

Galston

Draft #4: 1/18/94, 5pm

The President of the United States
Georgetown University
January 20, 1994

I am here to talk about journeys -- journeys of discovery, journeys of change, journeys whose most important steps are yet to come.

In Europe last week, I was inspired by those who have the courage to build new democracies on the wreckage of communism. The playwright Vaclav Havel was a political prisoner before he became president of the Czech Republic. The President of Poland, Lech Walesa, climbed over a factory fence to inspire his fellow workers to start the strike that built the Solidarity movement. Russian President Boris Yeltsin climbed atop a tank to stop the forces of reaction from rolling over the friends of freedom.

Throughout the former communist countries, quiet heroes are rebuilding their societies from the ground up, restoring churches, building businesses, and founding free trade unions and civic associations. In their brave and patient work, they are drawing on their own traditions. But they are also looking to, and learning from, America -- our rowdy but dynamic democracy; our restless strivings for a better life; and our constant capacity for change.

Thirty years ago, inspired by a fallen President who asked my generation to give something back to America, I enrolled in the Georgetown School of Foreign Service, which this year celebrates its 75th anniversary. I learned about the American ideals that are revolutionizing our world. For, as Professor Carroll Quigley taught in our class on western civilization, the defining idea of our country and our culture is "future preference" -- the belief that tomorrow can be better than today and that each of us has a personal moral responsibility to make it so.

Even after you leave this campus, you're still part of the Georgetown community. Years after I graduated, I learned from another great teacher, President O'Donovan's predecessor, Father Timothy Healy. Father Healy was a man of prodigious appetites -- for life, for learning, and for friendship. I know that -- because he was my friend.

On the day he died, just a little more than a year ago, he was carrying a letter to me, filled with good advice for my inaugural address. He asked me to think beyond the winter cold in which I would be inaugurated. He asked me to remember that, with their demand for change, the people were "forcing the spring" of American renewal. Father Healy, wherever you are -- and I think I

know -- thank you for your wisdom, thank you for your friendship, and thank you for that phrase.

Today, I want to tell you how far we've come -- and how far we have to go -- on that journey of national renewal.

We began our journey carrying the heavy load of the failures of the past; shackled to a debt that mortgages our future; burdened by the cynicism created when government does wrong by people who do right; and slowed down by a political culture dominated by the pursuit of outmoded ideology and short-term advantage.

When I took office on a clear, cold day one year ago, the American Dream was triumphant abroad yet imperiled at home. For twelve years, Washington quadrupled the national debt, keeping interest rates high, crowding out private investment, and putting a crimp on productivity and job creation. Meanwhile, Washington refused to invest in the things that make us stronger, smarter, and more secure.

For two decades, the middle class had been working longer and harder to maintain stagnant living standards. Seemingly secure jobs were lost, and, along with declining wages, people lost the security of stable and reliable health insurance. Just to make ends meet, families had to send fathers and mothers and even teen-aged children to work. What was lost was not only a way of making a living but a way of life -- a sense of caring and confidence and security.

For more than three decades, our social fabric had been coming apart. As manufacturing jobs left our cities, the working poor lost important rungs on their ladder of opportunity into the middle class. Too many families came apart; too many children were raised without the wisdom of both parents; too many children had children of their own. In places devastated by poverty and despair -- in spite of the heroic efforts of fathers and mothers, teachers and ministers -- crime and violence filled the vacuum caused by the absence of work and hope.

All these changes came at a time when people's confidence in the capacity of public institutions was at an all-time low. To the hardworking middle class, government wasn't providing value for their tax dollars. In Washington, the narrow interests prevailed over the national interests, and government seemed frozen in gridlock.

In many of the nations I visited last week, people had to risk their lives in revolution. Here in America, we need only dedicate our lives to renewal. The genius of our democracy is that, at every crucial moment, Americans have found the will and the way to change. That is why the American people voted for

change fourteen months ago; that is why my responsibility is to make the changes our people deserve and our times demand.

The past year has never been easy, because change is never easy. But I still believe Americans will not go gentle into that good night of drift and deadlock and decline. I still believe we will continue the journey of change we began one year ago today. I still believe that "There is nothing wrong with America that cannot be cured by what is right with America."

In the past year, we have taken the first steps on the journey of change and renewal. Our government is finally addressing the needs and advancing the values of the middle class and everyone who is struggling to join it. We are facing reality and addressing America's unfinished business -- generating jobs, increasing incomes, paying down the debt, securing health care, strengthening skills, and protecting people's safety. And -- from meetings in Moscow to promote democracy to meetings in Tokyo to revive the world economy -- our seriousness of purpose is winning respect and getting results.

Here at Georgetown, two years ago, I spoke of a "new covenant" to repair the damaged bond between the people and their government and restore our most basic values. ~~The New Covenant moves beyond the stale, failed orthodoxies of Left and Right. It offers a new approach to economic policy that moves beyond trickle-down and tax-and-spend; a new approach to social policy that moves beyond every man for himself, on the one hand, and something-for-nothing, on the other; and a new approach to foreign policy that stands up for our values and our economic interests. The steps we've taken this year keep faith with that covenant -- offering opportunity, demanding responsibility, and restoring a sense of community and common purpose.~~

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summary of
Georgetown
policy
provisions

The debate is not over whether to provide health security -- but how. Not whether to reform welfare -- but how. Not whether to make well-intentioned but ultimately futile efforts to protect American workers from economic change -- but how to give them the tools and the skills to profit from it.

~~We are moving beyond the false choices between protecting the environment and promoting economic growth, between protecting our people from violent crime and providing our people with new opportunities, between setting higher standards for our students and providing needed resources for our schools. And we are escaping the falsest choice of all, the choice between individual responsibility and social responsibility -- because we need more of both. At long last, the American spirit is prevailing -- and~~

~~we as a people are addressing our challenges with clarity and confidence.~~

We faced reality with an economic plan that reflects our new approach: to do more with less, to cut and invest.

The most important source of opportunity is a vibrant, growing, entrepreneurial economy. We've laid the foundation for a real recovery that will endure and enrich the lives of all Americans.

I know the recovery is not good enough. Many are out of work; many are working for lower wages; and many live in fear of losing their jobs or their health insurance. Our recovery will not be complete -- and our work will not be done -- until every American has the security to embrace the future without fear. We have a long way to go. But we are moving in the right direction.

We passed a plan that will reduce the deficit by \$500 billion over five years. We cut \$255 billion in spending over five years. And, don't let anybody kid you, those cuts are real - they cut spending in 342 separate accounts of the federal budget.

We reversed trickle-down economics, restoring fairness to our tax system. We asked the top 1.2 percent of Americans, the folks earning \$180,000 or more a year, to pay higher income taxes -- not because we want to punish them but because they are best able to pay. For 98% of our citizens, their income tax rates will not go up. And, for 15 million who labor for low wages, there will be a tax cut to reward their work and help them hold their families together.

We offered bold new incentives for growth, rewarding those who start and own the small businesses that generate most of our new jobs. Nine out of ten small businesses will be eligible for tax incentives when they invest in the future and create new jobs.

Slowly but surely, our economic plan is creating new opportunity and providing new security for middle class families.

Deficit reduction has led to lower interest rates. More people are buying cars. More people are achieving the American dream of buying their own homes. And more homeowners are refinancing their mortgages at low rates.

All this serves our greatest goals: creating new jobs and increasing incomes. Last year, the private economy created 1.6 million new jobs -- one-and-a-half times as many as in the previous four years.

In our journey of change, we are taking the first steps to make government work for the people again.

With the Vice President's National Performance Review, we are literally reinventing government, wiping out useless layers of middle management, eliminating red tape and insisting on results, and taking the steps to trim the federal payroll by a quarter million jobs.

With the campaign finance reform bills that have passed the House and Senate, we will take important steps to limit spending, cut the influence of political action committees, and make government less responsive to privilege and more responsible to ordinary taxpayers.

And, with Motor Voter, which makes it easier to register to vote, we provided millions more Americans with a voice in the democratic process, vindicating the wisdom of the old saying that the best cure for the ills of democracy is more democracy.

We want government to honor the values that our country has always stood for and our new world demands: the values that inspire our people to take personal responsibility for learning new skills, doing their best on their jobs, holding their families together, and giving something back to their communities and their country.

Seventeen days into the new Administration, we broke eight years of gridlock and enacted the Family and Medical Leave Law. It says to our working men and women: If you have a newborn child or an ailing parent, now you can take time off to be with them without losing your jobs. You can be a successful parent and a successful worker at the same time.

On a Sunday last fall, when I returned to the White House from my early morning run, I saw a father, a mother, and three daughters who were taking a tour. The family was there with the Make a Wish Foundation, because one of the daughters was desperately ill, and she wanted to see the White House. I talked to the family for a while, and the father said: "If it hadn't been for the family leave law, I would have had to choose between spending time with my precious daughter who may not make it, or working to support my family so that the rest of us could go on. No parent should ever have to make that choice -- and now I don't have to. Mr. President, don't you ever think that it doesn't matter what goes on up here."

At long last, we are empowering American parents to provide a better life for their children. By funding child nutrition and child immunization and Head Start, we are offering parents the support they need to do send their children off to their first day of school, healthy and hopeful and ready to learn.

And these investments will pay for themselves many times over when those children become responsible citizens and productive workers.

In our journey of change, we are making sure that work pays in America.

By increasing the Earned Income Tax Credit, we sent a simple message to 15 million Americans who work hard for low wages: If you work full time and raise children, you will no longer live or labor in poverty. We reward fulltime work over fulltime welfare -- our first step to keeping our commitment to end welfare as we know it. This may be the most important social program of the past three decades -- and we do without creating a new government bureaucracy.

With the Earned Income Tax Credit, we can lift up families like the Dorseys of Atlanta, whom I met last July. Kevin Dorsey is a warehouse manager. His wife, Marian, works part-time as a clerk. With the Earned Income Tax Credit, they can buy more clothes and more books for their three children.

And that is what I mean by honoring the work ethic and family values.

For millions of workers who are still jobless, we extended unemployment compensation benefits and identified those who need help getting their next job, so they can get counseling and training. Here at Georgetown, I called on business and labor and government to make a new covenant to meet the challenges of a dynamic economy -- where the average 18-year-old will change jobs seven times in a lifetime, where people stay unemployed longer, and most don't get called back to the same job they left. We are taking the first steps to meet that challenge and keep that commitment -- and change our unemployment system to a re-employment system.

Last year, I was inspired to meet Americans, young and old, who have the courage to take responsibility for their lives and learn new skills. From the high school students I met in Delaware, who are taking training for highly skilled jobs in the airline industry; to the widowed mother in Detroit who studied for six years to become a machinist, so that she could support her children with a paycheck, not a welfare check; to the laid-off aerospace and auto workers I met at Van Nuys Community College in California, where they are learning new skills from film production to computer science -- I saw why American know-how and our can-do spirit are still the envy of the world.

In our journey of change, we encourage our young people, regardless of their family incomes, to study hard and aim high in life. By revolutionizing the student loan program, we make it

easier and less expensive for deserving young people to borrow the money they need to go to college.

We encourage the young in years -- and the young in spirit -- to give something back to their communities and their country. In this, its first year, our National Service Program, Americorps, will send 20,000 young people to communities all across our nation, caring for the elderly, working with young people, and -- most important of all -- helping our police protect our communities. And, as they serve America in hundreds of different places, in hundreds of different ways, they will be earning money for their educations. Just as America does with the GI Bill, we will be sending the message that we honor those who serve their country.

In our journey of change, we are doing something -- not just talking, but doing something -- to protect our citizens' safety on the streets, in their homes, and in the schools.

We enacted the Brady Bill to keep guns out of the hands of children and criminals and people with a history of mental illness. The Brady Bill became law because Americans are finally fed up with the violence that cuts down another person with gunfire every 20 minutes -- and because the voice of the people was stronger than the power of the gun lobby.

I come from a state where half the folks have fishing and hunting licenses. I can still remember the first day when I was a little boy out in the country putting a can on top of a firepost and shooting a .22 at it. I was proud to sign the Brady Bill into law because it will not restrict the rights of hunters and sportsmen -- but it will save the lives of thousands of Americans every year.

The crime bills which have passed both Houses of Congress will advance our goals of putting 100,000 more police on the street, controlling assault weapons, and creating boot camps where nonviolent first offenders will have the chance to learn some discipline and straighten out their lives. And, when Congress returns next week, I will ask them to pass the Crime Bill without delay.

Step by step, we are reviving our economy, renewing our community, and restoring our people's confidence that America can be strong at home and abroad. The line between domestic and foreign policy is becoming blurred, but one thing is clear: When we are strong and prosperous at home, we are better able to lead and inspire abroad.

[NSC Europe Trim/Foreign Policy Section, to come from Eric Liu]

We have done a lot; but we have much, much more to do. Our success will ultimately be measured not by how many programs we pass but by how many lives we improve. Not simply by what we do for people but by what we help people do for themselves. For none of the changes that we have accomplished this nation will matter much unless every American strives to make even greater changes from the inside out.

We must say to every American: we will offer you lifelong learning, so you can keep your skills at the cutting edge of change. But you must seize these opportunities.

We must say to every family: we will offer you health security -- health care that's always there -- but you must take more responsibility for your own health and your children's health.

We must say to those on welfare: We'll provide training and education and child care. But, if you can work, you should go to work, because you can no longer stay on welfare forever.

We must say to millions of Americans who live in fear: We'll keep violent criminals behind bars and put more police on the street in community policing. But you've got to be their partners in fighting crime by working with your neighbors to keep your community safe. You've got to lay down the law to your children to stay off drugs, stay away from gangs, and carry books, not guns, to school. And remember that your children may not follow what you say, but they will follow what you do.

And we must say to people in public service: We have made a good start. But we have a solemn responsibility to continue to honor the values and promote the interests of the people who pay the way -- and, if we don't, we don't belong in government any more.

I am working hard to keep the covenant I made with the American people. And I'm going to keep challenging you -- and challenging every citizen -- to keep the covenant we all have with our future.

Long before I came to Georgetown, my mother taught me that, if you get up every morning and work your heart out, you really can make tomorrow better than today. I believe that more than ever -- and I hope you do, too.

For America is forever young, filled with energy and excitement, hope and possibility. As Carl Sandburg wrote: "I see America not in the setting sun nor with a night of despair ahead of us. I see America in the crimson light of a rising sun, fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of vision."

If we confront our challenges with courage and confidence, with energy and hope, we will have "great days ahead," for every one of you.

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Why? I don't know? I don't know? I don't know?

E/D... to set this... but I'd be more... in the context of... promises made & promises being kept... Recalling his previous visits to Georgetown & what the vision he sketched out there

I am here to talk about journeys -- journeys of discovery, journeys of change, journeys whose most important steps are yet to come.

Recalling his previous visits to Georgetown & what the vision he sketched out there
In Europe last week, I was inspired by those who have the courage to build new democracies on the wreckage of communism. The playwright Vaclav Havel was a political prisoner before he became president of the Czech Republic. The President of Poland, Lech Walesa, climbed over a factory fence to inspire his fellow workers to start the strike that built the Solidarity movement. Russian President Boris Yeltsin climbed atop a tank to stop the forces of reaction from rolling over the friends of freedom. Throughout the former communist countries, quiet heroes are rebuilding their societies from the ground up, restoring churches, building businesses, and founding free trade unions and civic associations. In their brave and patient work, they are drawing on their own traditions. But they are also looking to, and learning from, America -- our rowdy but dynamic democracy; our restless strivings for a better life; and our constant capacity for change.

(in concrete terms more than broad themes); & then reviewing how far we've come in the first year.

Thirty years ago, inspired by a fallen President who asked my generation to give something back to America, I enrolled in the Georgetown School of Foreign Service, which this year celebrates its 75th anniversary. I learned about the American ideals that are revolutionizing our world. For, as Professor Carroll Quigley taught in our class on western civilization, the defining idea of our country and our culture is ~~"future preference"~~ the belief that tomorrow can be better than today and that each of us has a personal moral responsibility to make it so.

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On the day he died, just a little more than a year ago, he was carrying a letter to me, filled with good advice for my inaugural address. He asked me to think beyond the winter cold in which I would be inaugurated. He asked me to remember that, with their demand for change, the people were "forcing the spring" of American renewal. Father Healy, wherever you are -- and I think I

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We began our journey carrying the heavy load of the failures of the past; shackled to a debt that mortgages our future; burdened by the cynicism created when government does wrong by people who do right; and slowed down by a political culture dominated by the pursuit of outmoded ideology and short-term advantage.

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For two decades, the middle class had been working longer and harder to maintain stagnant living standards. Seemingly secure jobs were lost, and, along with declining wages, people lost the security of stable and reliable health insurance. Just to make ends meet, families had to send fathers and mothers and even teen-aged children to work. What was lost was not only a way of making a living but a way of life -- a sense of caring and confidence and security.

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responsibility

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Q: Do we want to rehearse the bad old days? Sounds a bit like a campaign.
You could cut this in most of it

change fourteen months ago; that is why my responsibility is to make the changes our people deserve and our times demand.

The past year has ~~not~~ been easy, because change is never easy. But I still believe Americans will not go gentle into that good night of drift and deadlock and decline. I still believe we will continue the journey of change we began one year ago today. I still believe that "There is nothing wrong with America that cannot be cured by what is right with America."

In the past year, we have taken the first steps on the journey of change and renewal. Our government is finally addressing the needs and advancing the values of the middle class and everyone who is struggling to join it. We are facing reality and addressing America's unfinished business -- generating jobs, increasing incomes, paying down the debt, securing health care, strengthening skills, and ~~protecting people's safety~~. And -- from meetings in Moscow to promote democracy to meetings in Tokyo to revive the world economy -- our seriousness of purpose is winning respect and getting results.

Here at Georgetown, two years ago, I spoke of a "new covenant" to repair the damaged bond between the people and their government and restore our most basic values. The New Covenant moves beyond the stale, failed orthodoxies of Left and Right. It offers a new approach to economic policy that moves beyond trickle-down and tax-and-spend; a new approach to social policy that moves beyond every man for himself, on the one hand, and something-for-nothing, on the other; and a new approach to foreign policy that stands up for our values and our economic interests. The steps we've taken this year keep faith with that covenant -- offering opportunity, demanding responsibility, and restoring a sense of community and common purpose.

In the first year of our journey of change, we have transformed America's agenda, facing reality, taking responsibility, and confronting problems long deferred or denied.

The debate is not over whether to provide health security -- but how. Not whether to reform welfare -- but how. Not whether to make well-intentioned but ultimately futile efforts to protect American workers from economic change -- but how to give them the tools and the skills to profit from it.

We are moving beyond the false choices between protecting the environment and promoting economic growth, between protecting our people from violent crime and providing our people with new opportunities, between setting higher standards for our students and providing needed resources for our schools. And we are escaping the falsest choice of all, the choice between individual responsibility and social responsibility -- because we need more of both. At long last, the American spirit is prevailing -- and

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we as a people are addressing our challenges with clarity and confidence.

We faced reality with an economic plan that reflects our new approach: to do more with less, to cut and invest.

The most important source of opportunity is a vibrant, growing, entrepreneurial economy. We've laid the foundation for a real recovery that will endure and enrich the lives of all Americans.

I know the recovery is not good enough. Many are out of work; many are working for lower wages; and many live in fear of losing their jobs or their health insurance. Our recovery will not be complete -- and our work will not be done -- until every American has the security to embrace the future without fear. We have a long way to go. But we are moving in the right direction.

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All this serves our greatest goals: creating new jobs and increasing incomes. Last year, the private economy created 1.6 million new jobs -- one-and-a-half times as many as in the previous four years.

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I don't think I'd put this stuff second

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On a Sunday last fall, when I returned to the White House from my early morning run, I saw a father, a mother, and three daughters who were taking a tour. The family was there with the Make a Wish Foundation, because one of the daughters was desperately ill, and she wanted to see the White House. I talked to the family for a while, and the father said: "If it hadn't been for the family leave law, I would have had to choose between spending time with my precious daughter who may not make it, or working to support my family so that the rest of us could go on. No parent should ever have to make that choice -- and now I don't have to. Mr. President, don't you ever think that it doesn't matter what goes on up here."

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I come from a state where half the folks have fishing and hunting licenses. I can still remember the first day when I was a little boy out in the country putting a can on top of a firepost and shooting a .22 at it. I was proud to sign the Brady Bill into law because it will not restrict the rights of hunters and sportsmen -- but it will save the lives of thousands of Americans every year.

The crime bills which have passed both Houses of Congress will advance our goals of putting 100,000 more police on the street, controlling assault weapons, and creating boot camps where nonviolent first offenders will have the chance to learn some discipline and straighten out their lives. And, when Congress returns next week, I will ask them to pass the Crime Bill without delay.

Step by step, we are reviving our economy, renewing our community, and restoring our people's confidence that America can be strong at home and abroad. The line between domestic and foreign policy is becoming blurred, but one thing is clear: When we are strong and prosperous at home, we are better able to lead and inspire abroad.

[NSC Europe Trim/Foreign Policy Section, to come from Eric Liu]

We have done a lot; but we have much, much more to do. Our success will ultimately be measured not by how many programs we pass but by how many lives we improve. Not simply by what we do for people but by what we help people do for themselves. For none of the changes that we have accomplished this nation will matter much unless every American strives to make even greater changes from the inside out.

We must say to every American: we will offer you lifelong learning, so you can keep your skills at the cutting edge of change. But you must seize these opportunities.

We must say to every family: we will offer you health security -- health care that's always there -- but you must take more responsibility for your own health and your children's health.

We must say to those on welfare: We'll provide training and education and child care. But, if you can work, you should go to work, because you can no longer stay on welfare forever.

We must say to millions of Americans who live in fear: We'll keep violent criminals behind bars and put more police on the street in community policing. But you've got to be their partners in fighting crime by working with your neighbors to keep your community safe. You've got to lay down the law to your children to stay off drugs, stay away from gangs, and carry books, not guns, to school. And remember that your children may not follow what you say, but they will follow what you do.

And we must say to people in public service: We have made a good start. But we have a solemn responsibility to continue to honor the values and promote the interests of the people who pay the way -- and, if we don't, we don't belong in government any more.

I am working hard to keep the covenant I made with the American people. And I'm going to keep challenging you -- and challenging every citizen -- to keep the covenant we all have with our future.

Long before I came to Georgetown, my mother taught me that, if you get up every morning and work your heart out, you really can make tomorrow better than today. I believe that more than ever -- and I hope you do, too.

For America is forever young, filled with energy and excitement, hope and possibility. As Carl Sandburg wrote: "I see America not in the setting sun nor with a night of despair ahead of us. I see America in the crimson light of a rising sun, fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of vision."

great start, but, ~~again~~, it feels like an inaugural kind of state, not right

to me, sounds good for last year but not this year

If we confront our challenges with courage and confidence, with energy and hope, we will have "great days ahead," for every one of you.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO SENIOR STAFF

FROM: MARK GEARAN 
RE: FIRST-YEAR ACCOMPLISHMENTS
DATE: January 19, 1994

The following memorandum on the administration's accomplishments was prepared for the one-year anniversary by the Communications Department with help from many of you. It was distributed to the press last week and to many other groups this week. I thought you might find it helpful. If you have any comments or suggestions about the document, please do not hesitate to call me.

THE CLINTON ADMINISTRATION FIRST-YEAR ACCOMPLISHMENTS

"Our democracy must be not only the envy of the world but the engine of our own renewal. There is nothing wrong with America that cannot be cured by what is right with America." (Inaugural Address)

SUMMARY

"Profound and powerful forces are shaking and remaking our world, and the urgent question of our age is whether we can make change our friend and not our enemy. ... We know we have to face hard truths and take strong steps." (Inaugural Address)

From day one, President Clinton and Vice President Gore have broken the gridlock that paralyzed Washington for years. Working effectively with Congress, they have laid a solid foundation for economic recovery and made a strong start on achieving the President's key priorities.

The President and Congress had a remarkable year. *Congressional Quarterly* found that legislation on which the President took a stand passed 88.6 percent of the time, the highest first-year success rate since President Eisenhower in 1953. Another found that the President won tough votes at an even higher rate -- over 90 percent, better than the record of President Johnson in 1965. Bi-partisan support was crucial to the passage of key legislation such as National Service, NAFTA, the Family and Medical Leave Act and flood relief. For only the second time in 60 years, there has been no Presidential veto. Below are some highlights:

- o The Economic Package. Signed into law on August 10, 1993
- o Family and Medical Leave Act. Signed into law on February 5, 1993
- o The Student Loan Reform Act. Signed into law on August 10, 1993
- o The Brady Bill. Signed into law on November 30, 1993
- o Crime Bill. Passed both Houses by November 19, 1993
- o Health Care Reform. Introduced on November 20, 1993
- o National Service. Signed into law on September 21, 1993
- o NAFTA. Signed into law on December 8, 1993
- o GATT. Agreement reached on December 15, 1993
- o Campaign Finance. Passed both Houses by November 22, 1993

REBUILDING THE ECONOMY

'We have to ask everyone to contribute something to get the job done. But we're going to ask the most from those who got the most and gave the least during the past dozen years, those at the top of ladder. And we're going to do everything we can to protect people who are suffering the most from declining incomes and vanishing jobs, the middle class and the working poor. ' (First Radio Address)

MORE JOBS

Jobs are being created at the fastest rate in 4 years. In the first year of the Clinton Administration, more than 1.6 million new private sector jobs have been created -- over half a million more than during the previous four years.

- o Unemployment dropped to 6.4 percent in December, 1993 -- a three-year low.
- o In the first year of the Clinton administration, the economy has generated 164,000 new payroll jobs per month -- four times the average pace over the previous four years.

HISTORIC DEFICIT REDUCTION

- o Passed the largest deficit-cutting plan in history -- more than \$500 billion over five years.
- o The deficit reduction package included \$255 billion in specific spending cuts and an unprecedented "hard freeze" -- a 12 % real reduction -- on all discretionary spending.

LOWER INTEREST RATES

American consumers are benefitting from low interest and mortgage rates that make it easier to buy a home and reduce the burden on those who already pay their mortgages.

- o Spurred by the deficit reduction plan, interest rates have fallen sharply. In the last year, 10 and 30-year rates have both dropped over a full percentage point. Thirty-year mortgage rates are down from 8.22% a year ago to 7.19% -- the lowest in more than 20 years.
- o As a result of these low rates, more than 5.4 million Americans have refinanced their homes in 1993 for a savings of \$10 billion just this year. A homeowner with a \$100,000 mortgage who refinances and saves 2 percentage points will save \$1,700 per year.
- o Housing starts climbed from 1.17 million last January to 1.43 million in November -- the highest level in over 3 years. Construction spending is up 10% over previous years and existing home sales are the highest in 14 years.
- o As a result of the low rates, business investment is surging. Over the past year, spending for producers' durable equipment has expanded at the fastest pace since 1984.

EXPANDING MARKETS FOR U.S. EXPORTS

- o Concluded the North American Free Trade Agreement and signed implementing legislation, ensuring that Americans will take a leadership role in the expanding global economy and

- o Negotiated a successful GATT that will lower trade barriers among over 170 nations, save American consumers billions of dollars, and create hundreds of thousands of jobs.
- o Instituted a tough, new trade policy that safeguards the environment and American workers.
- o Advanced the United States trade agenda in Asia by convening the first-ever summit of Asian-Pacific leaders (APEC) and agreeing with Japan on a framework for trade talks. Promoted G-7 growth policies at Tokyo summit.

HELPING SMALL BUSINESS

- o Made new tax cuts available to over 90% of small businesses. Increased expensing of investment and provided a new targeted capital gains cut for long-term investments in small businesses -- incentives that will create hundreds of thousands of jobs in the next five years.
- o Signed the Small Business Guaranteed Credit Enhancement Act of 1993, increasing the availability of SBA-guaranteed loans.
- o Initiated aggressive action to alleviate the credit crunch on small and medium-sized businesses through regulatory initiatives to reduce burdens on banks.

A GROWTH-ORIENTED HIGH-TECH POLICY

- o Developed a National Export Strategy, eliminating export controls on \$37 billion worth of American high-tech products that support high-wage American jobs.
- o Developed an action plan for the National Information Infrastructure and ordered the transfer of 200 MHz of spectrum to the private sector to jump-start new wireless technologies.
- o Shifted federal R&D priorities heavily toward civilian technology.
- o Provided incentives for private-sector research and development and new business formation by extending the R&D tax credit.

HELPING COMMUNITIES

- o Created nine Economic Empowerment Zones and 95 Enterprise Communities. The plan gives local communities the incentives and regulatory flexibility to work with the private sector in developing comprehensive economic development strategies.
- o Transmitted to Congress the Community Development Banking and Financial Institutions Act of 1993, which creates a \$382 million federal fund to subsidize the development of community development banks and institutions.
- o Introduced the Housing and Community Development Act of 1993, revamping rent policy for public housing tenants and making home ownership easier for low-income Americans.
- o Instituted the Defense Reinvestment and Conversion Initiative, which implemented \$1.7 billion in specific defense conversion programs for 1993. The package includes funding for worker training and adjustment, investments in hard-hit communities, and the Technology Reinvestment Project to help small defense firms make the transition to commercial markets.

SAFER STREETS

"We must pass a tough crime bill. I support an initiative to put 100,000 more police officers on the street -- to provide boot camps for first-time non-violent offenders, and more space for the hardened criminals in jail. And I support an initiative to do what we can to keep guns out of the hands of criminals." (Joint Session Address)

GUNS OFF THE STREET

- o President Clinton signed the Brady Bill on November 30, 1993 -- breaking seven years of gridlock. The Brady Bill requires a five-day waiting period for the purchase of handguns.
- o Banned imports of foreign assault pistols, such as the Uzi, and called for a ban on all assault weapons. The Senate crime bill includes the toughest assault weapons ban ever passed.
- o Tightened federal gun dealer licensing requirements by improving background checks on prospective dealers, requiring dealers to obtain more reliable identification from purchasers and scrutinizing multiple handgun sales reports. Proposed dramatically increasing the federal licensing fee for gun dealers to reduce the 284,000 gun dealers in the U.S. today.
- o Pushed for passage of a measure in the Senate crime bill which bans the possession of handguns by minors.

100,000 NEW POLICE OFFICERS

- o To make our streets safer, the crime bill passed by Congress adopts the President's plan to put 100,000 more police officers on the streets with heavy emphasis on community policing.
- o Signed the Police Hiring Supplement, which awards \$200 million to communities for community policing; federal grants were awarded to 74 cities in December.

SAFER SCHOOLS

- o Expanded funding for the SAFE Schools Initiative. The President proposed and the Senate passed strong new measures as part of the crime bill to make our nation's schools safer.

STOP DRUGS

- o Elevated the Director of the Office of National Drug Control Policy to Cabinet rank.
- o Signed an Executive Order strengthening the Office of Drug Policy's agency-wide jurisdiction over drug policy, including issues involving national security.
- o Included treatment for substance abuse as part of the comprehensive health benefits package in the Health Security Act.

MORE PRISONS AND BOOT CAMPS

- o The crime bill will fund the construction of new prisons to make sure that criminals stay behind bars and expand boot camps for young offenders.

HELPING FAMILIES

"...There is a lot more we need to do to help people trapped in welfare move to work and independence; to strengthen child support enforcement; to reward those who work 40 hours a week and have children at home with an increase in the earned income tax credit so we can really say we're rewarding work instead of dependence -- to immunize all the children of this country so more parents won't have to take advantage of family leave because their children will be well, and strong, and healthy." (Family and Medical Leave Act signing)

TAX CUTS FOR WORKING FAMILIES (EITC)

- o Expanded the Earned Income Tax Credit by \$21 billion over five years to reward work over welfare. This year, 14 million families will receive \$13 billion in benefits from the EITC. When fully implemented, more than 20 million households with incomes of \$27,000 or less will benefit.

FAMILY AND MEDICAL LEAVE

- o Signed the Family and Medical Leave Act, providing up to 12 weeks of unpaid job-protected leave for employees to care for family members. As a result, Americans will not have to face the difficult choice between caring for their families or keeping their jobs.

FAMILY SUPPORT

- o Funded the Family Preservation and Support Initiative to help prevent child abuse and help parents learn the skills and tools they need to raise their children

HEAD START

- o Increased funding for Head Start by \$550 million, allowing 100,000 additional children to participate in the program.

IMMUNIZATIONS

- o Signed a comprehensive Child Immunization Plan to provide vaccines, free of charge, to six million additional American children.

UNEMPLOYMENT ASSISTANCE

- o Signed the Emergency Supplemental Appropriations Act of 1993, extending unemployment benefits for up to 26 weeks for victims of the recession and providing \$4 billion in emergency unemployment compensation to approximately 1.9 million unemployed American workers. Quick action on the unemployment benefits bill kept 250,000 to 300,000 unemployed Americans each week from falling through the safety net.

FOOD ASSISTANCE

- o Fully funded the special supplemental food program for Women, Infants and Children, increasing average participation by 300,000 families, and enacted key provisions of the Mickey Leland Act, broadening food stamp assistance for poor families with children.

EDUCATION AND SERVICE

"Americans of every generation face profound challenges in meeting the needs that have been neglected for too long in this country ... for those who answer the call and meet these challenges, I propose that our country honor your service with new opportunities for education." (Rutgers University Address)

AFFORDABLE EDUCATION

- o Signed the Student Loan Reform Act of 1993 making college more affordable to more students and saving taxpayer money through direct federal lending and income contingent loans. Eliminating the "middle man" will reduce the cost of loans saving \$3 billion over the next five years and \$2 billion each year thereafter.

NATIONAL SERVICE ACT

- o Signed into law the National Service Act that will enable 100,000 Americans to serve their communities and our country, and earn assistance in paying for higher education. The AmeriCorps participants will directly address the nation's critical needs in areas of education, human service, public safety and the environment.

BETTER SCHOOLS

- o Introduced the "Goals 2000: Educate America Act," a comprehensive national education reform program, and the "Improving America's Schools Act."
- o Signed an Executive Order on Historically Black Colleges and Universities mobilizing a federal effort to foster the development and success of these institutions and their graduates.

SUMMER JOBS

- o Signed the 1993 Summer Youth Employment and Training Program which provided 700,000 disadvantaged young people with a chance to do meaningful community work, gain labor market skills and earn money.

JOB TRAINING

- o Introduced the School-to-Work Opportunities Act, providing funding to states and communities to develop and implement training programs and establish national standards for such programs.

COMPREHENSIVE HEALTH CARE REFORM

"We must make this our most urgent priority, giving every American health security-- health care that can never be taken away, health care that is always there...Now, these, my fellow Americans, are the principles on which I think we should base our efforts: Security, simplicity, savings, choice, quality and responsibility." (Health Care Address)

HEALTH SECURITY

- o Introduced the Health Security Act of 1993, a comprehensive plan to reform the nation's health care system to guarantee every American comprehensive health benefits that can never be taken away. The solution is a system of guaranteed private insurance. It will guarantee every American health security, simplify our system by reducing paperwork and cracking down on fraud, achieve savings, protect and expand our choices of doctors and health plans, improve the quality of care and ask everyone to take responsibility.

RIGHT TO CHOOSE

- o Revoked the Reagan/Bush restrictions on abortion counseling ("the gag rule"), abortions in military hospitals, "Mexico City" policy and RU-486 imports.

IMPROVING MEDICAL RESEARCH

- o Signed the National Institutes of Health Revitalization Act, removing the federal ban on fetal-tissue transplants and research, establishing the Offices of Women's Health Research, Minority Health Research and Alternative Medicine, and consolidating the direction and the budget of AIDS research.

AIDS

- o Increased Ryan White Act funding for outpatient AIDS care by \$231 million to \$579 million for Fiscal Year 1994, and proposed a 20% increase in NIH spending for AIDS research.
- o Appointed first ever AIDS czar to focus on consolidating federal resources and funds to find a cure and address the issues of AIDS.

RESTORING TRUST IN GOVERNMENT

"The confidence of the people who pay our bills ... in Washington is not high. We must restore it. We must begin again to make government work for ordinary taxpayers, not simply for organized interest groups." (Joint Session Address)

REINVENTING GOVERNMENT

- o Conducted the National Performance Review, which includes more than 1200 recommendations to make government work better and cost less. NPR will trim the government's payroll by 252,000 jobs and streamline government operations. It will cut red tape, eliminate obsolete and duplicative regulations and end special privileges.

MOTOR VOTER BILL

- o Signed the National Voter Registration Act, making it easier for 70 million unregistered Americans to vote by allowing them to register when they get their driver's licenses.

OPENING THE RECORD ON HUMAN RADIATION EXPERIMENTS

- o Opened an investigation into Cold War-era government sponsored radiation experiments.

FEMA REORGANIZATION AND DISASTER RESPONSE

- o Turned FEMA into an effective, rapid-response organization for the benefit of victims of nearly 80 declared emergencies, including the Great Flood and the California fires.

REDUCING COSTS TO TAXPAYERS

- o Ordered a reduction in federal perks, removing taxpayer subsidies of executive dining rooms, limiting use of government aircraft and restricting uses of government vehicles.
- o Signed the Government Performance and Results Act of 1993, requiring agencies to develop strategic plans and performance measures to improve effectiveness and public accountability.
- o Reduced the White House staff by 25%.

AN ADMINISTRATION THAT LOOKS LIKE AMERICA

- o Appointed the most diverse Cabinet and Administration in history. The Cabinet is 29% African-American and 14% Hispanic; six women occupy cabinet-level posts.

CAMPAIGN FINANCE AND LOBBYING REFORM

- o Helped pass sweeping campaign finance reform bills in the House and Senate. Both bills aim to limit campaign spending, cut the influence of PAC's and the use of "soft money."
- o Signed an Executive Order imposing the strictest Administration ethics code in history -- forbidding senior appointees from lobbying for up to five years after leaving government.
- o Eliminated the tax deduction for lobbying expenses.

PROTECTING THE ENVIRONMENT

"For too long we have been told that we have to choose between the economy and the environment; between our obligations to our own people and our responsibilities to the future and to the rest of the world; America can maintain our lead in the world economy by taking the lead to preserve the world environment." (Earth Day Address)

CLIMATE CHANGE ACTION PLAN

- o Introduced an innovative and comprehensive Climate Change Action Plan that saves government and industry money, spurs economic growth, creates jobs, and addresses one of the most threatening environmental problems today: global warming.

FOREST MANAGEMENT PLAN

- o Developed a Forest Management Plan that finally broke the impasse on forest issues in the Pacific Northwest. Today federal agencies are working with those who live and work in the region to implement the plan and restore the region's economic and environmental health.

WETLANDS

- o Introduced a wetlands plan to protect these prolific ecosystems, which filter and cleanse water, and provide a buffer against flooding. The Administration's package reflects the vital need for effective protection and restoration of the nation's wetlands, and advocates much needed reforms to increase the fairness and flexibility of federal regulatory programs.

CREATING MARKETS FOR "GREEN" GOODS

- o Signed executive orders -- to lead by example and use government purchasing power to stimulate markets for environmental products while saving taxpayers money. Executive orders cover the following:
 - Recycled paper and environmentally preferable goods for federal purchases;
 - Alternative-fuel vehicles for federal fleets;
 - Energy-efficient computers for all government uses;
 - Accelerated government phase-out of ozone-depleting chemicals;
 - Pollution Prevention -- federal facilities to cut toxic emissions 50% and report them under "Right to Know" laws.

BIODIVERSITY

- o The President signed the Biodiversity Convention -- reversing the previous Administration's stance. The Administration engaged industry and the environmental community to resolve their concerns, and the United States signed the treaty in June.

RE-AFFIRMING AMERICA'S GLOBAL LEADERSHIP

"With the Cold War over, many people ask whether the United States plans to retreat or remain active in the world; and if active, to what end...We cannot solve every problem, but we must and will serve as a fulcrum for change and a pivot point for peace." (United Nations General Assembly Address)

PROMOTING DEMOCRACY, MARKET REFORM AND HUMAN RIGHTS

- o Led international support for democracy and market reform in **Russia and other former Soviet states** through bilateral/multilateral aid and firm support for reformers. Created Gore-Chernomyrdin Commission to cooperate in space, energy, defense conversion and other areas. Secured repeal of many outdated Cold War laws.
- o Restored U.S. consensus on **China** policy for the first time since Tiananmen Square, setting the basis for dialogue to secure improved Chinese behavior on human rights, non-proliferation and trade.
- o Supported **South Africa's** transition from apartheid to democracy, including non-racial elections in April 1994, through diplomacy, aid and lifting of sanctions.
- o Promoted efforts to restore democracy and return President Aristide to **Haiti** through helping to negotiate the Governor's Island process; adopted tough international sanctions when the military in Haiti reneged on its commitments.
- o Proposed summit meeting of democratic leaders from this hemisphere for 1994.

MIDDLE EAST PEACE

- o Reinvigorated the Middle East peace process, leading to historic White House signing between Israel and the PLO. Enlisted international support for process, including \$2 billion pledged at the Washington Conference.

COMMITMENT TO A STRONG NATIONAL DEFENSE

- o Completed the "Bottom Up Review," the first comprehensive strategic review of defense needs for the post-Cold War world. The process provides a road-map to maintaining strong national security while identifying substantial defense savings.
- o Initiated the first review of nuclear posture since the end of the Cold War, including policy doctrine, force structure, operations and safety.

STRENGTHENING SECURITY TIES

- o Called for a NATO Summit in January 1994. At that summit, proposed and won approval by NATO and the East European nations of a "Partnership for Peace" to adapt the alliance to our new European security requirements by offering former Soviet republics and Central/East European nations closer ties to NATO.
- o Reaffirmed our commitment in East Asia and laid out a vision of future Asian security during visit to Tokyo, Seoul and DMZ.

EFFORTS TO STOP WEAPONS PROLIFERATION

- o Through intense diplomatic efforts, convinced Belarus and Kazakhstan to accede to the Non-Proliferation Treaty and become non-nuclear weapon states. With Ukraine and Russia, reached agreement on a comprehensive tri-lateral deal to rid Ukraine of more than 1800 warheads and 176 ICBM's today aimed at the United States.
- o Adopted a comprehensive non-proliferation and export control policy, and acted firmly to combat the spread of weapons of mass destruction by North Korea, Iran, Iraq, China and others. Announced counter proliferation initiative to combat emerging missile, nuclear, biological and chemical weapons threats.
- o Suspended nuclear testing and began work with other governments to achieve a Comprehensive Test Ban treaty by 1996. Obtained Senate approval for Open Skies Treaty and sent to Senate the Chemical Weapons Convention, which would ban an entire class of weapons of mass destruction.

COMBATting TERRORISM

- o Attacked **Iraqi** intelligence headquarters in response to Iraqi sponsored plot to assassinate President Bush; imposed new US/UN sanctions on **Libya** to press for those implicated in Pan Am 103 bombing to be brought to justice; adopted policy of "double containment" of **Iran and Iraq**.

RELIEVING HUMAN SUFFERING

- o Provided relief to **Bosnia** through longest humanitarian airlift in our history; promoted peace talks, enforced the "no-fly zone" and sanctions against Serbia, and secured NATO's firm commitment to air strikes if needed to ensure relief and prevent Sarajevo's strangulation.
- o Resisted calls for precipitous pull-out from **Somalia**, allowing Somalia the opportunity to prevent a return to the chaos which caused 350,000 deaths before our entry. Attacks on US/UN forces have declined and a commission of inquiry has been established to determine responsibility for attacks on U.N. forces.

STREAMLINING AND REFORM OF AID

- o Proposed the most comprehensive restructuring of foreign aid since the Kennedy Administration, leaving behind outdated Cold War outlook and promoting economic growth, democracy, peace, sustainable development and humanitarian relief. Committed to maintaining assistance at current levels to Israel and Egypt.

TOUGH STAND ON ILLEGAL IMMIGRATION

- o Adopted new policies to combat illegal immigration through cooperation with foreign governments and new enforcement, while facilitating legal immigration.

POW/MIA'S

- o Aggressively pursued the fullest possible accounting of our **POW/MIA's** with Vietnam, including return of remains, release of documents, and cooperation on discrepancy cases, and with Laos. Sent two Presidential missions to Vietnam to pursue this matter.

January 13, 1994

Dear Editor:

Attached is a summary of some of the Clinton administration's major accomplishments to date. I hope you find it useful as you review the President's first year in office. By any objective measure, that year has been enormously productive. President Clinton has worked hard to refocus the national government on addressing the problems and needs of all Americans:

- He fought for a tough federal budget that brought lower interest rates, ^{making} ~~and, therefore,~~ ~~made~~ it easier to buy a car or to refinance a home mortgage;
- Reformed the college loan program to toughen collections and make loans more widely available;
- Fought for passage of a crime bill that will ~~eventually~~ put 100,000 more police on the street;
- Proposed and won passage of a tax cut for full-time, low-wage workers - making sure that work is better paid than welfare. That program also created new incentives to help small businesses invest and create jobs;
- Introduced major legislation to ^{ensure health security for all Americans, while making} ~~make~~ the ~~health care~~ system work better and cost less.

Of course, the first year of any presidency is marked by more than legislation. In his first year, President Clinton also addressed some of the moral challenges gripping America today: the problems of violent crime, the breakdown of the family, and the disappearance of spirituality from modern life. As the President Clinton said in his New Year's Day Radio Address this year, "For too long, we've been coming apart instead of coming together. In 1993, we began to reverse that, and I'm grateful." In the end, that may be the most lasting accomplishment of his first year.

Sincerely,

SEE INSERT
A

Mark D. Gearan

Insert A

- Charted a post-Cold War foreign policy that moved economic issues to center stage; advanced a new security partnership in Europe; intensified our focus on the Pacific Rim; opened a new era of trade and interaction in our own hemisphere; supported an historic peace process in the Middle East; and promoted democracy, free markets and human rights around the world.

THE WHITE HOUSE

WASHINGTON

December 21, 1993

MEMORANDUM TO THE PRESIDENT

FROM: MARK GEARAN
ANN WALKER
PAUL MEYER

SUBJECT: 1993 ACCOMPLISHMENTS

YEAR ONE: THE CLINTON ADMINISTRATION

A WRAP-UP

"Our democracy must be not only the envy of the world but the engine of our own renewal. There is nothing wrong with America that cannot be cured by what is right with America."

"Profound and powerful forces are shaking and remaking our world, and the urgent question of our age is whether we can make change our friend and not our enemy. This new world has already enriched the lives of millions of Americans who are able to compete and win in it. But when most people are working harder for less; when others cannot work at all; when the cost of health care devastates families and threatens to bankrupt our enterprises, great and small; when the fear of crime robs law-abiding citizens of their freedom; and when millions of poor children cannot even imagine the lives we are calling them to lead -- we have not made change our friend. We know we have to face hard truths and take strong steps." (Inaugural Address)

From day one, President Clinton and Vice President Gore have proven that the gridlock that paralyzed Washington, D.C. for years could be broken. In one year, they have accomplished many of the principles and priorities laid out by the President:

- o The Economic Package. Signed into law on August 10, 1993
- o National Service. Signed into law on September 21, 1993
- o Crime Bill. Passed both Houses by November 19, 1993
- o The Brady Bill. Signed into law on November 30, 1993
- o Family and Medical Leave Act. Signed into law on February 5, 1993
- o NAFTA. Signed into law on December 8, 1993
- o Campaign Finance. Passed both Houses by November 22, 1993
- o Health Care Reform. Introduced on October 22, 1993

WORKING WITH CONGRESS

"If we work hard and if we work together, if we rededicate ourselves to creating jobs, to rewarding work, to strengthening our families, to reinventing our government, we can lift our country's fortunes again. There's so much good, so much possibility, so much excitement in this country now that if we act boldly and honestly as leaders should, our legacy will be one of prosperity and progress. This must be America's new direction. Let us summon the courage to seize it." (Joint Session Address, February 17, 1993)

LEGISLATIVE SUCCESS: Even before the tough vote on NAFTA, studies showed that the President had a remarkable legislative record. *Congressional Quarterly* found that legislation on which the President took a stand passed 88.6 percent of the time, the highest first-year success rate since Eisenhower in 1953. A Fordham University study found that the President won tough votes at a higher rate: 91.3 percent of the tough votes in the House and 92.6 percent in the Senate, better than the record of President Johnson in 1965.

BI-PARTISANSHIP, NO VETOES, MORE DEBATE, OPEN LINES OF COMMUNICATION.

Bi-partisanship support was crucial to the passage of key legislation such as National Service, NAFTA, the Family and Medical Leave Act and flood relief. For only the second time in 60 years, there has been no Presidential veto. Important legislation that had previously been vetoed by President Bush -- the Family and Medical Leave Act, Motor-Voter -- was signed into law. Congress spent 40 percent more time -- 1,920 hours -- in session than during Reagan's first year. In the spirit of open communication, the President made 15 trips to Capitol Hill this year.

REBUILDING THE ECONOMY

"We have to ask everyone to contribute something to get the job done. But we're going to ask the most from those who got the most and gave the least during the past dozen years, those at the top of ladder. And we're going to do everything we can to protect people who are suffering the most from declining incomes and vanishing jobs, the middle class and the working poor. " (First Radio Address)

MORE JOBS

Job creation is up for the first time in years. Since the Clinton Administration took office nearly 1.5 million new private sector jobs have been created -- 457,000 more than during the entire four years of the Bush administration.

- o Unemployment dropped to 6.4 percent in November -- down from 7.3 percent a year ago.
- o So far this year, the economy has generated 162,000 new payroll jobs per month -- four times the average pace over the last four years.
- o Personal income is up 6% over last month, and non-farm personal income has risen 9 months in a row.

LOWER INTEREST RATES

American consumers are benefitting from low interest and mortgage rates that make buying a home easier and ease the burden on those who already pay their mortgages.

- o Interest rates have fallen sharply. In the last year, 10 year rates have dropped over a full percentage point to 5.71%, and 30 year rates have dropped over a point to 6.17%. Mortgage rates are down from 8.34% a year ago to 7.25% -- a 25 year low.
- o As a result of these low rates, more than 5.4 million Americans have refinanced their homes in 1993 for a savings of \$10 billion just this year. A homeowner with a \$100,000 mortgage who refinances and saves 2 percentage points will save \$1700 per year.
- o Since January, housing starts climbed from 1.17 million to 1.4 million in October -- the highest level since September 1987. Construction spending is up 10% over previous years and existing home sales are the highest in 14 years.
- o As a result of the low rates, business investment is surging. In the third quarter of 1993, spending on producers' durable equipment up 15% over 1992 . Over the past year, spending for producers' durable equipment has expanded at the fastest pace since 1984.

HISTORIC DEFICIT REDUCTION

- o Passed the single largest deficit-cutting plan in history -- \$496 billion over five years. Created a Deficit Reduction Trust Fund that locks up that \$496 billion for the sole purpose of cutting the deficit.

- The deficit reduction package included \$255 billion in specific spending cuts and an unprecedented "hard freeze" -- a 12 percent real reduction -- on all discretionary spending. The President's additional spending reduction bill cutting \$37 billion in spending was also passed.

HELPING SMALL BUSINESS

- Made new tax cuts available to over 90% of small businesses. The economic package increases by 75 percent the maximum expensing of investment and provides a new targeted capital gains cut for long-term investments in small businesses -- tax incentives that will create hundreds of thousands of jobs in the next five years.
- Signed the Small Business Guaranteed Credit Enhancement Act of 1993, increasing the availability of SBA guaranteed loans.
- Initiated aggressive action to alleviate the credit crunch on small and medium sized businesses by issuing over 10 regulatory initiatives to reduce burdens on banks, creating greater access to credit.

EXPANDING MARKETS FOR U.S. EXPORTS

- Passed the North American Free Trade Agreement ensuring that Americans will take a leadership role in the expanding global economy.
- Served interests of American workers and businesses by making economic issues a foreign policy priority; coordinated G-7 growth policies at Tokyo Summit, agreed with Japan on framework for trade talks, convened first-ever APEC leaders meeting and made efforts to reach a successful GATT agreement.
- Relaxed export controls on \$37 billion worth of American products that support high-wage American jobs.

HELPING COMMUNITIES

- Created nine Economic Empowerment Zones and 95 Enterprise Communities. The plan gives local communities the incentives and regulatory flexibility to work with the private sector in developing comprehensive economic development strategies.
- Transmitted to Congress the Community Development Banking and Financial Institutions Act of 1993, which creates a \$382 million federal fund to subsidize community development banks.
- Delivered the Housing and Community Development Act of 1993 to Congress, significantly changing rent policy for public housing tenants and making home ownership easier for low income Americans.
- Instituted the Defense Reinvestment and Conversion Initiative, which implemented \$1.7 billion in specific defense conversion programs for 1993. Total FY93-97 investment will reach nearly \$20 billion. The package includes funding for worker training and adjustment, investing in hard-hit communities, and the Technology Reinvestment Project, a federal "dual-use" technology effort to help small defense firms transition to commercial markets.

SAFER STREETS

"We must pass a tough crime bill. I support an initiative to put 100,000 more police officers on the street -- to provide boot camps for first-time non-violent offenders, for more space for the hardened criminals in jail and I support an initiative to do what we can to keep guns out of the hands of criminals." (Joint Session Address)

THE BRADY BILL

- o President Clinton signed the Brady Bill on November 30, 1993 -- breaking seven years of gridlock

100,000 NEW POLICE OFFICERS

- o To give local and state officials the tools they need to stop crime, The President's tough crime bills, passed by Congress, will put 100,000 more police officers on the streets, reduce gun violence and place heavy emphasis on community policing.

SAFER SCHOOLS

- o Expanded funding for the SAFE Schools Initiative. The President proposed and the Senate passed strong new measures as part of the crime bill to make our nation's schools safer.

STOP DRUGS

- o Elevated the Director of the Office of National Drug Control Policy to Cabinet rank.
- o Signed an Executive Order reaffirming the Office of Drug Policy's agency-wide jurisdiction over drug policy, including issues involving national security. This order also enhances the office's role in the budget process, enabling it to work with OMB to ensure that the President's priorities on this issue will be met.
- o Devised policies to more effectively combat international drug trafficking, moving away from interdiction strategy to a more balanced approach targeting drug cartels and cooperating with democratic governments in the hemisphere.

MORE PRISONS

- o The crime bill will fund the construction of new prisons to make sure that criminals stay behind bars.

HELPING FAMILIES

"...There is a lot more we need to do to help people trapped in welfare move to work and independence; to strengthen child support enforcement; to reward those who work 40 hours a week and have children at home with an increase in the earned income tax credit so we can really say we're rewarding work instead of dependence -- to immunize all the children of this country so more parents won't have to take advantage of family leave because their children will be well, and strong, and healthy." (Family and Medical Leave Act signing)

FAMILY AND MEDICAL LEAVE

- o Signed the Family and Medical Leave Act, providing up to 12 weeks of unpaid job-protected leave for employees to care for family members. As a result, Americans no longer have to face the difficult choice between caring for their families or keeping their jobs.

FAMILY SUPPORT

- o Funded the Family Preservation and Support Initiative to help prevent child abuse and help parents learn the skills and tools they need to raise their children

TAX CUTS FOR WORKING FAMILIES (EITC)

- o Expanded the Earned Income Tax Credit by \$21 billion over five years to lift working families out of poverty with incentives to work. This year, 14 million families will receive \$13 billion in benefits from the EITC. When fully implemented, over 20 million households with incomes of \$27,000 or less will benefit. By 1996, families earning the minimum wage could increase their wage rates by 38 percent.

HEAD START

- o Substantially increased funding for Head Start by \$550 million, allowing 100,000 additional children to participate in the program.

IMMUNIZATIONS

- o Signed a comprehensive Child Immunization Plan which will provide vaccines, free of charge, to six million additional American children.

UNEMPLOYMENT ASSISTANCE

- o Passed the Emergency Supplemental Appropriations Act of 1993, extending unemployment benefits for up to 26 weeks for victims of the recession and providing \$4 billion in emergency unemployment compensation to approximately 1.9 million unemployed American workers. Quick action on the unemployment benefits bill kept 250,000 to 300,000 unemployed Americans from falling through the safety net each week.

FOOD ASSISTANCE

- o Fully funded the special supplemental food program for Women, Infants and Children, increasing average participation by 300,000 families, and enacted key provisions of the Mickey Leland Act, broadening food stamp assistance for poor families with children.

NATIONAL SERVICE AND EDUCATION

"Every young American ought to be able to go to college without regard to income... Every American ought to be able to pay back that college education at the school of his or her own choice with two years of service to our country here at home, dealing with the problems of America here at home. (Georgetown University Address)

NATIONAL SERVICE ACT

- o Signed into law a National Service Plan enabling 100,000 Americans to serve their communities and our country and earn credit toward higher education. The AmeriCorps participants will directly address the nation's critical needs such as education, human service, public safety and environmental clean up.

AFFORDABLE EDUCATION

- o Signed the Student Loan Reform Act of 1993 making college more affordable to more students and saving taxpayer money through direct Federal lending and income contingent loans. Eliminating the "middle man" will reduce the cost of loans saving \$3 billion over the next five years and \$2 billion each year after.

SUMMER JOBS

- o Enacted the 1993 Summer Youth Employment and Training Program which provided 700,000 disadvantaged young people with a chance to do meaningful community work, gain labor market skills and earn money.

JOB TRAINING

- o Introduced the School-to-Work Act Opportunities Act, providing funding to states and communities to develop and implement training programs and establish national standards for such programs.

BETTER SCHOOLS

- o Introduced the "Goals 2000: Educate America Act," a comprehensive national education reform program, and the "Improving America's Schools Act."
- o Signed an Executive Order on Historically Black Colleges and Universities mobilizing a federal effort to foster the development and success of colleges and their graduates.

RESTORING TRUST IN GOVERNMENT

"I think it is clear to every American including every member of Congress of both parties that the confidence of the people who pay our bills and our institutions in Washington is not high. We must restore it. We must begin again to make government work for ordinary taxpayers, not simply for organized interest groups." (Joint Session Address)

MOTOR VOTER BILL

- o The President signed the National Voter Registration Act, making it easier for 70 million unregistered Americans to register to vote.

FEMA REORGANIZATION AND DISASTER RESPONSE

- o FEMA has greatly improved the quality of service to victims of natural disasters, coordinating efficient federal responses to nearly 80 declared emergencies this year.
- o President moved quickly to provide \$6.3 billion in emergency assistance to victims of the flooding in the Midwest and \$207 million to people affected by hurricanes. Quick action was also taken to make federal resources available to those in localities and municipalities suffering devastation.

REDUCING COSTS TO TAXPAYERS

- o President Clinton reduced the White House staff -- 25% fewer staff than the previous Administration.
- o Conducted the National Performance Review which provides over 1200 recommendations to make government work better and cost less. These recommendations will trim the government's payroll by 252,000 jobs and streamline government operations. It will cut red tape, abandon the obsolete, eliminate duplications and end special privileges saving taxpayers \$108 billion over five years.
- o Ordered a reduction in federal perks, removing taxpayer subsidies of executive dining rooms, limiting use of government aircraft and restricting uses of government vehicles.
- o Signed the Government Performance and Results Act of 1993 requiring agencies to develop strategic plans and performance measures to improve federal program effectiveness and public accountability.

ADMINISTRATION THAT LOOKS LIKE AMERICA

- o Appointed the most diverse Cabinet and Administration in history. The Cabinet is 29% African-American and 14% Hispanic, and six women occupy cabinet-level posts.

CAMPAIGN FINANCE AND LOBBYING REFORM

- Passed sweeping campaign finance reform bills providing partial public funding of House campaigns for candidates who agree to comply with federal spending caps and limits the aggregate amounts candidates can receive from PACs and individual contributors. The Senate bill limits congressional campaign spending, PAC contributions and bans the use of "soft money" in federal campaigns.
- Signed Executive Order, within minutes of taking office, imposing the strictest Administration ethics code in history -- forbidding senior appointees from lobbying for up to five years after leaving government.
- Eliminated the tax deduction for lobbying expenses.

COMPREHENSIVE HEALTH CARE REFORM

We must make this our most urgent priority, giving every American health security-- health care that can never be taken away, health care that is always there...Now, these, my fellow Americans, are the principles on which I think we should base our efforts: Security, simplicity, savings, choice, quality and responsibility. (Health Care Address)

HEALTH SECURITY

- o **Delivered to Congress the President's Health Security Act of 1993, a comprehensive plan to reform the nation's health care system to ensure that every American has access to good, affordable health care. The plan embraces six principles: security, savings, quality, choice, simplicity and responsibility. Under the Clinton plan, every American will have the right to choose their doctor and will be issued a Health Security card that guarantees them a comprehensive set of benefits.**

RIGHT TO CHOOSE

- o **Revoked the Reagan/Bush restrictions on abortion counseling ("the gag rule"), abortions in military hospitals, "Mexico City" policy and RU-486 imports.**

IMPROVING MEDICAL RESEARCH

- o **Signed the National Institutes of Health Revitalization Act, removing the federal ban on fetal-tissue transplants and research, establishing the Offices of Women's Health Research, Minority Health Research and Alternative Medicine, and consolidating the direction and the budget of AIDS research.**

AIDS

- o **Increased Ryan White Act funding for outpatient AIDS care by \$231 million to \$579 million for FY94, and proposed a 20% increase in NIH spending for AIDS research.**
- o **Appointed first ever AIDS czar to focus on consolidating federal resources and funds to find a cure and address the issues of AIDS.**

PROTECTING THE ENVIRONMENT

"The American people yearn to move beyond the false choices that the last few years have imposed upon us. For too long we have been told that we have to choose between the economy and the environment; between our jobs; between our obligations to our own people and our responsibilities to the future and to the rest of the world; between public action and private economy.... America can maintain our lead in the world economy by taking the lead to preserve the world environment."
(Earth Day Address)

CLIMATE CHANGE ACTION PLAN

- o Introduced an innovative and comprehensive Climate Change Action Plan that saves government and industry money, spurs economic growth, creates jobs, and addresses the most threatening environmental issue: global warming.

FOREST MANAGEMENT PLAN

- o Developed a Forest Management Plan that finally broke the gridlock on forest issues. Today federal agencies are working together and with those who live and work in the region to implement the plan and restore the economic and environmental health of the Pacific Northwest.

WETLANDS

- o Introduced a wetlands plan to protect the most prolific ecosystems in the world. Wetlands filter and cleanse water, and buffer against flooding. The Administration's package reflects the vital need for effective protection and restoration of the nation's wetlands, and advocates much needed reforms to increase the fairness and flexibility of Federal regulatory programs.

LEADING BY EXAMPLE ON THE ENVIRONMENT

- o The President signed a number of executive orders -- to lead by example, and use the government's enormous purchasing power to drive markets for more environmental products while saving taxpayers money:
 - Recycled paper and environmentally preferable goods for Federal purchases.
 - Alternative-fuel vehicles for federal fleets.
 - Energy-efficient computers for all government uses.
 - Accelerated government phase-out of ozone-depleting chemicals.
 - Pollution Prevention -- Federal facilities to cut toxic emissions 50% and report them under Right to Know laws.

BIODIVERSITY

- o The President signed the Biodiversity Convention -- reversing the previous Administration's stance. The Administration engaged industry and the environmental community to resolve their concerns, and the United States signed the treaty in June. Recognizing the importance of preserving genetic resources, the biotechnology industry has widely praised the President's leadership.

FOREIGN POLICY: RE-AFFIRMING AMERICA'S LEADERSHIP

"With the Cold War over, many people ask whether the United States plans to retreat or remain active in the world; and if active, to what end...We cannot solve every problem, but we must and will serve as a fulcrum for change and a pivot point for peace." (United Nations General Assembly Address)

PROMOTING DEMOCRACY, MARKET REFORM AND HUMAN RIGHTS

- o Led support for democracy and market reform in **Russia and other former Soviet states** through bilateral/multilateral aid and firm support for reformers. Created Gore-Chernomyrdin Commission to cooperate in space, energy, defense conversion and other areas. Secured repeal of many outdated Cold War laws.
- o Restored U.S. consensus on **China** policy for the first time since Tiananmen Square, setting the basis for dialogue to secure improved Chinese behavior on human rights, non-proliferation and trade
- o Supported **South Africa's** transition from apartheid to democracy, including non-racial elections in April 1994, through diplomacy, aid and lifting of sanctions.
- o Promoted efforts to restore democracy and President Aristide to **Haiti** through helping to negotiate the Governor's Island agreement; adopted tough international sanctions when the military in Haiti reneged on its commitments.
- o Proposed summit meeting of democratic leaders from this hemisphere for 1994.
- o Introduced reorganization of international broadcasting, continuing support for Radio Free Europe/Radio Liberty and creation of new Asian Democracy Radio service, while achieving substantial budgetary savings.
- o Stood up for human rights through actions at U.N. Conference on Human Rights, insisting on a single standard for human rights world-wide. Condemned repression in **Burma**. Met with Dalai Lama, Desmond Tutu and Salman Rushdie. Supported creation of a U.N. High Commission for Human Rights.
- o Achieved increase in funding for National Endowment for Democracy to support essential efforts to promote democracy and human rights worldwide.

MIDDLE EAST PEACE

- o Reinvigorated Middle East peace process, leading to historic White House signing between Israel and the PLO. Enlisted international support for process, including \$2 billion pledged at the Washington Conference.

RELIEVING HUMAN SUFFERING

- o Provided relief to **Bosnia** through longest humanitarian airlift in our history; promoted peace talks, enforced the "no-fly zone" and sanctions against Serbia, and secured NATO's commitment to airstrikes if needed to ensure relief and prevent Sarajevo's strangulation.

- o Resisted calls for precipitous pull-out from **Somalia**, allowing Somalia the opportunity to prevent a return to the chaos which caused 350,000 deaths before our entry. **Attacks** on US/UN forces have declined and a commission of inquiry has been established to hold accountable those responsible for attacks on U.N. forces.

COMBATting TERRORISM

- o Attacked **Iraqi** intelligence headquarters in response to Iraqi sponsored plot to **assassinate** President Bush; imposed new US/UN sanctions on **Libya** to press for those implicated in Pan Am 103 bombing to be brought to justice; adopted policy of "double containment" of **Iran and Iraq**.

TOUGH STAND ON ILLEGAL IMMIGRATION

- o Adopted new policies to combat illegal immigration through cooperation with **foreign** governments and new enforcement, while facilitating legal immigration.

STREAMLINING AND REFORM OF AID

- o Proposed the most comprehensive restructuring of foreign aid since the Kennedy Administration, leaving behind Cold War baggage and promoting economic growth, democracy, peace, sustainable development and humanitarian relief. Committed to maintain assistance at current levels to Israel and Egypt.

COMMITMENT TO A STRONG NATIONAL DEFENSE

"The changes of recent years allow us to be hopeful. But common sense reminds us to be prepared. One way we must be prepared is by ensuring that our Forces have what they need to get the job done, the equipment and the quality people needed to ensure that we can achieve decisive victory should we be called to battle once again." (West Point Address)

- o Completed the "Bottom Up Review," the first comprehensive strategic review of defense needs for the post-Cold War world. The process provides a road-map to maintaining strong national security while identifying substantial defense savings.
- o Ensured adequate funding for national security by resisting precipitous cuts in defense spending proposed by some members of Congress.
- o Initiated the first review of nuclear posture since the end of the Cold War, including policy doctrine, force structure, operations and safety.
- o Visited military installations of every service branch and selected Army General John Shalikashvili as Chairman of the Joint Chiefs of Staff.

STRENGTHENING SECURITY TIES

- o Proposed a "Partnership for Peace" -- embraced by allies, Russia and others -- to adapt NATO to our new European security requirements by offering former Soviet republics and Central/East European nations closer ties with NATO. Called for NATO Summit, to take place in January 1994.
- o Reaffirmed our commitment in East Asia and laid out a vision of future Asian security during visit to Tokyo, Seoul and DMZ.

EFFORTS TO STOP WEAPONS PROLIFERATION

- o Adopted a comprehensive non-proliferation and export control policy, and acted firmly to combat the spread of weapons of mass destruction by North Korea, Iran, Iraq, China and others. Announced counter proliferation initiative to combat emerging missile, nuclear, biological and chemical weapons threats.
- o Signed framework with Russia for military partnership and accelerated destruction of further nuclear weapons. Worked with other former Soviet states on securing their commitment to control and deactivate nuclear weapons.
- o Suspended nuclear testing and began work with other governments to achieve a Comprehensive Test Ban treaty by 1996. Obtained Senate approval for Open Skies Treaty and sent to Senate the Chemical Weapons Convention, which would ban an entire class of weapons of mass destruction.

POW/MIA's

- o Pursued aggressively the fullest possible accounting of our POW/MIA's with Vietnam, including return of remains, release of documents, and cooperation on diplomacy cases and with Laos. Sent two Presidential missions to Vietnam to pursue this issue.

THE WHITE HOUSE

WASHINGTON

94 JAN 8 P1:57

January 7, 1994

MEMORANDUM FOR THE PRESIDENT

FROM:

RAHM EMANUEL *RE*
JOHN PODESTA *JP*
TODD STERN *TS*

Subject: Accomplishments and Major Upcoming Statements

Major Statements

John convened a meeting Wednesday with Leon Panetta, Alan Blinder, Gene Sperling, Bob Boorstin, and several others from OMB, CEA, and the DNC to discuss the production of the three major statements that will be generated during the next month -- the State of the Union (January 25); Budget Message (February 7); and the Economic Report of the President (February 14) -- and to make sure that they are consistent in message and tone.

Accomplishments

January 20 Speech. To lay the groundwork for the State of the Union, you will give a speech at Georgetown University on January 20. This speech will focus on what you have accomplished in the first year -- how effectively you have delivered so far on what you promised in the campaign.

Communications Plan. The January 20 speech will be a culmination of a week's worth of activities, coordinated by Rahm, to get the message out on your first-year accomplishments.

One of the goals of that week will be to highlight the change that the Clinton Administration has brought to government and to this country.

To this end, we will use surrogates to underscore the accomplishments of your first year in office. Attached please find a calendar that outlines the communications strategy for this week.

- **1/12: Editorial Board and Outreach Mailings.** A brochure that outlines the Clinton Administration's accomplishments will be mailed out to editorial boards. Congressional

Affairs, Intergovernmental, Political, Public Liaison, and the DNC will do a similar mailing to their lists.

- **1/16: Sunday Morning Talk Shows.** The Vice President and other senior administration officials (in particular a top member of the Economic Team), will book for the Sunday morning shows. VP
Brinkley
- **1/16: Op-Eds.** We are working with David Mayhew, a political scientist at Yale University, and Governor Cuomo to write op-eds praising the first year of the Clinton Administration. Mayhew, who participated in the "historian weekend" that Stan Greenberg coordinated, would focus on how your first year is historically unprecedented in terms of legislative accomplishments. Cuomo's piece would echo his nominating speech at the Democratic National Convention, and point how much you have achieved.
- **1/17: Martin Luther King Jr. Day.** M L K
- **1/18: WH Briefing.** Bob Rubin, Carol Rasco, and Tony Lake will hold a joint briefing in the White House Briefing Room on the administration's accomplishments in their respective areas. R
V/T
- **1/19: Cabinet Press Conference.** Cabinet Secretaries and Agency Heads hold simultaneous press conferences at their departments concerning their first-year accomplishments and the changes that they have brought to their departments.
- **1/20: Congressional Leaders on Morning Shows.** Gephardt, Mitchell and other Democratic congressional leaders will appear on the morning shows. They will outline the accomplishments of the 103rd Congress, which will echo the administration's accomplishments.
- **1/20: Presidential Speech.** That you are giving this speech on this day and at this place is significant. This speech will commemorate both your inaugural one year ago, and the series of policy addresses you gave at the university during the campaign.

In short, the objective of this communications plan is to not only give a laundry list of legislative successes, but also to emphasize the change that the Clinton Administration has brought to the Federal Government.

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Sunday 9

Monday 10

Tuesday 11

Wednesday 12

Brochure Mailing

Thursday 13

Friday 14

Saturday 15

January
1994

January						
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30	31					

Sunday 16

Sunday Shows: VPOTUS, Mack, Bentsen

David Mayhew (Yale University) Op-Ed

Monday 17

Martin Luther King Jr. Day

Tuesday 18

Rubin, Rasco, Lake Briefing

Wednesday 19

Simultaneous Press Conferences by Cabinet

Thursday 20

POTUS: Georgetown Speech

Morning Shows: Gephardt, Mitchell, etc.

Friday 21

Saturday 22

Foreign Policy Performance

- Even as we focus on the more dramatic and immediate foreign policy issues of the past months, it's important not to lose sight of the real progress we're making on the most vital issues of national security of this era.
- We've raised the issue of stimulating world growth to the top of the global agenda, helping to enhance our economic security and create American jobs and exports.
 - o We've pursued this through historic market-opening efforts such as our work to pass NAFTA and to conclude the GATT Uruguay Round, to conduct framework talks with Japan, to coordinate economic policies with our G-7 allies, and to meet with the 15 leaders of the Asia-Pacific nations at APEC -- whose economies make up half the world's GNP.
- Our steadfast support for democratic and market reform in Russia has helped President Yeltsin overcome numerous threats from reactionary forces.
 - o A successful transition in Russia will allow us to continue to cut defense spending, open markets of hundreds of millions of consumers and eliminate for good the destructive Cold War competition.
- Secretary Christopher's work to reinvigorate the Middle East peace talks created an environment that allowed the momentous achievements over the past months, including the Israeli-PLO peace signing at the White House.
- On defense issues, Secretary Aspin's "Bottom Up Review" has given us a road-map for restructuring the military to face the challenges of the post Cold War world, ensuring continued security while allowing us to make even greater defense cuts.
 - o Our "Partnership for Peace" proposal -- embraced by our allies, Russia and others -- will offer former Soviet republics and East European nations closer ties with NATO, helping to adapt NATO to the post-Cold War world.
- Over the past months, we've announced new policies to stem the flow of illegal immigration and to combat international drug trafficking.
 - o We've also provided new global impetus to efforts to protect the global environment and to prevent proliferation of weapons of mass destruction.

- On the issues that confronted us when we came to office, there have been some difficult times over the past few months, but we are making progress.
- In Somalia, we are seeing results from the policy I announced on October 7. African leaders are promoting political reconciliation; attacks on U.S. and U.N. forces have ceased; the Rangers have been brought home; and a commission of inquiry is being set up to hold those responsible for the attack of U.N. peacekeepers accountable for their actions.
 - o We cannot rebuild Somalia -- the Somali people must do that for themselves -- but our commitment to remain through March is giving them a chance to avoid a return to anarchy and starvation that resulted in 350,000 deaths before our engagement began last December.
- In Haiti, we have tough international sanctions in place and diplomatic discussions underway in an effort to restore democracy and President Aristide to that country in line with the Governor's Island process. The anti-democratic forces must understand they cannot thwart the will and commitment of the Haitian people and the international community.
 - o We have strong national interests in helping foster democracy and human rights on our doorsteps in the Caribbean, protecting 1000 American citizens in Haiti and preventing a recurrence of mass illegal migration, often with disastrous results.
- In Bosnia, we are doing all we can to encourage a peace settlement to assist the humanitarian relief efforts through airdrops and the longest continuous humanitarian airlift effort in our history.
 - o We are also effectively enforcing sanctions against Serbia and the "no-fly" zone, and secured NATO's commitment to the threat of airstrikes to ensure humanitarian relief continues to flow and to prevent the strangulation of Sarajevo and other population centers.

Lessons of the Past Months

- We've faced some tough problems over the past months that have captured Americans' attention. Somalia, Haiti and Bosnia are not unique: in the uncharted ground after the end of the Cold War, we're likely to face more and more instances in which societies are tearing themselves apart.

- o Often, these situations will impact on our national security because of the potential for the spread of instability throughout whole regions, mass migration of people, or terrorism and proliferation of weapons.

-- We will work more closely with Congress and the American people to define our interests in these cases and to build consensus for policies that address these difficult issues.

- o At the U.N. in September, I laid out conditions and questions we must consider before we become involved in these situations: what are our national interests; what are our specific goals; can our involvement really make a difference; what is the exit strategy.
- o We welcome the emergence of a new bipartisan spirit of consultation and cooperation on these issues as well as Congressional reaffirmation of my authority to conduct foreign policy.

THE WHITE HOUSE
WASHINGTON

December 2, 1993

2 12:27

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: HEDRICK SMITH INTERVIEW

You will be interviewed by Hedrick Smith as the fifth segment of his five part series Challenge to America. The show will air January 4, 1994 and you should keep that in mind as you answer questions. Larry Katz, Tom Kalil, Sheryll Cashin, and Vicky Rivas-Vasquez helped review the documentary and provide guidance.

The key thing you should keep in mind is that this is an exceptional forum to explain how all of the pieces of your economic agenda are connected as part of a coherent economic policy. This series, like our plan, seeks to demonstrate how things as diverse as apprenticeships, second grade education, government-industry cooperation as all connected to a new competitiveness. Thus, your economic vision confirms the coherence and logic of Smith' series as his series confirms the coherence and economic logic of your economic agenda.

Therefore, while you will find the subject matter to be areas that you have significant detailed knowledge of, you should not miss the opportunity to step back and explain why everything you are doing is part of a single economic vision.

That vision can best be described as the belief that America has always been a country that made change an instrument for fulfilling the vision of America where any working family could make a better life for their children. Now we are in a time when we cannot take that for granted. The reason that you have taken such an active change agenda, is not change for change's sake, but because you are deeply committed to doing what is necessary to ensure that economic change enhances -- and not takes away -- from this vision of the American dream. As you said in your inaugural: "Profound and powerful forces are shaking and remaking our world, and the urgent question of our age is whether we can make change our friend and not our enemy."

1. TO LEAD AND WIN FROM CHANGE, WE FIRST OF ALL HAD TO BE IN CONTROL OF OUR ECONOMIC DESTINY. You have to have your own house in order before you can lead in the economic world, and move forward. That is why we had to finally

bring down our deficit, our interest rates, and regain the confidence of the world as the world leader.

2. YET, A DECLINING DEFICIT WILL NOT BE GOOD ENOUGH IF WE ALLOW THE SKILLS AND TALENTS OF OUR PEOPLE TO DECLINE AT A TIME WHEN THEY MUST RISE: In a world where the key to high value jobs that provide good wages is high skills, investments that promote lifelong learning, like Head Start, pre-school education, the type of reforms Smith's series shows in East Harlem, and the apprenticeships we are trying to encourage, are all part of a vision of making American a country that makes change promote the American dream. We also have to make sure that we have the talents of all our people.

3. THAT IS WHY WE MUST PROVIDE AMERICANS WITH THE SECURITY TO BELIEVE IN AN PROSPER FROM CHANGE:

- Health Care that can't be lost when jobs are lost
- Universal training that asks how can you find a better jobs and not why did you lose your old one.

4: THAT IS WHY WE MUST HAVE TECHNOLOGICAL SUPERIORITY, AND THE COOPERATION BETWEEN GOVERNMENT AND THE PRIVATE SECTOR THAT ENSURES THAT OUR COMPANIES AND OUR WORKERS HAVE THE TOOLS TO COMPETE WITH ANYONE: Technology investments; defense conversion, SEMATECH.

5: MUST CONSTANTLY BE SPURRING OPPORTUNITIES TO CREATE JOBS THROUGH ENTREPRENURIALISM AND EXPANDED MARKETS FOR AMERICAN GOODS: Small business tax incentives, Empowerment Zones, NATFA, Export Control

All of these changes must be done, to for us to meet the challenge of making American a nation that makes change the friend of working families.

II. BACKGROUND AND SUMMARY ON CHALLENGE TO AMERICA:

Hedrick Smith is anchor/producer of a 4 1/2 hour series on Global Competitiveness -- comparing the economies and cultures of the U.S., Germany, and Japan. The interview with you is the fifth piece. He wants to refer to the issues in the first four segments, and ask you about your future agenda to meet these challenges. He stresses that he wants his program to be constructive, and wants to leave the viewer with the sense of problem-solving. Thus, he may work off the final segment the most, which is called "Winning Strategies."

Below are summaries of the four segments, with likely questions relating to each of the segments. The summary of segment four is the most-indepth:

Part I. "Old Ways, New Game" -- Is on how some U.S. leading corporations were shaken by revolutionary changes in the global marketplace and "the need to change or die". Specifically discusses the misguided corporate practices that toppled IBM from its position as the world's most successful high-tech company and led to RCA's demise (even though it invented the liquid crystal displays technology now used by Japanese companies to produce calculators, televisions and computers.)

Part II. "The Heart of the Nation" -- focuses on U.S., German and Japan classrooms comparing the skills and societal values taught and how it affects each nation's economy. According to Smith, U.S. schools have traditionally emphasized personal achievement and individualism compared to cooperative spirit and close partnerships which are the cornerstone of Japanese and German education. Also focuses on apprenticeship programs in Germany that prepare students to enter the workforce as highly trained individuals.

Part III. "The Culture of Commerce" -- focuses on how the rebirth of the German and Japanese economies after World War II was reinforced by their traditional forms of collaborative or "alliance" capitalism compared to U.S.'s individualistic market capitalism. (Focuses on how U.S. steel companies dealt with their unemployment crises.)

Also, discusses how American industry has directly confronted government-subsided foreign competitors in both Japan and Europe (i.e. Airbus, government-backed European aircraft consortium has overtaken McDonnell Douglas and challenges Boeing. In the series, Phil Condit, Boeing's President, stresses the importance of the U.S. government's role in developing fundamental technologies in American businesses to help them compete globally.)

Part IV. "Winning Strategies" -- focuses on 5 pioneering companies, communities and schools that provide models for other Americans. Models for Education i.e. East Harlem's Central Park East Secondary School (CPESS) has had success by using radical reforms of teaching, community service and close school-family partnerships; Wisconsin's school/business partnership in preparing non-college bound students for careers through apprenticeship programs.

1. Core Message of East Harlem school story: even a poor, inner-city school with limited resources can produce excellent, motivated young scholars. The key to their success: giving teachers and the principal complete autonomy in allocating their budget and designing their curriculum; parental choice and a contractual commitment from parents that they will be involved; small student body and class size; a personal advisor for every student that is intimately involved; job internships and mandatory community service.

2. Core Message of Wisconsin School-to-Work story: (1) 75% of high school students will not go to college yet public high schools are oriented toward serving the 25% who go to college; (2) "average kids need a new deal;" (3) private employers committed to pay as much as \$3600 a year in training costs to take on a high school apprentice because

they saw the apprenticeship program as a source of sharp young employees that would contribute to their long-term competitiveness; (4) when low-performing kids were placed in real jobs and given school courses relevant to on-the-job skills they experienced dramatic turnarounds in esteem, grades, and employment prospects.

3. Core Message of the Ford Motor story: CEO Harold "Red" Poling describes the competitive forces that forced them to change from the ugly days of the early 1980's when labor-management relations were awful and market share was dwindling to now, where labor and management work collaboratively, Ford is turning a profit, and its cars are competitive with foreign imports. The key changes were in auto styling and management style. By maximizing worker autonomy and involvement in problem solving, the South Chicago Taurus plant reaped dramatic changes in productivity and won quality awards. They have had no layoffs in 5 years, despite increased productivity, because every "displaced" worker is retrained to do another, usually more sophisticated, job.

4. Core Message of Motorola Story: When Motorola gambled and built a new, high-tech cellular factory in Chicago instead of Malaysia, it discovered that 50% of its employee-applicants could not pass the qualifying test for 5th grade math and 7th grade reading skills. To maintain its commitment to lifetime employment it now invests \$200 million annually in continuous worker education that is required of all employees. It became obsessed with quality, achieving a 10-fold increase in quality in 5 years and gaining Japanese quality certifications. But only after a four year struggle in partnership with the federal government to open the Japanese market were they able to sell to Japan. Thus, a focus on training, quality, and partnership with government to open foreign markets is now paying off in \$1 billion in annual sales.

5. Core Message on Sematech Story: A 50/50 investment partnership between the federal government and 11 semiconductor companies has spawned a \$1.2 billion venture to spread R&D costs for expensive new technologies that no single company could afford. For example, Sematech is conducting research in high precision photolithography technology -- a critical technology that we lost the competitive lead on and for which we currently have only one remaining U.S. manufacturer. Sematech expects to regain a competitive position on this technology in a few years. But for Sematech's intervention, a Japanese firm would have bought the last U.S. photolithography manufacturer. Although some non-participants criticize, Sematech participants say government has an important role -- government helping to maintain foundation technologies is akin to government helping to build airports for the airline industry.

LIKELY QUESTIONS & ANSWERS

1. DO WE NEED A NEW SPIRIT OF COOPERATION THAT RUNS THROUGH ALL OF OUR INSTITUTIONS?

We can only be American; it is a spirit of individual, freedom and entrepreneurialism. Yet, I believe that we are seeing that new types of cooperation:

Give you five examples:

- 1. Pre-K Education:** parents and children before school.
- 2. School Reform:** teachers, parents and principals and new school management.
- 3. Technology:** Need to find that in between industrial policy and no government role is room for strategic cooperation. SEMATECH.
- 4. Washington:** Bipartisanship has led us to pass important things that change people lives. Family and Medical Leave, Brady Bill and there is now a consensus on universal coverage.
- 5. Workplace:** Studies show that where workers participate and have stake in the action, there is greater profits and productivity.

Example: The transformation of the Xerox corporation back into a competitive power through improving labor-management cooperation with its union, the Amalgamated Textile and Clothing Workers Union is a strong example of such a success story. A recent study of Xerox found that shifts toward greater worker autonomy, more frequent initiation of problem solving efforts, quick conflict resolution, and frequent worker-initiated changes in work design led to significantly lower costs, less time lost to scrap, and higher productivity over a three year period. Lines making these shifts have 75% fewer worker hours lost to scrap, 42% fewer defects per worker, and 17% higher labor productivity.

2. DO WE NEED A JAPANESE TYPE OF MITI?

- No. Although we do need closer cooperation between government and industry, I think we need to find ways to do that which are consistent with our free enterprise system and our values.
- I don't think the American people would be comfortable with too much concentration of power, or with the government telling the private sector what to do. In the past, MITI has order banks to stop lending to companies that were defying MITI's wishes. I certainly wouldn't want that kind of institution here in the U.S.

- But we are certainly encouraging government agencies such as the Department of Commerce and ARPA (Advanced Research Projects Agency) to work closely with industry when we mutually agree that it makes sense to cooperate.

3. Is SEMATECH a good model for government-industry cooperation?

- Yes. This is an industry where we were losing badly to Japan in the 1980s but have since recaptured world leadership, both in semiconductors and in the tools needed to make semiconductors.
- For example, prior to SEMATECH, Motorola was planning to buy 80% of their manufacturing equipment from overseas. As a result to the work SEMATECH did -- Motorola was able to purchase 80% of their manufacturing equipment from U.S. companies.
- Our industry is doing well now because of SEMATECH, because of our efforts to open up the Japanese market, and because U.S. companies have invested in R&D, new factories, and the development of high value-added chips.
- Although not all industries may not want for form these finds of consortia, SEMATECH is a good model. By requiring industry to put up half the money, we can ensure that the research is relevant to industry's needs.

4. WHAT DOES THE AIRBUS SITUATION TEACH YOU?

- It is a lesson that we cannot let generous foreign subsidies disadvantage United States industries -- especially those that create high wage jobs.
- We need more enforceable rules that permit R&D that benefit all countries, but that preclude one nation at the expense of the other. Airbus was about subsidies for product development and market related things that disadvantaged other countries, while in SEMATECH you have companies in a public-private partnership with government working to solve common, generic technological puzzles that will in the longrun benefit everyone.

5. WHAT ARE YOU GOING TO DO CONCERNING THOSE WHO DON'T GO TO COLLEGE?

Nearly everything we do is designed to give every American, every type of new path to a high skill job. The main example is school-to-work. But also look at income contingent loans, dislocated workers, welfare reform -- all of them seek to allow people paths to new skill, and high paying jobs through any avenue.

6. POINTS ON SCHOOL-TO-WORK APPRENTICESHIPS:

A major barrier to economic success for those American youth who do not graduate from a university is the lack of well-defined pathways from school to work. The next piece of our strategy is a pathbreaking school-to-work transition program.

The school-to-work system will be supplemented by a program of voluntary national skill standards. Businesses will be working with educators, labor and community leaders to identify the higher-wage skills of tomorrow and the training needed to master them.

The real earnings of young workers with no more than a high school degree have fallen approximately 20% over the last 15 years.

During the 1980s, the countries with the least developed school-to-work transition systems -- the United States and United Kingdom -- had exceptional increases in earnings inequality and in wage differentials by skill.

The second national strategy combines some institutional wage interventions with education and training systems that invest heavily in non-college workers. Germany and Japan are exemplars in training. German and Japanese firms treat college-educated and non-college workers as much closer substitutes in production than do U.S. or British firms, reducing the effect of similar technological changes on relative skill demand and lowering pressure for wage structure changes in these countries compared to the United States.

7. EDUCATION: Do we need to change the way we teach school; the do we need a culture shift?

- There is no greater team than a student, parent and teacher working together. Start with early age, parenting education. Talk about HIPPY; Head Start: your Governor's goals that all students ready to learn.
- Until recently, the biggest difference is that they had a clear idea of what kids are supposed to learn and who teachers are supposed to teach.
- Our approach is to provide an American solution to this American problem. That is the point of our efforts to make every child enter school ready to learn; and GOALS 2000 and new standards for accountability.

8. What does the East Harlem Teach us?

A: This shows the benefits of many of the things we stress.

The East Harlem school that you did in an earlier segment, shows the *benefits of public choice, that brought a sense of teamwork and entrepreneurialism to public schools*. They went from 32 of 32 of New York School districts to 15th of 32nd in less than a decade.

That is why we are going to promote charter schools and public school choice in our education bills.

They also went used many things we believe in: giving teachers and the principal complete autonomy in allocating their budget and designing their curriculum; parental choice and a contractual commitment from parents that they will be involved; small student body and class size; mentoring and youth community service.

9. Is there are reason to believe that worker participation and cooperation can work in the United States?

- Studies show that when you give people both a stake in the action and a voice, the results are positive.
- Study results for employee involvement in decision-making gave been generally affirmative. A review of 29 studies found that employee participation was associated with positive effects on productivity in 14 studies and negative effects in only 2 studies -- while the remaining 13 studies had ambiguous results.
- The relationship between productivity and compensation linked to performance has been consistently positive. A review of 27 studies found that the use of profit sharing was generally associated with 3.5% to 5% higher productivity in firms.
- A detailed study of the steel industry found that finishing lines were much more productive when there was a work system including problem-solving teams, gain sharing, training, and employment security. Finishing lines using these innovative work systems ran as scheduled 98% of the time; lines that used virtually no innovations ran as scheduled only 88% of the time.
- In an MIT study comparing automobile plants with similar technology, plants that used innovative work systems (including extensive training, contingent compensation, work teams, problem solving groups, and decentralization of responsibilities for quality control to line workers) manufactured vehicles in an average of 22 hours with 0.5

defects per vehicle. In contrast, more traditional plants took 30 hours with 0.8 defects per vehicle.

- A survey of 700 firms from all major industries found that companies utilizing a greater number of innovative human resource practices had higher annual shareholder return from 1986-91 and higher gross return on capital. For example, the top 25% of firms -- those using the greatest number of "best practices" -- had an 11% rate of return on capital, more than twice as high as the remaining companies.

- A study focusing on the Forbes 500 found that firms with more progressive management style, organizational structure, and reward systems had higher rates of growth in profits, sales and earnings per share over the five-year period from 1978-83.

- A detailed study of over 6,000 work groups in 34 firms concluded that an emphasis on workplace cooperation and the involvement of employees in decision-making were both positively correlated with future profitability.

10. Now that Germany and Japan are doing poorly, do we need to worry about our international competitiveness?

- We should not take any great comfort from the fact that their economies are growing slowly. That reduces our ability to export to their market, which costs us jobs here at home.
- I think that in the long run -- Japan and Germany will still be very tough competitors. They are still investing more as a percentage of GDP in civilian R&D and plant and equipment than the U.S. is, and they are still doing a better job of investing in education and training.
- It is true that the playing field is more level. In the 1980s, many Japanese companies were able to borrow money for free because of very low interest rates and an inflated stock market. That's no longer the case.
- It is also true that the U.S. has gained ground in many key industries in the last several years, such as semiconductors, computers, software, and telecommunications. I am personally optimistic about our ability to compete and win in the global marketplace. But we can't afford to be complacent. That's what got us in so much trouble in the 1980s.

THE WHITE HOUSE

WASHINGTON

December 7, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MARK GEARAN 
SUBJECT: Sperling Breakfast

Summary

The year-in-review stories have, on the whole, been very good. Your comfortable, confident tone in last week's interviews contributed to this. Unfortunately, in part because the stories have been so positive, the press is beginning to move beyond this storyline, and it is unlikely that you will be asked directly about your accomplishments tomorrow. It is important that you use every opportunity available to drive home the year's achievements. Use your answer to the first question, whatever it is, to define the year as a success -- and not just a success for the Administration, but a success in your fight to make things better for middle-class Americans.

Like last week, your tone should be optimistic and presidential; you should stress big themes and the progress we have made on them. The year should not be judged in a vacuum; it is the first year on a long road. Be optimistic; you should be satisfied with the progress we have made, but aware that millions are still hurting -- be determined to push ahead.

Discussion

Our storyline. I came to this office with two great objectives: To change the system and to make it work for middle class families. To restore security -- and with it, opportunity, community, responsibility -- in a time of great change.

That was no small order; we live in a uniquely challenging period of time in our nation's history and the needs of working Americans had been neglected for a long time. Progress is slow. Change is hard.

But I am convinced that we have made a very good start this year, we are turning the country around: We are confronting issues that have not been addressed for a long time (from the deficit to family breakdown) and we are making real progress on issues that will produce tangible benefits for average Americans.

We have organized the year's accomplishments in six categories along these lines. You should try to discuss them in this fashion; it will help to transform a list into a coherent strategy while at the same time recalling the themes of the campaign.

ACCOMPLISHMENTS BY THEME (see attached)

- * Regaining Control of America's Economic Destiny
- * Creating Jobs and Opportunity
- * Rewarding Work and Families
- * Investments in People and Lifetime Learning
- * Restoring Public Trust in Government
- * Engaging the World

Superlatives. You should expect to be asked to identify the year's biggest success and the year's biggest failure. Success - changing the national agenda and restoring public trust. This is a good occasion to talk about the national demand for health care, about the volume of White House mail. Don't single anything out -- talk about the different character of national debate. Failure -- a process answer: We misjudged the difficulty in getting things done, but we learned quickly and continue to learn.

Personal Moments. The news magazines in particular love to write "exclusive" slice-of-life vignettes. They loved cherry pie in the solarium after the February 17 speech; they loved trumpets on the tie for the Arafat-Rabin signing. Think about things like a joke on the telephone with Yeltsin, a moment with Eli at the national service signing, a comment to the Vice President before the Perot debate, etc.

Feelings about the press. You may be asked directly about your comments to Rolling Stone, or you may get questions designed to goad you into a similar response. We know you will handle this well. The Information Age in all of its complexity makes it fundamentally more challenging to build a public consensus on issues. You have discovered the power of the bully pulpit, but nobody has written the rule book on how to communicate with the electorate in an age of rolling deadlines, 24-hour television news, wars televised in live time, and unprecedented public power in expressing opinions in an electronic democracy. Building a consensus for change in this environment is hard.

Finally, you should be prepared for a question about Vince Foster. Your previous comments have been appropriate.

REGAINING CONTROL OF AMERICA'S ECONOMIC DESTINY

We have restored fiscal responsibility to the federal government, and begun to get our fiscal house in order. It has already had a direct impact on millions of Americans, reducing mortgage payments and credit card bills, making it easier for businesses to expand and children to go to college.

Historic Deficit Reduction. More than \$500 Billion over five years locked away in a Deficit Reduction Trust Fund.

Interest Rates at Record Lows. It's now easier for millions of Americans to buy a home, buy a car, or send a child to college.

Homeowners Save Billions. 5.4 Million Americans have taken advantage of low interest rates to refinance their homes. Together with those who have adjustable rate loans, homeowners will save \$10 Billion this year.

Home Sales and Housing Starts at Record Highs.

Established Bipartisan Commission on Entitlement Reform. To review entitlements and recommend reforms.

CREATING JOBS AND OPPORTUNITY

Job creation is up; unemployment is down. Over 1.2 Million private sector jobs have been created this year -- 242,000 more than the entire previous Administration.

Small Business Expensing. Increased by 75% the amount small businesses are allowed to deduct for expenses.

Small Business Investment Tax Credit. A targeted capital gains tax cut for long-term investments in small businesses.

Credit Crunch. Aggressive steps taken by the Comptroller of the Currency to ensure that businesses, and small businesses in particular, have access to the capital they need to expand.

TRP. Implemented the Technology Reinvestment Project, to assist American companies and workers in making the transition from a defense based economy.

Empowerment Zones. To provide America's most distressed communities with the flexibility and incentives they need to create jobs and lead themselves to economic renewal.

REWARDING WORK AND FAMILIES

People that work hard and play by the rules deserve a government that is on their side.

EITC. Dramatically expanding the Earned Income Tax Credit, by over \$20 Billion, to lift every family with at least one working parent out of poverty.

Family Preservation and Support. To help reunify or keep intact families with children at risk of abuse or neglect and encourage parent education programs.

Family and Medical Leave. Protects working families from being forced to choose between their families and their jobs.

INVESTMENTS IN PEOPLE AND LIFETIME LEARNING

We have to stop spending money on special interests and start investing money in the future of the American people, so that every American has the skills and opportunity for a successful future.

National Service. Will help over 100,000 young Americans to receive higher education in turn for service to their communities.

Student Loan Reform. Makes college more affordable and saves taxpayers money by direct federal lending, eliminating the middleman.

Ryan White. On track to full funding.

WIC. On track to full funding.

Immunizations.

RESTORING PUBLIC TRUST IN GOVERNMENT

The American people deserve a government that uses the national interest as a compass, and demands excellence as a standard.

Campaign Finance Reform. Both Houses of Congress have passed bills which reduce the influence of PACs and level the playing field between challengers and incumbents.

Lobbying Reform. Eliminated the tax deduction for lobbying expenses.

Reinventing Government. Implementing hundreds of recommendations of the Vice President to make government work better and cost less.

Record Correspondence. People believe for the first time in a long time that the government is listening and can help. It's demonstrated in the record volume of mail received by the President. According to career personnel, it generally takes until at least June to reach 1 Million letters: this White House had received that many on March 2.

Town Meetings. Regularly engages in discussion with the American people and uses their input as a critical element of the governing process.

ENGAGING THE WORLD

In the wake of the Cold War, we have committed ourselves to remain engaged in the world to preserve our national security, create trade and jobs, and promote democracy and human rights.

Opening Foreign Markets. G-7 Summit in Tokyo, bilateral framework talks with Japan, APEC Summit, and seeking completion of GATT agreement.

NAFTA. Places us at center of world's largest free-trade area, expand export markets, create 200,000 jobs, strengthen democracy, clean up pollution, stem illegal immigration.

Democratic and Market Reform in Russia. Will allow us to continue to cut defense spending, open markets to hundreds of millions of consumers and eliminate Cold War competition.

Bottom Up Review. A road-map for structuring the military to face the new era, ensuring continued security while allowing even greater defense cuts.

Middle East Peace. Reinvigoration of peace process allowed momentous events, such as Israeli-PLO peace signing.

NATO. "Partnership for Peace" offers former Soviet republics and East European nations closer ties with NATO, helping NATO adapt to post-Cold War world and promoting transatlantic security.

Addressing New Types of Security Issues. New policies to stem illegal immigration and drug trafficking. New impetus to efforts to protect global environment and prevent proliferation of weapons of mass destruction.

04-265

THE WHITE HOUSE

WASHINGTON

731 P2:13

October 31, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: DAVID DREYER
CC: GEORGE STEPHANOPOULOS
SUBJECT: ONE YEAR ANNIVERSARY MEMO

Summary

George Stephanopoulos called me and said that the attached memo written by Jonathan Prince should be sent to you at once. It is in draft form, and it was supposed to be finalized tomorrow. Jonathan was given an assignment by George and Mark Gearan to compile a list of accomplishments and changes that could only have occurred with your election.

MR. PRESIDENT:

This still needs to be fact checked.

Tom Podesta

TANGIBLE

Actions taken by this Administration, that would not have been taken by the previous Administration, which have had a direct effect on people's lives -- the Cisneros/Vidor story is the best example of this. This section includes changes in the overall economy.

Economic Climate

Passage of the President's economic plan resulted in long-term interest rates at record lows and greater financial market confidence and stability. Investment finance is cheaper than it has been in years; the dollar is more competitive. Debt service costs less. There have been more private sector jobs created in the first year of the Clinton presidency than were created in the entire Bush term. Auto sales are up as consumers take advantage of lower interest rates and housing starts and home sales have begun to respond to these rates as well. Laura Tyson (5042), Bob Rubin (2174), Gene Sperling (2174), et al.

Vidor

Henry Cisneros went to Vidor, Texas and took control of a federally-subsidized housing complex because it was in violation of the Civil Rights Act of 1964. Mike Siegel (708-0685 ext 116) at HUD.

Interest Rates

The President's fiscal leadership spurred a dramatic and sustained drop in interest rates. This drop allowed millions of homeowners to refinance their mortgages at significantly lower rates, usually saving hundreds of dollars a month. Josh Steiner (622-0016) is preparing some statistics.

Welfare Reform

The President has signed a waiver for the state of Vermont allowing the first-ever experiment in time-limited welfare. Bush probably would have signed the waiver, but the issue of time-limited welfare wasn't allowed on the table until Clinton put it there. Bruce Reed (6515).

Personnel

For the first time, the federal government has begun to take advantage of the full range of American talent -- in positions that have traditionally been reserved for white men. The President's commitment to a government that looks like America has depth as well as breadth. See the attached addendum for some examples. John Emerson (6676).

Choice

On his second full day in office, the President repealed the gag rule, allowed federal funding of fetal tissue research that has the potential to lead to important medical advances, and allowed women at military hospitals to obtain privately funded abortions if they choose to have one.

Credit Crunch

The Office of the Comptroller of the Currency has taken extensive steps to ensure that small businesses and others have the access to capital they need in order to expand. Comptroller Gene Ludwig (874-4900).

White House Correspondence

The Agency Liaison department of White House Correspondence is responsible for "casework." This involves specific letters to the President or White House written by people with special needs. Agency Liaison refers these calls to agencies and others (like the Salvation Army) and tracks the progress of the case until it is resolved. The President and the First Lady are regularly apprised of the progress of specific cases. According to career staffers in Correspondence, this is the first time in a long time that a premium has been placed on results. Agency Liaison had 3 full-time employees in the Bush Administration -- now it has 7. Laurie Abrams (7487) is preparing a package of specific examples and can also direct you to longtime career employees who understand the effect of the change in Administration. Also Marsha Scott (7610).

Empowerment Zones

The Administration passed, in months, a program that previous Administrations have been talking about for years. And because it was passed communities are working to develop comprehensive redevelopment plans right now in order to apply for designation - they are examining the nature of their problems in ways they never have before. Bruce Reed (6515), Gene Sperling (2174), Andrew Cuomo (708-2690).

Family and Medical Leave

This legislation, signed into law by the President just over two weeks into his Presidency has already protected working people across the country from being forced to choose between their families and their jobs. Karen Nussbaum at HHS may be able to provide some real stories.

FEMA

Traditionally a dumping ground for inefficient political appointees, the agency has won almost universal praise for its work -- providing flood relief in particular -- under Director James Lee Witt. James Lee Witt (646-3923).

LEGISLATIVE/EXECUTIVE

This category involves changes in law, executive orders, new programs, and dramatic increases in appropriations that represent the President's new approach but have not yet realized tangible effect. The President's investments, for example, generally fall into this category.

Cops

The Administration has already enacted funding of \$150 Million for 2,000 new cops. Bruce Reed (6515).

Housing Bill

Of particular interest in the Housing Bill signed October 27 is a significant increase in the Moving to Opportunity program which encourages low-income people to move to the suburbs, breaking up concentrations of poverty and moving people to jobs. Greenstein (408-1080) is a big advocate of this program. Also Bruce Reed (6515).

Ethics

The President dramatically strengthened the ethics requirements for executive branch appointees by Executive Order on January 20, 1993. Michael Waldman (7151).

Regulations

The President signed an Executive Order on September 11, 1993 that will ultimately result in the elimination of one-half of the internal regulations of the Executive Branch. Jack Quinn (6605).

Motor Voter

The President signed Motor Voter into law on May 20, 1993 increasing access to the democratic process and government for 65 Million Americans, and bringing the nation closer to universal voter registration. Julia Moffett (7151).

Investment: EITC

The Reconciliation bill expanded the Earned Income Tax Credit by \$21 Billion over five years. This will ensure that no working parent will be forced to see his or her child live in poverty. Sperling (2174), Greenstein (408-1080), and From (546-0007).

Investment: Head Start

Head Start funding was increase \$550 Million, which will provide at least 100,000 additional slots. John Angell (4790).

Investment: WIC

WIC funding was increased \$350 Million which will increase average participation from 5.9 million in FY93 to 6.2 Million in FY94. John Angell (4790).

Investment: Food Stamps

Food stamps were increased by \$2.5 Billion over five years, including more food stamps for households that have relatively higher shelter costs. Angell (4790).

Investment: Family Preservation and Support

This new program, funded at \$60 Million in FY94 and at about \$1 Billion over five years will help to reunify or keep intact families with children at risk of abuse or neglect. Angell (4790).

PHILOSOPHICAL

This refers to a shift in the national debate and public consensus. Some are issues now part of the national debate simply because the change in Administrations made consideration of certain subjects possible; some are issues that the President has directly inserted into the debate himself. The most obvious philosophical change is the bipartisan, almost unanimous public consensus that there must be health care reform and it should include universal coverage.

Health Care

Simply, there is going to be health care reform. Something people would not have imagined a year ago. It's so obvious it's easy to forget -- but it is an extraordinary achievement that is the direct result of the President's leadership in inserting the subject into national debate, and forging a rapid consensus that something must be done.

Deficit Reduction

Remind people that, in 1990, George Bush agreed to a deficit reduction package because, faced with Gramm-Rudman, he had virtually no choice. In 1993, Bill Clinton proposed deficit reduction coming out of the box -- and fought for it. Greenstein (408-1080) does this particularly well.

Cuts

The debate has shifted both nationally and within the Democratic party from whether to cut the budget to how to cut the budget. Al From (546-0007) is a very useful validator on this subject.

National Service

National Service is the herald of a new approach to government helping people -- it will extend educational opportunity to thousands of people but it demands reciprocal responsibility. Eli Segal (606-4880) and From (546-0007).

Belief in Government

Americans believe that this President is interested in their needs and their concerns. According to Tony Mendoza, the White House mailroom supervisor, it generally takes until at least June to reach 1 Million letters: this White House had received that many on March 2. As of October 24, we have received 6,689,000. Again Laurie Abrams (7487) and Marsha Scott (7610) can point out career people who can speak to that intensity of the change.

PERSONNEL ADDENDUM

While every appointment of the President reflects his commitment to excellence in government, the appointments listed below demonstrate a strong realization of his commitment to appoint an Administration that looks like America. An * denotes "first-ever" -- Sheila Widnall, for example, is the first woman ever to be Secretary of the Air Force.

AID	Deputy Admin Carol Lancaster
AG	Secretary Mike Espy *
Commerce	Secretary Ron Brown * A/S Trademarks Bruce Lehman (openly gay) A/S Communications & Info Larry Irving AA
DOD	Secretary of the Air Force Sheila Widnall * Air Force GC Gilbert Casellas H Secretary of the Army Togo West AA A/S Personnel & Readiness Edwin Dorn AA A/S C3I, Emmett Paige AA A/S Reserve Affairs Deborah Lee GC Jamie Gorelick (woman)
HHS	Secretary Donna Shalala Dep Sec Walter Broadnax AA Comm, Admin on Aging Fernando Torres-Gil H and disabled Director, Consumer Affairs Polly Baca Dep Dir, Consumer Affairs Paul Miller (disabled)
Labor	Solicitor Tom Williamson AA * A/S Employment Standards Admin Bernard Anderson AA Comm, BLS Katherine Abraham A/S Maria Eschaveste H
Justice	Attorney General Janet Reno Solicitor General Drew Days AAG, Legal Policy Eleanor Acheson Director, US Marshals Eduardo Gonzalez H AAG, Antitrust Anne Bingaman INS Commissioner Doris Meissner
State	Deputy Sec Clifton Wharton Und Sec, Economic & Agriculture Joan Spero Und Sec, Int'l Security Affairs Lynn Davis A/S Intelligence & Research Toby Gati
OPIC	President Ruth Harkin
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