

MEMORANDUM TO RECORDS MANAGEMENT
FROM *TJS* STAFF SECRETARY
 TODD STERN
RE FILES FOR ARCHIVES
DATE 2 JULY 1998

The following files are located in the two boxes that I am turning over to you for the archives. Each box contains a separate index.

BOX 1:

ENCLOSURES FILED OVERSIZE ATTACHMENTS

11848

2 boxes filed 7/15/98

NANA 9229

- Partial Birth folder
- Veto Statistics
- Product Liability memo/information
- Lloyd Cutler & Cheryl Mills for POTUS on clemency
- Memo for John Podesta on National Communications Systems Directive 4-3.
- POTUS Trip to Dallas, Sacramento & L.A. April 7,8 & 9
- POTUS Trip to Colorado Springs & Billings Montana May 31 through June 1, 1995
- Billings, Montana Town Hall Meeting June 1, 1995 - Background information
- Clips on Whitewater 2/27/94 to 3/10/94
- Audio tape "Leading Journalists Discuss the 1995 State of the Union"

BOX 2:

ENCLOSURES FILED OVERSIZE ATTACHMENTS

11849

NANA 9230

- Letters from clergy on HR 1833
- Memo to Leon Panetta: H.R. 1833 Veto Message
- National Children's Island letters

- Calendar of Events Public Liaison 2/93 to 8/96
- Themes for the State of the Union 1/3/96
- University of Maryland at College Park: Assessing the Conditions of American Democracy
- State of the Union Outreach 12/22/95
- State of the Union Ideas & Suggestions
- Cabinet Secretary themes for State of the Union
- Veto Statistics
- Interview Notes Binder 9/18/95

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THE WHITE HOUSE
WASHINGTON

January 3, 1996

MEMORANDUM TO THE PRESIDENT

FROM: DON BAER
KITTY HIGGINS
MICHAEL WALDMAN

SUBJECT: Memoranda from the Cabinet

Attached are submissions from Cabinet secretaries on possible themes for the State of the Union.

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(original

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1/3/96)

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① ~~RES.~~
cc Jon
me
T.

Thoughts on 1996 State of Union Speech

Major Themes: Continue major theme of "opportunity and responsibility"

1. Increase Emphasis on responsibility

- o Responsibility to others, to society, to America
- o Taking advantage of opportunity requires hard work
- o Use concepts such as performance, accountability, standards, respect for others, discipline.

2. We are emerging into a new post cold-war, post balanced-budget era. We need to position America to be a strong democracy and economy in a diverse society with constrained spending.

- o Smaller, more responsive and efficient government
- o Focus on selected national purposes -- to support good citizenship and economy: Quality schools, clean water and air, healthy youngsters, safe streets and schools.
- o Performance Partnerships with states based on national purposes.

3. Provide leadership to address fundamental stresses and strains in society:

- o racial tensions
- o income inequalities
- o responsible role for youth who are not going on to college

4. Invest in Education: New Federal K-12 role based on leadership and high standards

- o Reaffirm national purpose of public schools -- to promote citizenship and create the public as well as serve the public.
- o Performance partnership with states around high state standards, local responsibility and flexibility with accountability.
- o National leadership through voluntary national standards, support for citizenship and service in schools, putting technology to use, and charter schools.

5. Invest in Education: Insure access to at least two years of college for all prepared high school graduates.

- o Scholarships based on merit for top two percent of all graduating classes.
- o Strong direct lending program with income contingent repayment allowing graduates to take low paying, service

oriented jobs.

- o Increase responsibility through greater work-study opportunities.
- o Reduce regulations for schools with strong administrative records.

6. Face issue of work for non-college going youth. "More recently he has proffered the wisdom that instead of simply yelling at the unskilled underclass to get off their duffs and go to work, we might spend some thought seeing to it that there is some entry-level work for them to do -- some modern-day equivalent of the factory." (WM Raspberry paraphrasing Hugh Price. WPost 12/22)

Department of Education

December 22, 1995

Other Thoughts on 1996 State of Union Speech:

Beginning to fleshing out some of the Themes

Emerging new federal role in post-cold war post-balanced budget era: Requires a new vision -- not a highly regulated government or the fragmented, rudderless vision of the Republicans. Government will be smaller, more responsive.

- o Need bold federal leadership in critical areas of national purposes and responsibilities -- clear direction in those domestic and international arenas required to keep our democracy and economy strong and to ensure "domestic tranquility."

- o Performance Partnerships around national purposes: Structure around clear standards of performance rather than conformity with process: Get incentives straight -- support and reward progress, quality, innovation, and hard work; emphasize responsibility; exercise accountability when progress is not forthcoming.

- o Tight budgets with new resources created by economic growth targeted to national priorities and a different way of doing business.

- o Key national priorities -- all where state and local governments are critical -- but where our national livelihood is at stake: To build a strong nation we need:

- * Strong schools that prepare all of our youth to be productive and involved citizens with good jobs through solid basic skills, high academic standards, and clear rules of conduct with consequences for mis-behaving.

- * Clean water, clean air

- * Healthy youngsters ... Basic safety net.

- * Safe streets, communities and schools ...

Education: A different Federal Role based on leadership, vision, identification of national purposes

- o Reaffirm fundamental national purpose of public schools -- public schools do not only serve the public, they create the public.¹ Public schools are necessary to prepare our students to live and work in a challenging and internationally competitive democracy and economy.

- o To meet this purpose public schools must prepare students to meet rigorous academic and occupational standards and to participate as Americans in our diverse democratic society. High academic standards as well as the basics, a safe and disciplined environment, well trained teachers, local flexibility and charter schools, occupational training for high paying jobs, support for all prepared students to attend college -- these are the ingredients of an effective education strategy. Clinton priority programs will help make this happen.

- o A strong nation needs a strong school system -- while we have a long way to go the nation is beginning to move in the right direction: achievement is up in math, science and reading, 4 times as many advanced placement courses taken than in 1980, standards are having great effect in Maryland, NYC, KY and other states and communities throughout the nation.

- o The federal government is beginning to move in the right direction -- put into place strong programs in support of state and local reforms for all students, reduced programs by over 70, reduced regulations in elementary and secondary education by over 75%, implemented large scale waiver program for the first time.

- o At Elementary and Secondary level continued national leadership is necessary to make performance count. The need for increased national efforts is greater than ever as the school population will see a tidal wave of new students (over 20% increase) over the next decade to the highest levels ever.

- Support state and local reforms for challenging standards through Goals 2000 and School to Work.

- Strong Presidential and Secretarial support for voluntary national standards to help guide and challenge our schools. Strengthen National Assessment of Education Progress to give us regular performance feedback on our national and state efforts. Give public clear

¹ See recent Neil Postman book The End of Education.

expectations about what is high quality, internationally competitive work.

- Promote flexibility and accountability for results: Establish a system of performance partnerships with states to give incentives to states with improved achievement -- waive all federal education laws and regulations except civil rights laws and IDEA for states that have demonstrated improved achievement. In consultation with MD and other states to implement this plan.

- Presidential and Secretarial support for increased attention to citizenship in our schools -- public service, saluting the flag, clear guidelines for religious activities ...

- Technology -- public, private partnership to put computers to use in every classroom in the nation by the year 2000 -- wire all schools to the world wide web -- and train all teachers to use computers to enhance student opportunities to reach high academic standards.

- Provide strong incentives for the development and initial implementation of charter schools throughout the nation.

o At Post-Secondary level: Insure financial access to college for all deserving high school graduates. Simplify and strengthen other student assistance programs. (Could propose IRAs for college use -- Laura Tyson's plan: This would be expensive but powerful!!) Alternatively:

- Establish \$1000/year scholarship based on merit for up to two years for the top two percent of all graduating students in every secondary school in the nation (grade point average) for use in the college of their choice. 60,000 students per year cost up to \$120 million in the second year (when 120,000 students would have received awards) .

- Increase Pell grants, the heart of the financial aid programs, to \$3128 by 2002!!

- Continue to have a strong Direct Loan program.

- Increase work-study by 50% phasing in over five years.

- Reward schools with strong records in administering student aid with dramatic reduction in federal regulatory requirements.

Connecting Education As A National Concern to Local Action and Support

1. *Given the long American tradition of local and state control, are education and its funding a national or federal concern of the public? Examples from recent polls show strong support:*

- * 81% oppose decreasing federal education funding to decrease the federal deficit; 19% would favor (Times Mirror, 1994).
- * 75% said federal aid to education should be expanded; 18% said "keep same"; and 4% said "cut back" (Gallup, 1995).
- * 80% of Americans think the federal Department of Education is necessary; 70% say "very necessary" (NBC/Wall Street Journal, 1995).
- * 76% disapprove of reducing federal funding for low-income schools to balance the federal budget; by comparison, 61% disapprove of cutting the rate of spending growth for Medicare; and 36% oppose cutting food stamp funding (Times Mirror, 1995).
- * 74% of Republicans in New Hampshire (10/25/95), said "no" to cuts in education to reduce the deficit as compared to 62% "no" to Medicare cuts; 33% "no" to defense cuts; and 43% "no" to cuts in assistance to the poor.
- * By almost 2-to-1, young voters (18-34) cite education as a top voting issue over the budget deficit, crime, and Medicare (NBC, Wall Street Journal, 11/2/95).

However, citizens clearly don't want micromanagement of detailed programs from the federal or state levels, but they do want accountability and want to reduce waste and red tape. They like encouragement of community-based solutions and local partnerships. They want all of us to work together on needed educational changes to reflect the changed realities of American society and the demands of today's and tomorrow's workplaces.

2. *What is the overall message on education that connects with local citizens?*

Celinda Lake has a framework that captures this well. Combining her findings with several others gives a good general message about needed focus and attention.

- * Quality education is absolutely necessary not only to the future of our children and our families but to the future of America. A good education is certainly essential to each citizen for full participation in the changing economy, but a well-educated citizenry is also essential to our country's democratic way of life. As a nation, we have a stake in giving our children a solid foundation to make the most of their lives and to be productive, responsible adults.

In addition to academics, a quality education is one that stresses discipline, hard work, respect and responsibility where guns, violence and drugs are not present. We need to set the highest standards in education and we need to make this a national priority. Parents should have the choice of public schools or charter schools to escape poorly run or disorderly schools. Schools should not allow hostility to religion or to good citizenship.

HeadStart, strong teacher training, extra help in the basics, getting computers in the classroom, and streamlined college loans are fundamental to helping our children get started on the right course. Along with better financial aid for college, providing specialized courses for career preparation with work-study experiences is also important.

We should be making all of these initiatives better, not cutting them back. They are essential to a strong economic future for our children and our families, and to our ability to compete in an international economy to bring us together as Americans.

Recurring critical issues:

- * safe, disciplined, and drug-free learning environment.
- * promoting parent involvement.
- * rigorously teaching the basics.
- * getting quality teachers and upgrading teacher skills.
- * setting high standards of discipline and achievement.
- * getting computer technology into the classroom as soon as possible.
- * access to student loans and financial aid for college.
- * teaching and connecting young people to real life skills that prepare them for adulthood, careers, and college.

3. *What are any opportunities to address these issues locally?*

- a. The proposed reconciliation and appropriation bills by the "new" Congress cut the very education areas people support the most. In fact, the public wants to improve and expand them. However, most people do not know about the cuts nor what to do about them. Showing direct impact on local schools, colleges, students, parents and teachers can make this a real and very important local issue.
- b. Citizens like to see local parent-teacher, business-school, and community-school partnerships that are solving education problems faced by real families and students. Many of the changes in new education legislation passed by the last Congress are beginning to create, and will create, new opportunities for building and expanding local partnerships and community-based solutions to solve the very education issues of most concern to the American public: *school-law enforcement partnerships through the Safe and Drug-Free Schools Act; school-community partnerships for educational excellence through the Goals 2000: Educate America Act; school-employer-community college partnerships through the School-to-Work Opportunities Act; school-parent compacts through Title I of the Elementary and Secondary Education Act; school-college partnerships through TRIO; and college student-direct financial aid through Direct Lending.* Highlighting these partnerships solving the above critical issues shows leadership for effective change.

Why Federal Education Funding Is Important

The Federal government plays a critical role in education. The most important contributions are:

- 1) **raising standards of achievement**
- 2) **improving basic skills of disadvantaged children**
- 3) **ensuring safe and disciplined schools**
- 4) **helping families pay for college**
- 5) **preparing youth for the world of work.**

The public overwhelmingly supports education, including the Federal role:

- ▶ 81 % oppose decreasing Federal education funding to decrease the federal deficit; 19 % would favor (Times Mirror, 1994).
- ▶ 75 % say federal aid to education should be expanded; 18 % say "keep same;" and 4 % say "cut back" (Gallup, 1995).
- ▶ In response to strong public demand and the outcome of the 1995 state election, Virginia's Governor George Allen this month submitted a new budget which substantially increases state expenditures for classrooms, technology, and higher education.
- ▶ 74 % of Republicans in New Hampshire say "No" to cuts in education to reduce the deficit as compared to 62 % "No" to Medicare cuts; 33 % "No" to Defense cuts; and 43 % "No" to cuts in assistance to the poor (10/25/95).
- ▶ By almost 2 to 1, young voters (18 to 34) cite education as a top voting issue over the budget deficit, crime, and Medicare (NBC/Wall Street Journal 11/2/95).
- ▶ 76 % of Americans disapprove of reducing Federal funding for low-income schools to balance the Federal budget; by comparison, 61 % disapprove of cutting the rate of spending growth for Medicare; and 36 % oppose cutting food stamp funding (Times Mirror 1995).

The Department of Education addresses critical areas of National concern, including:

- ▶ Provides \$32 billion in financial aid to help 6.5 million students attend college.
- ▶ Through Title I grants to local school districts, provides \$7 billions to more than 6 million

students each year in the highest poverty schools to improve basic and advanced skills.

- ▶ Provides \$3 billion a year to help communities meet the special needs of over 5 million children with disabilities to prepare them for further education and employment.
- ▶ Helps communities and States raise standards of student achievement, prevent drug abuse and violence in schools, and build partnerships to get computers and technology in classrooms.
- ▶ Assists States in helping youth move from school to careers.

Education works:

- ▶ Greater prosperity. In 1992, average annual earnings for those with a bachelor's degree were 74 % higher than for those with a high school diploma, and 155 % higher than for those who had not graduated from high school. Also, a student who graduates from high school earns \$200,000 more during his lifetime than a student who doesn't. A college graduate earns \$1 million more than someone who doesn't.
- ▶ Less welfare. Only 5 % of college graduates have ever participated in government assistance programs (AFDC, Supplemental Security Income, food stamps, housing assistance, or Medicaid), and only 10 % of high school graduates have, compared to 24 % of high school dropouts.
- ▶ Less crime. Although only about 18 % of the population has never finished high school, this group accounts for 41 % of state prison inmates and 47 % of prisoners on death row.
- ▶ More civic participation. Fully 85 % of college graduates and 75 % of high school graduates, but only 50 % of high school dropouts, are registered to vote.

Education programs work:

- ▶ The Rand Corporation found that the Title I program helped to close the achievement gap between disadvantaged students and their advantaged peers (from 1970 to the mid 1980's, the learning gap in reading, mathematics, and science was cut by over a third--NAEP). Bipartisan reauthorization in 1994 focused on improving the program to challenge low-income students to high standards to help continue closing the gap.
- ▶ The dropout rate is declining (from 14 % in 1982 to 11 % in 1993), fewer students are taking remedial math courses, more students are taking advanced placement courses (150,000 in 1982, 450,000 in 1992), and the science test scores of both the highest- and the lowest-performing students are increasing.

Comprehensive standards-based reforms, such as those supported by Goals 2000, in leading-edge states are showing impressive gains in student performance, such as in Kentucky, where 4th, 8th, and 12th graders demonstrated dramatic improvement on 1993-94 assessments over previous years' tests in mathematics, reading, science, and social studies.

- ▶ IBM Chairman Lou Gerstner, for example, says that "Goals 2000 is only a small portion of what we need. But it is a very critical portion because it is the fragile beginning of the establishment of a culture of measurement standards and accountability in this country. We must go beyond Goals 2000. But if we lose Goals 2000, it is an incredibly negative setback for the Nation.
- ▶ Goals 2000 has received widespread support because of its flexibility and its emphasis on high standards and accountability. The Wall Street Journal has reported that Goals 2000 is viewed "by many political analysts as the most flexible education plan ever produced by the Federal government." (WSJ 8/30/95)
- ▶ The New York Times reports that tougher graduation requirements in New York City public schools are spurring thousands more school students to take and pass college preparatory mathematics and science courses (5/9/95). Entering freshmen at CUNY are the best academically prepared in two decades (12/10/95).
- ▶ Increases in special education funding have contributed to major educational gains in children with disabilities, who now have opportunities that were unavailable before enactment of the Individuals with Disabilities Education Act.
- ▶ For 5 years, Maryland has been working systematically to raise academic standards and is showing significant improvement in achievement as a result.



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

MEMORANDUM FOR The President

FROM: Ronald H. Brown 

SUBJECT: Your 1996 State-of-the-Union Address

DATE: December 26, 1995

Your election in 1992 and the Republican congressional victory in 1994 were both fueled in significant part by voter discontent. 1996 is the year when American voters will move to the next stage: Choosing between two different visions of the future.

Of course, our recent political success has been assisted by Republican extremism, a self-destructive impulse that has helped Americans understand how glib language can translate into hard-hearted policy -- if not rebuffed by strong Presidential leadership. You will continue to join battles with Republican extremists on the items of their own agenda.

Nonetheless, I believe that the last State-of-the-Union Address of your first term should be a time to sum up the past and present a compelling vision of what America can be. With the budget battle presumably over (hopefully, along the lines we discussed the other night), such a speech will demonstrate how Presidential leadership will be expressed in an era of smaller government and a balanced federal budget.

The key is to stand on common ground: Neither silly regulation that unnecessarily burdens businesses nor disavowal of efforts that protect our children from unclean air and water and our workers from unsafe conditions; neither disproportionate reliance on government as a force for economic growth, nor blind refusal to recognize the new, interdependent global environment in which we must compete.

Balance can be demonstrated both by your policies and by your battles. To begin, I believe that you must remind the American people of the outstanding performance of this economy and that it didn't happen by accident. Your 1993 budget plan was the first great step towards a balanced budget. The Republican naysayers of 1993 should be forced to confront the very success that they tried to obstruct.

The purpose here is not simply to paint a picture of economic success. It is, as well, to demonstrate that the path you have followed is the right track. You demonstrated great courage by fighting for lower budget deficits without any Republican support in 1993; fighting for the NAFTA against significant Democratic opposition; facing down Republican budget threats against our core values in a time when political pundits proclaimed the dawn of a new Republican revolution. Each time, you disdained the easy course and each time, America benefitted.

The path that took courage before is the same balanced course that will lead to a prosperous future for all Americans.

In this context, I believe that it is important to confront directly the problem of income stagnation and disparity. We spent a lot of time in 1992 rightly criticizing George Bush for his failure to grasp the impact of the slowing economy on working Americans. This Republican crowd has the same problem: As the current budget negotiations show, they're fixated on a return to Reaganomics while at the same time ripping out the social safety net (something even Reagan never really attempted).

It is the challenge of growing income disparity that shows just how out of touch the Republicans are (incredibly all of their proposals would make the disparity worse while ours would help close the gap). Moreover, it is the theme that ties together all of our constituencies: from traditional Democratic voters to the political center, which has fueled political revolt precisely because so many of our people feel that the traditional American dream is ever harder to realize.

Because income disparity is a real, recognizable problem, it also helps us ground our message on the importance of a growing economy -- and how to achieve it. You have clearly stated that economic growth will come from education and training, from new technologies, through the success of American firms in foreign markets. In the context of the budget battle, the emphasis has been, quite rightly, on values. In its aftermath, I believe that the emphasis should also include strategies, of the kind implemented in my own Department, that touch the lives of ordinary Americans.

By one calculation, for example, 60% of the jobs created in the year 2000 will demand technology skills now held by less than 25% of our workers. But the year 2000 is no longer some distant event; it arrives in less than 1500 days.

Finally, I believe that your vision of the future should stress the importance of reconciliation -- the same call to civility that you emphasized earlier this year.

Sometimes in popular culture, calls for tolerance are depicted as naive. That is because some people fail to understand that tolerance and reconciliation are ingredients of strength, not charity. We welcome diversity of background and a free expression of views because we know that using each person's talents will make us all stronger.

Just as the Brooklyn Dodgers were a stronger baseball team after Jackie Robinson took the field, so, too, we are a stronger nation when we understand that we are all on the same team -- fighting in a brutal world of international competition and foreign strife for the simple hope that our work will be rewarded; that our families will be strong and that our children will live even better lives.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

December 21, 1995

MEMORANDUM

TO: Kitty Higgins
Don Baer

FROM: Federico Peña *Federico Peña*

RE: Themes and Messages for the State-of-the-Union Address

You asked for my recommendations concerning potential themes and messages for the President's upcoming State-of-the-Union address.

The four-prong message the White House has been using (Leadership/Family/Opportunity/Common Ground) has proven very effective indeed. I believe the element of Family -- particularly the view of broader family or community typified by Americans' support for victims of Oklahoma City and the many natural disasters that have occurred in recent years -- should particularly be emphasized.

Within each of these overall themes, however, we believe the State-of-the-Union should highlight another aspect of Administration policy -- "Keeping Promises." At base, voters are dissatisfied because they see a disconnect between the promises of political candidates and campaigns and the actual execution of government policy. It is particularly important to address this concern as we move into this next year. And we have a terrific story to tell -- promises kept that don't receive much attention in the conflict-focused national media. (An effective variation on this theme is to contrast talk -- especially from members of Congress and the rest of the Washington establishment -- with real change-oriented action.)

The revitalization of America's economy was the central theme of the President's 1992 campaign, and the results are plain. As part of this core message, the President also emphasized the importance of "Rebuilding America" to compete economically. Here, too, we have some real achievements worth highlighting. Several from the transportation world are outlined below, using speech-style rhetoric to illustrate how it might work.

REBUILDING AMERICA

In 1992, I saw the way our Nation's transportation system -- highways, bridges, railroads and ports -- affect Americans in their everyday lives. Vice President Gore and I traveled much of the country in buses, talking to all kinds of people -- at a truck stop in Carlisle, PA, along U.S. Highway 51 in Sandoval, IL and in countless towns along the highways. During our first bus trip, from New York City to St. Louis, Mo, I made a commitment to rebuild America. I'm proud to say my Administration has done just that. We've invested more in highway and bridge construction than any comparable period before -- more than \$40 billion. This means faster, safer travel for the American people.

But we've also done something more, because we know: it's not how much you spend, but how you spend the public's money. So we've worked hard to make better, more strategic investments -- to get more bang for the buck -- and to get the private sector to invest more. I'm proud to say that by cutting red tape and giving state and local government more flexibility, we've managed to jump start \$2 to \$3 billion worth of construction projects that otherwise never would have happened at all -- and without using any additional Federal funds. We've also built public-private technology partnerships like the one for Interstate 75 where high-tech transponders and micro-chips mean big rigs roll safer and more efficiently from Florida to Michigan, and cut millions of dollars in delivery costs.

The improvements to our infrastructure help us to move people and goods more quickly, so Americans can spend more time at home with their families and so we can solidify our position as the most dynamic economy in the world.

AVIATION

One of the first things I did when I came into office was to appoint a special Commission to look into the condition of the airline and aerospace industries. These industries, in which America had always led the world, were on the a tremendous downswing. The industry lost \$10 billion in 1990-92 and suffered as major carriers like Eastern and Pan Am went bankrupt.

Today, the airline industry is in the midst of the transportation turnaround of the decade, thanks in large part to the work of that commission and this administration's economic policies. I am proud to tell you that our major carriers earned over \$2.1 billion this year -- record levels, for many of them -- and not a single one is in bankruptcy. In fact, there are more new companies entering the aviation business than ever before. This means more jobs -- for people who build airplanes and work in airports, for example -- and it means better, cheaper airline service for all Americans.

Part of this success has been opening up new foreign markets for our airlines. In the past three years, the Administration has negotiated 28 new bi-lateral aviation agreements, including 10 "open-skies" agreements with European nations, a Canadian accord which has led to a 25

-3-

percent increase in service, and Asian treaties which will form the critical transportation links to these key emerging markets for our cargo and passenger carriers.

MARITIME

As a candidate, I visited this country's docks and shipyards and met with many of the tens of thousands of shipbuilding workers who had lost their jobs. I called attention to this national tragedy. And in San Diego, CA I pledged to help turn the industry around.

We came through. In 1993, the administration launched a five-part National Shipbuilding Initiative. Since then, there has been a tremendous industry resurgence. Given the tools and a level playing field, I knew that the workers in Mobile, Alabama and Newport News, Virginia could compete globally, and we've helped put them back in business building ships. My Administration's loan guarantee program has helped these and many other shipyards to completely modernize so they could compete with the Europeans and the Japanese. In 1995, the program paved way for construction of 36 commercial vessels and \$502 billion worth of business in American shipyard, creating thousands of new jobs. One of my proudest moments as President came when one worker from the San Diego shipyard who had come to Washington to participate in the announcement of our shipbuilding initiative said to me: "Thank you, Mr. President. We're used to politicians forgetting about us after the campaign. You didn't, and you came through." [Note: this is a paraphrase; exact quote to be checked.]



SOCIAL SECURITY

Office of the Commissioner

December 20, 1995

MEMORANDUM TO THE PRESIDENT

FROM: SHIRLEY S. CHATER
COMMISSIONER OF SOCIAL SECURITY

SUBJECT: STATE-OF-THE-UNION ADDRESS

As requested, I am forwarding my recommendations for themes and messages to possibly be included in your State-of-the-Union Address in January. My suggestions are as follows:

1. The need for intergenerational cooperation

All too often, debates on national issues divide generations of Americans instead of bringing them together. If we, as a nation, are going to develop long-term solution to issues facing our country, all of us, young and old alike, must be willing to work together for a common goal.

Social Security and Medicare are perfect examples of issues that require intergenerational cooperation. Today's seniors and tomorrow's workers must decide the future of these programs together because all Americans, regardless of their ages, are impacted by Social Security and Medicare.

For two of every three senior citizens, Social Security represents more than 50 percent of annual income. For 14 percent of Americans age 65 and older, Social Security is 100 percent of income.

In addition, Social Security benefits young workers through survivors and disability protection. Younger Americans face roughly a 1-in-5 chance of dying before reaching age 65. If the unthinkable happens, Social Security is there with average protection equivalent to a \$295,000 life insurance policy.

A 20-year-old worker stands nearly a 1-in-3 chance of becoming disabled before age 65. Once again, Social Security is there if the unthinkable occurs--with disability protection which on the average is equivalent to a \$203,000 disability policy for an average income earner with a spouse and two children.

Social Security is much more than retirement. It is a program that affects all Americans. As a result, we all must work together to preserve and protect it.

2. The need to make "tough decisions" about our country's future

"No pain, no gain" is a familiar phrase and one that all Americans should keep in mind. As we move forward in the resolution of national issues, Americans must be prepared for a series of "give and take." Individually, we may not be happy with the resolution of each issue, but as a nation we can be satisfied in the fact that we are doing what's right for America's future.

A specific example of a tough decision involves the future of Social Security. Although Social Security is solvent today, a time will come when Social Security cannot pay full benefits. Two groups--the Kerry-Danforth Commission and the Social Security Advisory Council--examined the issue of solvency earlier this year and could not agree on a solution.

Both groups did agree, however, that tough choices must be made in order to make Social Security financially sound. At some point, Americans of all ages must decide on the future of Social Security. The earlier the tough choices are made, the less drastic they will have to be. Ultimately, everyone will have to sacrifice a little for the good of the country's future.

It's not that young workers and Baby Boomers don't want a Social Security program. In fact, a study commissioned by AARP found overwhelming support by Americans for Social Security. The problem is that many young people don't believe Social Security will be there for them.

Since Social Security affects Americans of all generations, it's important that the voices of senior citizens, Baby Boomers and Generation X be heard in the debate. As in the past, any major change in the Social Security program must involve bipartisan cooperation and must be the result of an engaged American public.



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001**

M E M O R A N D U M

TO: Don Baer
FROM: Bruce Katz *B. Katz*
RE: State of the Union Themes
DATE: December 21, 1995

Over past few months, the NEC has led an interagency process to generate ideas on community empowerment (in fact a principals meeting was held as recently as this past tuesday). From these and other meetings, there is widespread consensus emerging among the Cabinet and key folks in the White House and OMB that the essential elements of a community empowerment strategy are as follows:

- increasing access to capital for business development
- reclaiming abandoned land in central cities
- transforming public housing -- which includes demolishing the worst of the public housing stock
- reinventing the federal government's relationship to local governments -- i.e. decentralize and "put communities first"
- linking people to work

What these concrete policy elements have in common -- and what could be a vital part of a powerful State of the Union message, are the following community empowerment themes:

- putting communities first
- strengthening our central cities
- getting devolution and decentralization right
- insisting on reciprocity for government benefits
- asserting that the government has a vital role to play

Focusing on these themes is not only the right substantive approach to community empowerment, but it also has strong appeal to middle-class values -- as these themes focus on work, personal responsibility, private sector leadership and public service.

Following are suggestions for articulating these themes. Many of these are elaborated on in *Where We Live*, a document which outlines HUD's plans for its second stage of reinvention. You should have already received this report from the Secretary.

Put Communities First

Generating economic opportunities (good jobs) is important to our ability to compete and succeed in the global economy. But many people will not succeed in these turbulent times unless their community roots -- families, neighborhoods, schools, churches -- are strong. To best help families thrive, we must first focus on strengthening our communities for the 21st century.

That means recognizing two realities: First, that our national well-being rests on the health of our communities; and second, in an era of budget belt-tightening, we need a laser-like focus of federal resources on meeting community needs -- maximizing those resources by building partnerships among local governments, businesses, non-profits and state/federal governments. In particular, it's right for the President to challenge the private sector, especially the business community, to take an active partnership role in fixing our most distressed communities. Facing the new century, we must ensure that all our actions support the foundations of economic and civic health, uplifting mainstream values. (Offer a Covenant with America's Communities).

Strengthen Our Central Cities

Focus on the importance of central cities -- and their links to the larger metropolitan area -- as the anchors of America's economy. Our national economy is increasingly a system of metropolitan regional economies which need economically vital central cities to thrive. The destinies of metro areas are tied to the performance of their cities; while some suburban residents may want to ignore the plight of cities -- and don't see it as connected to their lives -- we can't afford to abandon these engines of economic growth and must find ways to reinvest.

Decentralize with a Vengeance

If we are going to really put more power into people's hands to shape their destinies, we need to push federal programs to the front-lines, past state bureaucracies and into effective and flexible partnerships with communities. Block granting to states is short-sighted and will be ineffective; a real community empowerment strategy would radically restructure federal agencies to make them focus on building safe, strong and hopeful communities, not on enlarging Washington bureaucracies. (That means any community empowerment strategy we propose should extend federal reinvention to the federal government's relationships with

States and local communities).

To really decentralize, we must trust and listen closely -- and then help empower -- the people in the trenches -- parents, teachers, law enforcement, community leaders, social workers, shop owners and church leaders. As we pursue this kind of dramatic decentralization -- for the first time in decades -- we must also find the common sense balance between cutting communities loose with no federal help and strangling them to death with federal regulations and red-tape.

Insist on Conditionality

Americans, and often many poorer inner city residents, understand and support the balancing of rights and responsibilities. This acknowledgement of reciprocity in acceptance of society's benefits has led to a readiness to accept stricter personal and moral conditions on program benefits. Our society -- especially inner city residents -- is prepared to go a good deal further than many might expect in accepting the discipline of work, service and responsibility. This framework can, and should, be applied much more broadly than welfare reform.

The right to a good education means kids must do their homework and parents must hold their children accountable (and help out). Having safe streets mean community residents must work closely with local police. Program examples: Getting a job and work skills in a HUD lead-paint abatement program means that single fathers accept responsibility to attend pre-natal and pediatric appointments, complete a curriculum on fatherhood and participate in a support group. A public housing addiction recovery program assists single mothers if they pledge to stay away from drugs, go without TV, help their children with homework and keep their apartments clean.

"We Can Do This"

Americans are ready for someone to confront their pervasive feeling that nothing works and that none of the efforts we make at solving our most intractable national problems make a difference. Many still believe that government has a vital role to play in solving our national problems, but they're not confident of the federal government's ability to make programs work and deliver results. In addition to substantive reinvention efforts, the words "we can do this" are critical to our national sense of optimism and hope. People know that our major social and economic problems -- especially those in our urban areas -- are profoundly complex, but they also know these problems are not going to go away, and they're ready for strong leadership to tell them that we can overcome our challenges and show the way towards what's already working.



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

OFFICE OF THE DIRECTOR

December 21, 1995

MEMORANDUM FOR KITTY HIGGINS
ASSISTANT TO THE PRESIDENT
AND SECRETARY TO THE CABINET

DON BAER
ASSISTANT TO THE PRESIDENT AND DIRECTOR OF
COMMUNICATIONS

FROM: JAMES B. KING
DIRECTOR

SUBJECT: State-of-the-Union Themes and Messages

I recommend the following two messages be included in next month's State-of-the-Union address:

- I. FEDERAL EMPLOYMENT DROPS BELOW 2 MILLION FOR FIRST TIME SINCE 1966 -- ELIMINATING AN ENTIRE GENERATION OF GROWTH IN GOVERNMENT

OPM data shows that, in October, the Clinton-Gore Administration attained a major achievement when the Federal government's total, on-board civilian workforce fell below two million for the first time since May, 1966. As the attached chart shows, Federal employment dropped to 1,980,170, which reflects a reduction of 204,530 employees since January, 1993. This figure includes part-time and seasonal workers.

While our figure is not the Full-Time Equivalent (FTE) number that is sometimes used, we believe the total, on-board workforce figure better reflects the actual size of the government and is easier to communicate to the public.

- II. FEDERAL GOVERNMENT SET TO SPIN-OFF FIRST ESOP -- REPLACING TAXPAYER-FUNDED JOBS WITH PRIVATE SECTOR OPPORTUNITIES

OPM is in the final stages of negotiations that will enable some 700 skilled investigators now on the Federal payroll to leave government and create a private, employee-owned company. This new private-sector enterprise will conduct background investigations both for the government and for the private sector.

Page 2

This is the Federal government's first privatization of its kind and can be a model for moving other employees from the public payroll to the private sector.

For more information, please call Janice Lachance on 606-1800.

Attachments

Trend of Federal Civilian On-Board Employment for Executive Branch (non-Postal) Agencies

These figures represent total on-board employment -not FTE's
and include all work schedules (full-time, part-time, intermittent),
and tenure groups (permanent and temporary)

January 1993 through October 1995

Month	Total	Change from Prev. Month	Cumulative Change since Jan. '93
1993			
January	2,188,700		
February	2,197,937	9,237	9,237
March	2,193,890	-4,047	5,190
April	2,186,245	-7,645	-2,455
May	2,186,755	510	-1,945
June	2,198,963	12,208	10,263
July	2,183,131	-15,832	-5,589
August	2,178,540	-4,591	-10,160
September	2,156,844	-21,696	-31,856
October	2,138,358	-20,486	-52,342
November	2,127,496	-8,862	-61,204
December	2,120,463	-7,033	-68,237
1994			
January	2,113,692	-6,771	-75,008
February	2,123,448	9,756	-65,252
March	2,119,019	-4,429	-69,681
April	2,117,292	-1,727	-71,408
May	2,110,334	-6,958	-78,366
June	2,112,533	2,199	-76,167
July	2,107,582	-4,951	-81,118
August	2,099,555	-8,027	-89,145
September	2,085,492	-14,063	-103,208
October	2,061,515	-23,977	-127,185
November	2,048,493	-13,022	-140,207
December	2,039,882	-8,611	-148,818
1995			
January	2,028,078	-11,804	-160,622
February	2,033,404	5,326	-155,296
March	2,030,046	-3,358	-158,654
April	2,027,480	-2,566	-161,220
May	2,037,427	9,947	-151,273
June	2,051,719	14,292	-136,981
July	2,047,573	-4,146	-141,127
August	2,037,190	-10,383	-151,510
September	2,011,870	-25,320	-176,830
October	1,984,170	-27,700	-204,530

Notes: By Executive Order 12839, on February 10, 1993, the President ordered a reduction of 100,000 full-time equivalent positions during the FY 1993-1995 period.

In a memorandum to Department/Agency Heads in September 1993, the President increased this number to 252,000 through FY 1999.

The Work Force Restructuring Act of March 30, 1994 further increased this number to 272,900 through FY 1999.

SOURCE: U.S. Office of Personnel Management
Office of Workforce Information
Monthly Report of Federal Civilian Employment (SF 113-A).

TREND OF FEDERAL CIVILIAN ON-BOARD EMPLOYMENT FOR EXECUTIVE BRANCH (NON-POSTAL) AGENCIES

Average Employment by Calendar Year

CALENDAR YEAR	EXECUTIVE BRANCH
1960	1,814,766
1961	1,814,225
1962	1,877,131
1963	1,895,670
1964	1,877,940
1965	1,891,580
1966	2,035,515
1967	2,206,636
1968	2,220,369
1969	2,235,199
1970	2,177,246
1971	2,123,176
1972	2,107,628
1973	2,068,135
1974	2,112,470
1975	2,134,410
1976	2,138,600
1977	2,145,771
1978	2,176,759
1979	2,181,739
1980	2,274,269
1981	2,180,837
1982	2,149,206
1983	2,164,132
1984	2,184,927
1985	2,218,346
1986	2,197,590
1987	2,222,589
1988	2,222,933
1989	2,237,528
1990	2,344,168
1991	2,228,974
1992	2,231,535
1993	2,171,277
1994	2,094,903

1995



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

M E M O R A N D U M

To: Kitty Higgins, Don Baer

From: Dan Porterfield, DAS for Public Affairs, HHS

Subject: State of the Union speech

Date: 12/21/95

Secretary Shalala mentioned two themes for the speech.

First, and most important, she believes the speech should be bold and visionary. The President should speak to the American people as citizens, and not simply as taxpayers. The speech should be about the future of our country, and about our obligation as Americans to protect the hard-won legacy of the 20th century while having the courage to address the new challenges of tomorrow.

This century we won two world wars and the Cold War. We met the challenge of Sputnik. We integrated our society and shattered glass ceilings. We built a strong safety net for children and transformed the experience of growing old.

How did this happen? At our best, we committed ourselves to bold and relentless progress. We put the common good and common ground first. And we moved forward in a true spirit of partnership -- with citizens, families, communities, and states all doing their part, and the national government helping and sometimes leading.

Today, this tradition has been placed under seige. There are some politicians and special interests who, under the misleading mantle of federalism, are really trying to abolish the partnership between the national government and its people. That may be an opportunistic campaign theme -- but it's be bad for the country. We need limited government -- not absent government.

Because we do have a national interest in ensuring that work pays in this country. In guaranteeing a quality education to every child. In making sure that seniors can see a doctor and poor children are able to eat. In keeping tobacco out of the hands of children and guns out of the hands of criminals. In preserving the freedom of parents to raise their children as they want. In opening new international markets for our products and preventing international anarchy when we can.

These are American values that define us as a nation -- and preserving and achieving them requires federal leadership. We have shown that leadership for three years. We have achieved truly national goals for all our people -- everything from lowering the homicide rate to lowering the welfare rolls; from

collecting record levels of unpaid child support to helping states increase the number of their citizens with health insurance; and from achieving the highest immunization rates in history to funding breakthrough discoveries against breast cancer and AIDS. This is good government, responsible government, limited government. We ought not give up on it.

Second, Secretary Shalala recommends that the President discuss the importance of a truly national partnership to help parents in the most important role any of us will ever: raising children.

The fact is, millions of parents are worried about the things their children are exposed to when they are outside the home: Alcohol. Tobacco. Drugs. Teen pregnancy. AIDS. Violence. As one parent said in The Washington Post, "I went from wanting my son to win the Nobel Prize to wanting him to survive."

Even as they worry about their children, parents are frustrated that they have less control than they would like. Many parents are working longer hours with less job security. They have less time to spend with their children. They're finding it harder to pay today's grocery bills while saving for tomorrow's college bills.

There are more families in which both parents are working. There are more single-parent families. There are fewer families that feel connected to strong, supportive communities. And there is more competition for their children's attention -- too often from influences like tobacco ads or glamorized images of drug use.

Secretary Shalala recommends that the President speak directly to the hopes, dreams and fears of these parents. As parents of a teenager, he and Mrs. Clinton deeply understand these concerns.

The President should tell America's parents that he stands with them. That's why he has taken on powerful interests -- the NRA, the media/entertainment industry, and the tobacco industry -- to put power back in the hands of parents. That's why he and his Cabinet have sent a clear and consistent message that it is illegal, dangerous, and wrong from children and teenagers to use drugs, alcohol, and tobacco. That's why he has led the fight for a private sector campaign to reduce teen pregnancy and lent his voice to the cause of AIDS prevention. That's why he has fought for young people in the budget battles -- gaining victories to ensure that summer jobs, drug free schools, and college loans are always there to give young people real options to say "yes" to. And that's why he has reached out to young people himself with a message of opportunity and responsibility.

Teenagers aren't just our national future -- they are our national present. They deserve safe passages, and we all must help them.

Thank you.



Administrator
General Services Administration
Washington, DC 20405

December 21, 1995

MEMORANDUM FOR

KITTY HIGGINS

Secretary, White House Office of Cabinet Affairs

DONALD BAER

Director, White House Office of Communications

FROM:

ROGER W. JOHNSON

Administrator, U.S. General Services Administration

SUBJECT:

Call for Suggestions for State of the Union Address

Thank you for the opportunity to share with you my ideas for themes and ideas for inclusion in the President's 1996 State of the Union address.

Domestic Policy

The President is perhaps never stronger than when he appeals to the American people's higher self and better nature. The President can rise above the nasty noise level of present-day ideologues by elevating his discussion with the Congress and the American people to a broader theme of what is needed in our political system to move the country forward and meet the challenges of the next century.

Much as he did in 1992 and since — although the message has been grossly distorted — the President can speak to the fact that old ideologies, as well as the newer, harsher mix of populist-libertarianism couched as conservatism, will not provide the solutions to new challenges brought on by economic and cultural transformations. He can recognize that old so-called liberal solutions will not meet the challenges, while pointing out the fact that the calls to dismantle the federal government by "devolving" federal programs to the states without measurements or standards of accountability is nothing more than an abdication of responsibility. There is a need for a strong federal government, but one that works in partnership with state and local governments and the private sector, and one that is flexible and more responsive to changing needs. Then the President can easily transition into his accomplishments under the National Performance Review framing them into language to which working Americans can relate (see attached letter to the Vice President, Columbus Dispatch article and *GSA Message from the Administrator* as examples).

Foreign Policy

In explaining why American involvement is needed in Bosnia and other foreign trouble spots, the President's speech before the British Parliament last month, which called for fighting the "forces of destruction," was again an appeal to our higher and better nature as Americans (see "Clinton Calls for a War on 'Forces of Destruction,'" L.A. Times, November 30, 1995). It was a concise message that best explained why America cannot retreat from its leadership role in foreign affairs. In fact, the President should repeat this message constantly until it becomes known as the Clinton Doctrine.

If you would like to discuss these issues in greater detail, please do not hesitate to call.





Administrator
General Services Administration
Washington, DC 20405

December 19, 1995

The Honorable Albert Gore, Jr.
Vice President of the United States
The White House

Dear Mr. Vice President:

It is not The Washington Post, The New York Times, or The Wall Street Journal (yet) but it sells in Columbus! (see enclosed article) A week earlier we put out a press release reporting a \$600 million savings from the latest FTS-2000 negotiations and got no coverage, to speak of - but 3 1/2 cents per minute gets attention.

I believe we should expand this approach across all of N.P.R. activities including specific customer service improvements, as well as stating savings and service improvements in "people understandable units." One easy step would be to put out a weekly/monthly N.P.R. talking points bulletin focused on unit bites. Agency and White House speech writers should also receive the bulletin. If you have any questions, please do not hesitate to contact me. See you soon.

Sincerely,



Roger W. Johnson

Enclosure

cc:
Elaine Kamarck
Bob Stone
John Koskinen
Don Baer.



Thursday, December 14, 1995

The Columbus Dispatch

Federal government is saving money, GSA chief says

■ Employees are making day-to-day savings that don't make news, Roger W. Johnson says.

By Darrel Rowland
Kyrach Staff Writer, Kyrach

For just a moment, forget the heated rhetoric over billions of dollars in the federal budget battle, says Roger W. Johnson, administrator of the U.S. General Services Administration.

Instead, consider a cheap phone ticket, an inexpensive long-distance call and an economical car rental rate.

Such little quotidian, day-to-day savings

news shows that real savings can be made in the federal government, he said.

"You can make government work better and cost less," Johnson told about 400 county officials yesterday at the Cavalier Columbus Convention Center.

Johnson, in his first public sector job after 35 years in business, is the highest-ranking Republican in the Clinton administration. He formerly was chairman and chief executive officer of Western Digital, a Fortune 600 computer company in California.

People have become so cynical about the federal government that they don't believe two accounts of money being saved, he said.

The plane ticket he cited cost \$242 to fly round trip between Washington, D.C., and Los Angeles, which normally costs about \$300.

The room he made yesterday in his Washington office from Columbus cost him 3 1/2 cents

a minute, compared with the best business rate of about 9 cents. And the rental cost his agency provides to federal employees cost only \$136 a month for a four-door sedan.

These deals were negotiated by General Services workers who have brought competition and creative approaches to the business arm of the federal government, said Johnson, whose agency oversees \$60 billion in spending.

"Things do work better in Washington today," he said.

The more businesslike atmosphere gets little attention because "there's no political penalty or reward in Washington for professional managing," Johnson said.

A lifelong Republican and "staunch moderate," Johnson openly complained about George Bush in an October 1991 article in the Los Angeles Times and mentioned that he could support the right Democrat. A couple of

days later the governor of Arkansas called.

Johnson said Bill Clinton's reputation as a waffler is unjustified, calling him "the most issues-oriented president since Harry Truman."

Meanwhile, Johnson blasted the leadership of his fellow Republicans as "kind of nasty right now" and said the GOP push to balance the budget is really a subterfuge for dismantling portions of the federal government.

Johnson blamed Clinton for reducing the deficit for three consecutive years and hiring thousands of employees from the federal payroll. He said the federal government's operating budget (which doesn't include interest payments on the national debt) is balanced.

"The Democrats are the most marketers I've ever seen," he said. "Meanwhile, the Republicans are good marketers, but don't have a quality product."

MESSAGE FROM THE **A**dmistrator

This year, GSA continued to make President Clinton's promise to make "government work better and cost less" a reality. Although the environment in Washington has made this past year difficult and sometimes uncertain, we have continued to focus on our mission using customer service and common sense management. While others try to paint federal employees as "faceless," we have never forgotten that GSA is an agency of people serving people. They are our customers, and we know that the better we serve them, the better we can all serve taxpayers. It just makes common sense!

Working together, we have been reshaping our agency and rethinking our business for over two years. And as you can see in the accomplishments outlined below, we are making real, lasting changes:

- ***Time Out and Review of Public Buildings Yields \$1.36 Billion in Savings, Better Construction Management***

Our "Time Out and Review" of the federal building program cut \$1.36 billion from new real estate projects. An outgrowth of the review is the new Courthouse Management Group to ensure cost-effective and efficient construction of federal courthouses. Adopting business-like real estate principles into our program will ensure long-term savings.

- ***Changing Major Computer Purchases Avoids Over \$7 Billion in Unnecessary Spending***

Taxpayers were not getting a good return on their investments in major federal government computer systems, so we imposed a "Time Out" that avoided spending \$7.4 billion for computer systems with cost overruns and other problems. Greater use of interagency teams, independent auditors, performance measurements, and Chief Information Officers will produce more efficient, less costly systems.

- ***Unrestricted Coast-to-Coast, Round-Trip Airfares for \$242***

Our unrestricted airfares with major airlines are on average 50% lower than commercial rates. Where else can you get a round-trip ticket from Washington to California for \$242 on short notice?

- ***Rent a Car for \$136 a Month***

We lease four-door sedans to other agencies for \$136 a month, plus 11 cents a mile for fuel and maintenance. Consolidating vehicles from other federal agencies into its fleet management program last year saved taxpayers \$7.2 million, and other management improvements have saved an additional \$22.8 million.

- ***Long-Distance Service for Just Over 3 Pennies per Minute***

Our common sense management of the FTS2000 long-distance network has drastically cut costs. Due to a recompetition in the contract, federal customers now pay just 3 1/2 pennies per network minute, saving taxpayers \$200 million a year. Overall costs under FTS2000 during the past 7 years have been reduced by 80%, saving nearly \$5 billion compared to the old long-distance program.

(more)

- ***It Pays to Use the American Express Government Travel Card – Literally!***

Our contract with American Express Travel generates affinity refunds every time federal employees use the card for official travel. These refunds – estimated at \$20 million a year – go back to agencies to offset travel-related expenses.

- ***Government Purchase Card Saves Money and Headaches***

With the increased use of the government purchasing card, federal agencies get better, faster service and will save \$475 million by eliminating administrative headaches.

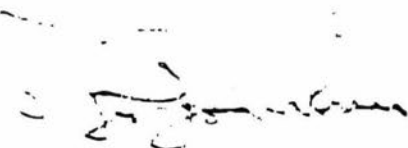
- ***Expansion of Electronic Commerce, 'GSA Advantage!' and Other Initiatives***

We are a leader among interagency teams working to eliminate burdensome, costly paper-driven procurement, while increasing accountability in government spending by expanding the use of electronic commerce. In fact, with *GSA Advantage!*, federal customers can get supplies through the Internet and have them directly delivered to their desks with a few strokes of a keyboard. And our energy and recycling programs are proving that sound environmental policies can also save tax dollars.

So far, our customer focus and common sense have netted taxpayers over \$12 billion in savings or cost avoidances. We've done all this with a workforce streamlined by 20% – with no layoffs -- and operating costs cut by 17%. Our efforts have been recognized by Vice President Gore and the National Performance Review. GSA employees have received 17 Hammer Awards from the NPR to recognize excellence and creativity in public service.

As impressive as these accomplishments are, we must continue to define and shape GSA. And we are doing that, as we dig deeper into our operations through the FORM analysis to search for ways to improve our performance and service. In the end, this analysis will set us on a path of continuous improvement to create a culture of common sense management to build a common sense government that works better and costs less.

It has been a challenging year, but we have met those challenges and are moving forward. I thank you for all your hard work and perseverance. Let us now take time during this holiday season to rejuvenate our spirits and to celebrate the season with our families and friends. I wish you and your loved ones good health and happiness now and for the coming year.



Roger W. Johnson
Administrator

December 21, 1995