.

The National Park Service also reaches beyond the boundaries of our parks to share knowledge and expertise with other nations, State and local governments, American Indian tribes and Alaska Natives, agencies, and thousands of organizations and individuals. National Park Service programs are helping community leaders to create green spaces in urban areas from Seattle to Philadelphia; to rehabilitate the historic canal in Augusta, Georgia; and to return grey wolves to Yellowstone, red wolves to the Great Smoky Mountains, big horn sheep to the Rocky Mountains, and the peregrine falcon to parks nationwide.

Our national parks benefit from the work of many citizens dedicated to environmental stewardship and historic preservation. By working directly with the National Park Service or through the National Park Foundation, its congressionally chartered nonprofit corollary, park partners sponsor educational programs, raise funds, provide visitor services, and donate time and materials to support our great public resources. These partners include the Student Conservation Association, the Boy Scouts and Girl Scouts, the National Trust for Historic Preservation, and hundreds of other interested organizations. Drawn from corporations, associations, and communities everywhere, over 100,000 Americans volunteer annually to keep our park system strong.

This year, National Park Week is dedicated to recognizing and celebrating the commitment of the National Park Service and its partners to America's unique historical, cultural, and natural heritage. I urge all the people of the United States to learn more about our national parks, the programs available in their communities, and to seek out opportunities to become a national park partner.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim April 22 through April 28, 1996, as National Park Week.

IN WITNESS WHEREOF, I have hereunto set my hand this day of , in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twentieth.

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CITY OF SAN JOSÉ, CALIFORNIA

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SUSAN HAMMER
MAYOR

96 MAR 1, P12:16

February 28, 1996

The President
The White House
Washington, DC 20500

Re: Kodak - Section 301 Case

Dear Mr. President:

I am writing in regard to USTR's Section 301 investigation involving access to Japan's consumer film and photographic paper market. I serve as chair of your Advisory Committee for Trade Policy and Negotiations. George Fisher, the Chairman, President and CEO of Eastman Kodak Company, is one of our most valued members.

Kodak's products are recognized throughout the world as of premier quality, and Kodak has aggressively attempted to market its products in Japan. Yet the company continues to be effectively barred from competing fairly in major segments of the Japanese market. Kodak's Section 301 petition was filed more than eight months ago. So far, Japan has refused to engage in a meaningful dialogue. This can only heighten U.S.-Japan trade tensions.

Your State Visit to Japan in April will provide an important opportunity to strongly affirm the U.S. Government's commitment to break down Japanese market barriers and, in particular, to assure full access to the Japanese consumer film and photographic paper market. I urge you to take full advantage of your State Visit to open Japan's markets for U.S. exporters such as Kodak.

I appreciate your consideration of this matter.

Sincerely,

Susan Hammer

Susan Hammer
Mayor

DORB/KIND
coordinate
reply with
NSC