

Evangelin

- ① Unifed memo
~~Lab. Report~~
- ③ Copies - briefings
- ③ Accompl. - do we want state by state
Adminis. accompl. ~~for~~ memo
- ~~China/Changchun~~
~~Russia/Japan trip~~
- ④ "Issue mty" for a trip

- Run

3/18

- ① E.v. will check w/ Potter on feedback but likes unified back
- ③ Accompl. Lts - E.v. talk to Brea
- ③ Issue mty - TOS talk to Vicki
- ④ Russia/Japan - E.v. let me know
- ⑤ Han. Chas. - pet^{ing} mty VIEL, JO, O'Brien

California Background

September 23, 1994 (Compiled by Eric Anderson)



PRIOR VISITS

You were last in California from Friday through Monday, July 15 - 18, 1994 for the following events:

On Friday (7/15), you attended in San Diego a groundbreaking for a treatment facility that will handle sewage from the neighboring city of Tijuana, Baja California. You also attended two fundraising receptions for Congresswoman Lynn Shenk.

On Saturday (7/16), you were in Los Angeles where you addressed 150 bankers from around the world who were attending Mastercard's annual meeting at the finals of the 1994 World Cup. You and your family attended the Bulgaria vs. Sweden World Cup game. That evening, you attended a fundraiser for Congressman Beilenson and an Apollo XI anniversary reception and dinner.

On Sunday (7/17), you addressed the American Federation of Teachers Convention in Los Angeles and then attended the World Cup Soccer finals, Italy vs. Brazil. You then travelled to San Francisco for a fundraising dinner and reception for Kathleen Brown.

On Monday (7/18), you attended a fundraising breakfast for Congressman Dellums. You then participated in an event to mark the start of construction of the Sonoma Baylands wetlands restoration project.

KEY ISSUES

The three hot issues in California remain **immigration**, the **economy**, and **crime**. Attached is the following background information on these issues:

Attachment A -- Immigration and California

Attachment B -- Economic Progress in California under President Clinton

Attachment C -- California Crime Profile

POLITICAL

1992 ELECTION RESULTS AND POLLS

1992 Primary	CA	1992 General	CA	LA	SF
Clinton	47%	Clinton-Gore	47%	45%	57%
Brown	40%	Bush-Quayle	32%	34%	25%
Others	13%	Perot-Stockdale	21%	21%	18%

JUNE 1994 ELECTION RESULTS

Kathleen Brown (48%) defeated John Garamendi (33%) and Tom Hayden (14%) for the Democratic gubernatorial nomination. Pete Wilson defeated Ron Unz for the Republican nomination, 61%-34%.

Dianne Feinstein received 74% of the vote against nominal opposition in the Democratic Senate primary. Michael Huffington defeated Bill Dannemeyer, 55%-29%, in the Republican contest.

In a key contested House primary, Democratic incumbent Dan Hamburg defeated former Representative Doug Bosco, 62%-38%.

All four state bond measures lost, including a \$2 billion measure to pay the state's share of earthquake repairs.

RECENT POLLS

A Field Poll released July 23 assessing the President's popularity and job performance showed his ratings down 3 points from May, at 35% excellent/good; 35% fair; 28% poor/very poor.

A Field survey released September 21, but sampled before the Haiti accord, gave the President a 32% excellent/good; 34% fair; 31% poor/very poor rating. This is his lowest rating since August, 1993. The Poll showed improvement on the President's "inclined to re-elect score: 41% inclined, 43% not inclined. In July, the corresponding number were 36% inclined, 48% not inclined.

An L.A. Times Poll released this week gave the President a 44% positive, 49% negative job approval rating, down from 55% positive, 37% negative in May. For the first time since October, 1993, more Californians think Republicans can handle the state's problems better than Democrats.

POLITICAL OVERVIEW

Turnout was the lowest in decades for the June primary election (33%), skewing the

electorate toward older whites. Cynicism is high, as evidenced by the defeat of all bond spending measures. Generally, the candidates with the most money won the statewide primaries. One exception was the nomination of Tony Miller for Secretary of State, the first openly gay major statewide candidate in California history. State Senator Art Torres captured the Democratic nomination for Insurance Commissioner, giving Latinos their best opportunity to capture a statewide office since the 1800's.

A number of controversial initiatives appear on the November ballot, including:

- * Proposition 184--A tough 3-Strikes-and-You're-Out law
- * Proposition 185--Gas tax increase for mass transit
- * Proposition 186--Single Payer Health Care
- * Proposition 187--Bars services to illegal immigrants
- * Proposition 188--Repeals local smoking restrictions

1994 GUBERNATORIAL RACE

Governor Wilson is now the favorite in the race for governor, with Kathleen Brown's once commanding lead dissipating during the primary election. Despite Brown's massive summer-long advertising offensive, the most recent public poll now shows her 9% behind among likely voters. Nonetheless, the administration is making an all-out effort to help her. Already, you, MEG, HRC, and Secretary Reich have appeared at Brown fundraisers, and the President, Bob Rubin, Henry Cisneros, and Federico Pena are confirmed for events in October.

Brown will try to keep the focus of the campaign on Wilson's record, particularly on the economy. She also disparages his parole policies and lack of support for education, and is supporting a comprehensive "California Performance Review" to improve governmental efficiency and cut costs.

Wilson prefers to change the subject to illegal immigration or crime, specifically Brown's opposition to the death penalty. In recent polling, his hard line on illegal immigration is the most important reason given to support the incumbent. Though Wilson has taken the lead at this time, he remains unpopular and job approval is 44%.

Nonetheless, Wilson leads Brown in handling crime (50-24%), illegal immigration (49-22%), and even the economy (44-32%). Brown leads only on education (46-24%) and "cares about people like me (44-28%). Brown hopes to exploit Wilson's relentless negativity and finger-pointing by offering a contrasting vision of fighting for a better future for the middle class. Brown won a key endorsement in August from the largest statewide police officers' union, which endorsed Wilson in 1990.

1994 U.S. SENATE RACE

Michael Huffington has gained significant ground on Feinstein with a massive, sophisticated, and highly effective advertising campaign coordinated by Larry

McCarthy (of Willie Horton fame) and Ed Rollins. He began by blasting her vote for "the biggest tax increase in history." Next, he attacked her for withdrawing as a co-author of the Clinton health care bill. He labeled the flip-flop as typical of a career politician. He has also unloaded nasty attacks on her husband's finances and her support for refugees during her tenure as mayor.

Feinstein has hit her stride in recent weeks, however, with the success of the crime bill and strong positive spots about her record. Huffington has also suffered from extremely bad print press coverage focused upon his controversial plan to abolish all welfare and his general lack of credentials for the job. He was vacationing in Hawaii in late August as Feinstein made a statewide crime bill "victory lap." The L.A. Times Poll shows Feinstein 6 points ahead. It also found that only 4% of voters think she doesn't support the President enough, while 19% think she is too close to the President. A Field Poll released September 22, however, shows the race a dead heat. Feinstein's most recent advertising paints a picture of Huffington as an unscrupulous Texas businessman who avoided paying California taxes. Huffington is on the air emphasizing his California roots (he attended Stanford).

ECONOMY

The California economy is the largest state economy in the Union, and among the 10 largest economies in the world. After prospering throughout the 1970s and 1980s, California entered recession in 1990, a recession much steeper than the one that affected the nation as a whole. Southern California and the aerospace and construction industries have been hit particularly hard.

In August 1994, the unemployment rate in California was 8.9 percent, higher than the 6.1 percent nationally, but down from 10.1 percent at the beginning of the year. Employment did not fare as poorly in 1993 as in the previous two years, but it has now been declining for three consecutive years. Living standards in California are above the national average but have been declining since 1989.

- **Nonfarm payroll employment in California fell by 1.2 percent in 1993, compared to a 1.5 percent rise in the nation as a whole (See Chart 1).** California's economy shrank by 95,000 jobs between January 1993 and January 1994, almost as large a loss as during the entire Bush Administration. California lost more than 100,000 jobs during that time, or 25,000 jobs per year.
- **In December 1993, California's unemployment rate was 8.8 percent, while the national unemployment rate was 6.4 percent.** The state's unemployment rate rose from 5.0 percent in January 1989 to 9.4 percent in January 1993; during the same period, the unemployment rate for the nation as a whole rose from 5.4 percent to 7.1 percent (See Chart 2). (The 1994 statistics mentioned above are not directly comparable to these figures.)

- **Living standards in California are above the national average** (See Chart 3). Per capita personal income in California (\$21,884) was 5 percent above the U.S. average in 1993, placing the state 11th in the country.
- Key sectors in the California economy include high-technology manufacturing, professional services (especially banking), agriculture, real estate, tourism, and entertainment. The state ranked 8th in the nation in the value of defense contracts per capita.
 - Over 20 percent of U. S. employment in three high-tech industries -- aerospace equipment (airplanes, missiles, and space vehicles), computer equipment, and scientific instruments -- is located in California. Other important manufacturers include other electronic equipment, food products, apparel, and petroleum products.
 - Major farm products include fruits and vegetables (grapes, lettuce, tomatoes), dairy and beef cattle, cotton, and hay.

CALIFORNIA DEMOGRAPHICS

POPULATION 30,379,872
 Rank 1

White: 69.0%
 African-American 7.4%
 Hispanic: 25.8%
 Asian American 9.6%

(Note: Persons of Hispanic origin can be of any race. Consequently the numbers add up to more than 100%)

EMPLOYMENT

Government 16.6%
 Manufacturing: 16.2%
 Trade: 23.3%
 Service: 27.6%

OTHER

Per Capita Income \$20,952
 Number of Federal Workers 204,902
 Average Federal Salary .. \$33,611

APPOINTEES FROM CALIFORNIA

<u>Name</u>	<u>Title</u>	<u>Agency/Dept</u>
Roberta Achtenberg	Assistant Secretary	Dept of Housing & Urban Devlpmt
Michele Alioto	Member	National Council on Disability
C. Richard Allen	Dep Dir, Natl Service	The White House
Aida Alvarez	Director	Federal Hous Ent Oversight (HUD)
Nancy Y. Becavac	Chair	Pres Comm on WH Fellowships
E. Olena Berg	Assistant Secretary	Department of Labor
Eric J. Boswell	Director	Office of Foreign Missions (State)
Warren Christopher	Secretary	Department of State
Adela de la Torre	Member	Pres Comm on WH Fellowships
John B. Emerson	Dep Asst to Pres	The White House
Thomas S. Epstein	Spec Asst to Pres	WH Political Affairs
Judith Heumann	Assistant Secretary	Department of Education
Michael P. Huerta	Assoc Deputy Secretary	Department of Transportation
Roger W. Johnson	Administrator	General Services Administration
Florence G. Joyner	Co-Chair & Member	Pres Cnl on Phys Fitness & Sports
Michael Kantor	U.S. Trade Rep.	U.S. Trade Representative
Philip R. Lee	Assistant Secretary	Dept of Health & Human Services
Martin Manley	Asst Secretary	Department of Labor
Edwin C. Moses	Member	Pres Comm on WH Fellowships
Frank N. Newman	Under Secretary	Department of the Treasury
Geri D. Palast	Assistant Secretary	Department of Labor
Leon E. Panetta	Chief of Staff	The White House
Thomas W. Payzant	Assistant Secretary	Department of Education
William J. Perry	Secretary	Department of Defense
Sally K. Ride	Member	Pres Comm on WH Fellowships
Richard E. Rominger	Deputy Secretary	Department of Agriculture
Joseph Schuldiner	Assistant Secretary	Dept of Housing & Urban Devlpmt
Marsha Scott	Dir. of Correspondence	The White House
Harold P. Smith	Assistant to Secretary	Department of Defense
Marshall S. Smith	Under Secretary	Department of Education
Dawn Steel	Member	Comm on Presidential Scholars
Mary Steenburgen	Member	Pres Comm on WH Fellowships
Louise Stoll	Assistant Secretary	Department of Transportation
Joseph E. Stiglitz	Member	Council on Economic Advisors
Fernando Torres-Gil	Asst Secretary	Administration on Aging (HHS)
Laura D. Tyson	Chair	Council on Economic Advisors
E. Allen Wendt	Ambassador to Slovenia	Department of State
Thomas Williamson, Jr.	Solicitor	Department of Labor

HEALTH CARE

See attached background information on health care in California.

IMMIGRATION AND CALIFORNIA

Governor Wilson Seeks an "Immigration State of Emergency." On Wednesday of this week, Governor Wilson followed the lead of the San Diego Board of Supervisors and asked the President to declare an "immigration state of emergency" and pay the state \$1.8 billion in reimbursement from the DOJ Immigration Emergency Fund. Only \$110 million is in the fund, which can only be used for law enforcement purposes. Attorney General Reno pointed out these facts in a response to Wilson, a copy of which is attached to your event memo for the interview with LA Opinion. The Kathleen Brown campaign wondered aloud why he waited until now to apply for these funds, which have been available for 7 years.

"Operation Gatekeeper." Attorney General Reno delivered a speech in Los Angeles on September 17 announcing a new border control program called "Operation Gatekeeper," which promises 600 new border guards within one year, 400 of which will be deployed within 100 days. This represents a 60% increase in personnel along the border. She announced a limited redeployment of agents from inland checkpoints to the border, new border lighting, fingerprinting of all apprehended aliens, enhanced prosecutions of alien smugglers, a new border commuter lane for commercial traffic, and doubling the deportation of criminal aliens. "We will not rest until the flow of illegal immigrants across our Southwest border has stopped," she said.

Proposition 187. The immigration debate in California has changed dramatically with the qualification of a harsh initiative for the November ballot. The so-called S.O.S. ("Save Our State") initiative, *Proposition 187*, would cut off all public services for illegal immigrants except emergency medical care, require a host of public employees and private health care workers turn suspected illegal immigrants over to immigration authorities, and make it a felony to produce or use a fake I.D. for proving legal residency.

While polls show the measure ahead by 2-1 now, it contains many flaws that could be exploited by a skillful campaign. The "No on 187" Committee has hired a strong Republican firm to oppose the initiative, Woodward and McDowell. Their theme: "it makes a bad situation worse." They have had difficulty raising the money necessary to mount a winning campaign. Kathleen Brown opposes the initiative, Wilson supports it, and Feinstein has yet to take a position (her advisors claim she will oppose it, but much later). The Administration and DNC are providing some discrete assistance to those organizing campaign against it.

While we do not have an official position on the initiative, our public comments to date have noted: (1) immigration dollars are best spent at the border deterring illegal immigration; (2) implementing the initiative would be complicated, expensive, and probably unconstitutional; (3) until the Supreme Court rules otherwise, states are obliged to educate all children regardless of immigration status; and (4) the measure jeopardizes the state's right to receive federal education and health care funding, potentially costing the state billions of dollars. Last week, Wilson indicated he supported throwing illegal immigrant children out of public schools if the Supreme Court were to reverse the *Plyler* decision guaranteeing all children the right to a public education.

Report on Cost to States of Illegal Immigration. A seven-state working group convened by OMB to respond to state requests for reimbursement released an Urban Institute report this week detailing the true cost of illegal immigration to the states. While the data was neither comprehensive nor completely reliable, the report indicated states incur about \$4 billion in costs, about half of which is offset by state tax revenues. California's net cost was about half of the Wilson administration's oft-repeated \$3 billion request. Earlier, OMB had provided information demonstrating that the Clinton administration's FY95 budget requested 32% more funding for immigrant services (legal and illegal) than Bush's FY93 budget. Meanwhile California, Arizona, Texas and Florida have sued the federal government for reimbursement, and Texas has promised to join them. The Department of Justice filed a response to the California suit in early July seeking dismissal.

Wilson's Strategy on Immigration. During his primary campaign, Wilson ran over \$2 million in tough television spots attacking illegal immigration, taking credit for a host of steps to deal with it, and closing with an attack on Kathleen Brown. Wilson gained more than 10 points on Brown after the spot ran. Last month, Wilson bought a full-page ad in the west coast edition of the New York Times challenging the President to do as much to stop illegal immigration in California as he is doing in Cuba (and previously in El Paso). Last week, he ran ads asking Californians to call the White House to demand reimbursement.

Kathleen Brown on Immigration. Meanwhile, Brown called for 1000 new border agents in a September 13 speech. She endorsed shutting down the inland border checkpoints and instituting a dollar border-crossing fee to finance enforcement efforts. She reiterated her pledge to use the national guard for logistical support and her plea for the negotiation of a prisoner transfer treaty with Mexico. She continues to pound Wilson for his record as Senator, which reflects strong advocacy for allowing illegal immigrants into the country to work for Central Valley farmers who are major Wilson contributors. The San Jose Mercury and San Diego Union have done a good job at documenting Wilson's hypocrisy, but other news outlets have downplayed the story.

ECONOMIC PROGRESS IN CALIFORNIA UNDER PRESIDENT CLINTON

California has been hit especially hard by the recent recession in which the state lost over 600,000 jobs, many related to reductions in federal defense spending. The Clinton Administration has aggressively worked to cushion these losses:

- From January 1993 to April 1994, the Administration directed \$7.2 billion in discretionary spending to California, to areas such as mass transit, housing, defense conversion, worker retraining, and small business loan guarantees.
- The Administration responded with speed, flexibility, and creativity to meet the demands of earthquake victims, and has identified \$11.9 billion for earthquake recovery efforts—more federal aid than for any other recent disaster.

In addition, Congressional passage of the President's economic plan in the summer of 1993 dramatically cut the deficit and helped lay a foundation for economic renewal. Evidence is mounting that the State of California is showing signs of recovery:

DURING THE FIRST SEVEN MONTHS OF 1994, EMPLOYMENT LEVELS IN CALIFORNIA HAVE STABILIZED, CONFIRMING THE IMPRESSION OF MANY ECONOMISTS THAT THE CALIFORNIA ECONOMY IS POISED TO TURN AROUND—IN FACT, CALIFORNIA GAINED ALMOST 30,000 JOBS IN JULY

THE HELP WANTED INDEX IS UP BY 19 PERCENT UNDER PRESIDENT CLINTON: A leading indicator of employment demand, the help wanted index has increased by 18.8 percent in the Pacific Region, which includes California, since President Clinton took office. This follows a 50 percent decline in the help wanted index between 1989 and 1992.

CONSUMER CONFIDENCE UP 51 PERCENT SINCE PASSAGE OF THE PRESIDENT'S ECONOMIC PLAN: Consumer confidence in the past three months is 50.9 percent higher in the Pacific Region than during the same period one year ago.

NEW BUSINESS INCORPORATIONS UP 10 PERCENT IN CALIFORNIA UNDER PRESIDENT CLINTON: The rate of new business incorporations in California is 10 percent higher under President Clinton than in 1992, following average declines of 11 percent per year over the previous four years.

BUSINESS FAILURES IN CALIFORNIA HAVE DROPPED BY 5 PERCENT UNDER PRESIDENT CLINTON: Conditions for existing businesses are improving as well. The rate of business failures in California fell by 5 percent under Clinton compared to 1992, after average increases of 22 percent per year over the previous 12 years.

BANKRUPTCY FILINGS IN CALIFORNIA ARE ALSO DOWN UNDER PRESIDENT CLINTON: Likewise, the number of bankruptcy filings fell by 3.4 percent in 1993, following average increases of 11.2 percent per year from 1981 to 1992.

August 30, 1994

HOME SALES IN CALIFORNIA ARE UP 6 PERCENT UNDER PRESIDENT CLINTON:

Sales of existing homes are up 6 percent under President Clinton compared to 1992, following average declines of 6.6 percent per year during the previous four years.

AUTOMOBILE REGISTRATIONS ARE UP 4 PERCENT IN CALIFORNIA UNDER PRESIDENT CLINTON: New motor vehicle registrations were up by 3.7 percent in 1993, compared to average annual declines of 6.5 percent during the previous four years.

August 30, 1994

ECONOMIC PROGRESS IN CALIFORNIA: PRESIDENT CLINTON'S ECONOMIC PLAN

- **\$10,800 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA:** By 1998, the national debt will be **\$691.7 billion** lower than was projected before the passage of the President's economic plan. That's \$10,800 of reduced federal debt for each family of four in California.
- **10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE:** As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.
- **TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA:** The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the next five years.*
- **4,959,000 CALIFORNIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT:** The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers approximately 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.
- **1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS:** Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 new borrowers in the next few years -- will be able to take advantage of the new direct student loan program by participating directly in the program or by consolidating their guaranteed loans into direct loans. Some of these borrowers will benefit from lower interest rates, and they will all benefit from a greater range of repayment options, including income contingent repayment. In addition, the new student loan program will save U. S. taxpayers \$4.3 billion over five years.

September 7, 1994

CALIFORNIA CRIME PROFILE

Overall Crime Picture:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 2,061,761 crimes or 14.28% of the national number
- ◆ Percentage change in crime from 1991 to 1992 -- .2% increase

Violent Crimes:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 345,624 violent crimes or 17.89% of the national number
- ◆ Percentage change in violent crime from 1991 to 1992 -- 4.4% increase

Murder Statistics:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 3,921 murders or 16.50% of the national number
- ◆ Percentage change from 1991 -- 1.6% increase
- ◆ Murders committed with a firearm -- 2,851
- ◆ Murder rate with handguns -- 7.91 per 100,000 population

Rape Statistics:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 12,761 rapes or 11.70% of the national number
- ◆ Percentage change from 1991 -- 1% decrease

Robbery Statistics:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 130,897 robberies or 19.46% of the national number
- ◆ Percentage change from 1991 -- 4.8% increase

Aggravated Assault:

- ◆ 1992 rank, number and percentage of national # -- **Ranked 1 with 198,045 aggravated assaults or 17.57% of the national number**
- ◆ Percentage change from 1991 -- **4.5% increase**

Property Crimes:

- ◆ 1992 rank, number and percentage of national # -- **Ranked 1 with 1,716, 137 property crimes or 13.72% of the national number**
- ◆ Percentage change from 1991 -- **.6% decrease**

Burglaries

- ◆ Rank, number and percentage of national # -- **Ranked 1 with 427,491 burglaries or 14.35% of the national number**
- ◆ Percentage change from 1991 -- **.7% increase**

Larceny and Theft

- ◆ Rank, number and percentage of national # -- **Ranked 1 with 968,534 larcenies and thefts or 12.24% of the national number**
- ◆ Percentage change from 1991 -- **1.8% decrease**

Motor Vehicle Theft

- ◆ Rank, number and percentage of national # -- **Ranked 1 with 320,112 motor vehicle thefts or 19.87% of the national number**
- ◆ Percentage change from 1991 -- **1.4% increase**

Incarceration Statistics:

Prisoners in State Facilities

- ◆ Rank, number and percentage of national # -- **Ranked 1 with 109,496 prisoners or 13.63% of the national number**
- ◆ Percentage change from 1991 -- **7.55 increase**
- ◆ Number of Prisoners on Death Row -- **332**

- ◆ Number of Prisoners Sentenced to Life -- 11,767
- ◆ Number of Adults on Parole -- 67,562
- ◆ Number of adults on probation -- 305,700

State and Local expenditures

- ◆ Total -- \$4,681,365,000
- ◆ Per capita -- \$153.96

Law Enforcement:

- ◆ Number of sworn officers/percentage of national # -- 65,797/10.89%
- ◆ Sworn officers per 10,000 population -- 21.32
- ◆ State & local expenditures for police protection in 1991 -- \$5,401,716,000
- ◆ Per capita expenditure -- \$177.65

HEALTH CARE IN CALIFORNIA

- **312,000** people in California lose their insurance each month. [Lewin-VHI estimates, 1993. Families USA, "How Americans Lose Their Health Insurance," April 1994.]
- **5,053 thousand** people in working families in California have no health insurance [Department of Treasury, "Estimates of the Uninsured in Working Families and Uninsured Children by Congressional District," 7/19/94
→ a **25.73% increase** since 1988. [1988, 1993 CPS]
- Of the 5,938 thousand people without health coverage in California, 5,053 thousand people are in working families -- that's **85.10%** of all the people without coverage in California. [Department of Treasury, "Estimates of the Uninsured in Working Families and Uninsured Children by Congressional District," 7/19/94.]
- **1,320 thousand** children are without health coverage. [Department of Treasury, "Estimates of the Uninsured in Working Families and Uninsured Children by Congressional District," 7/19/94.]
- **12.5%** of family income is spent on health care each year -- an average of **\$7,996** per family. [Lewin-VHI estimates. Families USA, "Skyrocketing Health Inflation," December 1993.]
- **16.3%** of the state budget is spent on Medicaid. [1992 State Expenditure Report -- National Association of State Budget Officers]

Los Angeles Background

September 23, 1994 (Compiled by Eric Anderson/Chris Ulrich)



DEMOGRAPHICS

Population 1990 . 3,485,000
Population 1980: 2,969,000
(Population is up 17.4 % 1980-1990)

DIVERSITY

African-American . . . 14 %
Native-American . . . 0.5 %
Asian-American . . . 9.8 %
Hispanic Origin . . 39.9 %

LOS ANGELES POLITICS

LOS ANGELES POLITICS

Mayor Riordan is generally popular and has recently submitted a well-received budget that fulfills his campaign promise to hire additional police. He strongly supported the crime bill. Nonetheless, he still faces a long-running contract dispute with the Police Department, which degenerated into a "blue flu" in June. Some Republicans have criticized the mayor for appointing Democrats as five of his top six deputies. The Mayor's staff includes former Clinton fundraiser Mary Leslie and Barbara Boxer's son, Doug. He recently appointed the noted academic and author ("Theory Z") William Ouchi to serve as his chief deputy mayor. An L.A. Times investigative report in June revealed a potential conflict of interest for the Mayor regarding his action in furtherance of the hiring of a consulting firm in which he has a substantial financial interest, but it has generated little attention.

While the rapid reconstruction of **earthquake**-damaged freeways has been uplifting for the people of Los Angeles, many residents are still suffering from the impact of the quake and the lingering recession. Dozens of apartment houses are abandoned in the San Fernando Valley, creating "ghost towns" of urban blight that did not previously exist. Failure of the state bond measure has made reconstruction more difficult, though the federal effort has not been faulted in any way. During the summer, the President announced he would seek to reprogram \$225 million in emergency funds to provide zero interest financing for "ghost town" projects. The earthquake also magnified the crash in L.A. real estate values that has robbed many middle class homeowners of their equity. In a related development, news reports evaluating the state of affairs two years after the April, 1992 riots revealed little progress has been made in much of South Los Angeles. Aerospace downsizing continues to eliminate jobs in Southern California, as Hughes announced last week it would shut down its 4000-employee facility in Fullerton (Orange County).

A major (and quite complicated) controversy is brewing over the EPA's proposed clean air plan for the Los Angeles basin. Ordered by the courts to enforce the federal Clean Air Act after the state refused to do so, EPA submitted a detailed regulatory proposal last spring that affects virtually every industry in the region. Last month, Mayor Riordan suggested delaying implementation of any plan until the underlying assumptions and modeling could be challenged. The federal government is involved only because the state neglected its responsibility to develop a clean air plan. Under the law, the state has more flexibility than the feds to offer positive incentives to achieve clean air goals. Therefore, the economic impact would be less onerous if the state takes over the process--which is EPA's ultimate objective.

L.A. City Councilman Zev Yaroslavsky won the June election to succeed County Supervisor Ed Edelman, who is retiring in November. Sheila Kuhl was nominated for the West Hollywood area State Assembly seat--she will likely become the first openly gay person to serve in the State Legislature.

RECENT NEWS

Northrop Grumman Corp -- will reduce its work force by 9,000 people over the next 15 months, the newly combined defense-aerospace company announced on Thursday, September 22nd. The defense giant said it did not know how many of the jobs would be lost through layoffs since the total would depend on attrition, an early retirement program, and other voluntary reduction-in-force programs at Grumman operations. Reductions in California are expected to total approximately 4,500 workers, including 700 by the end of 1994.

State to Slash Base Rates for Workers Comp -- The California dept. of Insurance announced its biggest reduction ever in workers' compensation rates, cutting by 16 % the base charge that businesses pay to insure their employees against on-the-job injuries. State insurance officials optimistically predict that the action will translate into a one time savings approaching \$800 million for the 500,000 Californian employers buying workers' compensation coverage.

Activists call for invasion of L.A. A coalition of community activists called Unity Survival Action (USA) for South-Central Los Angeles urged President Clinton on Tuesday September 20, 1994 to "invade South-Central Los Angeles." Dr. James Mays, a leader of the coalition, acknowledged that the invasion call was primarily symbolic. However, he claimed that the same atrocities occurring in Haiti also happen in South Central Los Angeles daily. He believes that conditions in South Central Los Angeles are out of control and says that National Guard troops may be required to get the city under control. He is also skeptical about the efficacy of the federal crime bill money for additional police officers, stating that it "isn't going to change anything."

L.A. school district could lose \$450 million. The Los Angeles Unified School District may lose more than \$450 million in federal funds pending the approval of Proposition

187, which would bar illegal immigrants from public schools in California and from non-emergency health care and social services. These federal funds compromise almost 11 % of the district's current budget and primarily support programs for disadvantaged students and bilingual education classes. U.S. Education Secretary Richard W. Riley, who claims that the proposed measure would violate federal privacy regulations, has said that he will withhold federal funds to school districts if Proposition 187 is approved.

Simpson Slaying - The Simpson Slayings dominate the headlines and the trial is expected to get under way on Monday, September 26th..

Louisiana Background

November 17, 1995

PRIOR VISITS

You were last in Louisiana on August 1, 1995, in New Orleans for the following events:

- You had a private meeting with approximately 30 community leaders to discuss social and economic issues.
- You met with the leadership of the Southern Christian Leadership Conference (SCLC). The meeting included Dr. Joseph Lowery, president of the SCLC, and Coretta Scott King.
- Finally, you were the keynote speaker at the 38th annual meeting of the SCLC. The theme of the conference was "Focusing on Essentials: Economic, Political and Spiritual Empowerment."

POLITICAL

1992 PRESIDENTIAL ELECTION RESULTS

	<u>Louisiana</u>
Clinton	46.4%
Bush	40.9%
Perot	11.8%

REP. JIMMY HAYES

Roll Call reported this week that Rep. Jimmy Hayes (D) will switch parties by the end of the month. Hayes endorsed State Senator Mike Foster (R), the GOP nominee for governor, soon after Foster and Rep. Cleo Fields (D) won slots in the gubernatorial run-off.

1995 GUBERNATORIAL RACE

This is an open seat because the controversial Governor Edwin Edwards (D) is not seeking re-election this year. In a Foster-Fields match-up, some say a Republican pick-up seems to be a foregone conclusion. A Southeastern Louisiana University poll of 715 registered voters conducted November 1-9 reports that State Senator Mike Foster (R) holds a 51%-31% lead over Rep. Cleo Fields (D). (His lead was 63%-25% among voters who have made up their minds.) Foster enjoys 69% white support (86% support among whites who have made up their minds) while Fields has 79% of

the African American vote. Fields holds a 46%-35% edge among Democrats while Foster enjoys an 86%-3% lead among Republicans. While Fields is campaigning hard, Foster, who is known to be prone to gaffes, is making very few public appearances. His most recent gaffe occurred during a debate last week. During a response to a question about crime, Foster referred to New Orleans, which is majority African American, as a "jungle." Fields stopped short of calling the remark racist, saying "I wouldn't call it a racist statement as much as I would call it a bad statement. We can't have a governor who divides people and insults people." Foster later apologized.

Endorsements -- Several prominent Democrats have endorsed Foster, including former Governor John McKeithen, Rep. Jimmy Hayes, Jefferson Parish Sheriff (and former gubernatorial candidate) Harry Lee and House Speaker John Alario. Alario's endorsement came despite Foster's repeated statements that he wants to see new people in leadership posts in the House and Senate. (As mentioned above, there is much speculation that Hayes will soon switch to the GOP.) Senators John Breaux and Bennett Johnston, Attorney General Richard Ieyoub and Insurance Commissioner Jim Brown released a letter endorsing all of the Democratic candidates facing Republican opposition in the general election, including Fields. This is expected to be the extent of their involvement in the race. Fields has done a very poor job of reaching out to other Democrats in the state for assistance. The DNC has sent a \$50,000 check to the state party and has deployed organizers to work with the Fields campaign and the state party's coordinated campaign. The DGA has given \$5,000 to the Fields campaign and \$95,000 to the state party.

None of Fields' Democratic challengers in the primary have endorsed him. There has been much speculation in state political circles about whether State Treasurer Mary Landrieu (D), whom Fields narrowly edged out of the run-off, will endorse him but she has said privately that she will not. She is still angry about Fields' accusation in the closing days of the primary campaign that she was playing the "race card" by saying that Fields could not win in the general election. Landrieu did make such a comment but she also said that about her other Democratic opponents. Fields says he never called her a racist and he has nothing to apologize for.

Campaign issues -- Fields plans to hit on Foster's strict opposition to abortion in the closing days of the election, hoping to pry loose some of Foster's support among white women. The State Party has prepared a spot which will attack Foster on abortion, hit him on his support for permitting Louisianans to carry concealed weapons and, taking a page from the Kentucky playbook, will attempt to tie him to Newt Gingrich's plans for Medicare. Fields was endorsed yesterday by a coalition of progressive organizations, including the Environmental Political Action Committee of Louisiana, the Louisiana Coalition for Tax Justice, the Sierra Club and Louisiana Citizen Action.

So far, there has been heavy absentee voting among whites and very little among African American voters.

PRESIDENTIAL POLITICS

While the South has generally been moving Republican, that trend has been slower in Louisiana. A large African American vote, a strong populist tradition and a well-organized state Democratic party operation makes the state one of the principal Southern battlegrounds for 1996. It will, however, be a very tough fight to capture the state's nine electoral votes. African Americans make up 28% of the state's voters and vote overwhelmingly Democratic. As a result, the conventional wisdom is that a Republican must capture 63% of the white vote to win statewide. While that is indeed a formidable share, the Republican nominee will likely begin the race close to that number. The most recent poll showed the President leading Bob Dole 47%-42%.

Republicans. In 1996, the Louisiana Democratic primary will take place on Super Tuesday, as it has for the past two cycles. The Republicans, however, plan to select 21 of their 27 delegates in caucuses they have scheduled for February 6, 1996, which would make Louisiana's caucuses the first-in-the-nation. (This specific date is not carved in stone and may be moved to accommodate Iowa's wishes to remain first.) The remaining six delegates will be selected in a primary on Super Tuesday. Gramm is believed to be relatively strong organizationally in Louisiana and is widely viewed as having orchestrated the move to an earlier caucus.

John Treen, brother of former Governor David Treen (R), filed a lawsuit recently alleging that the state GOP's proposed caucus system violates the state's presidential primary law. The lawsuit also charges that the delegate selection process was designed to give Gramm some delegates early in the process to boost his campaign. Treen said that a small group within the state party supports Gramm and will do anything to help his campaign. Treen said "The point is to get him delegates early so it won't look like his campaign is falling apart." Republican officials in Iowa and New Hampshire have said that if Louisiana insists on February caucuses, they will move their dates to January.

1995 OPEN PRIMARY RESULTS

Louisiana has a unique primary system in which candidates of all parties run in a single primary. Any candidate who receives 50 percent of the vote is elected. Otherwise, the top two finishers, regardless of party affiliation, go into the runoff. The primary was held October 21 and the general election will be held on November 18th.

State Senator Mike Foster (R) and Rep. Cleo Fields (D) placed first and second in the gubernatorial primary and will proceed to the run-off. Foster placed first with 26%, followed by Fields with 19%, State Treasurer Mary Landrieu with 18%, former Governor Buddy Roemer (R), also with 18%, attorney Phil Preis (D) with 9%, Lt. Governor Melinda Schwegmann (D) with 5% and State Rep. Robert Adley (D) with 2%. Fewer than 8,000 votes separated Landrieu and Fields.

Although Fields' victory in the primary has seriously crippled our prospects in that race, the primary results were not all bad for Louisiana Democrats. Of the eight statewide offices, the Democrats won five outright in the October primary and a sixth, Lt. Governor, is very likely to stay in our column. (The GOP, meanwhile, will likely pick up the top office and re-elected Secretary of State Fox McKeithen (R) in the

primary.) The Democrats are also assured of maintaining firm control of the state House and Senate, something which was very much in doubt in light of many Democratic legislators' involvement in an ongoing FBI corruption probe. The Democrats won outright 74 of Louisiana's 105 state House seats in the primary, the Republicans won 10 and eight races will be decided in the run-off. In the Senate, Democrats won 24 of the chamber's 39 seats, Republicans won 10 and five races will be decided in the run-off.

1996 SENATE RACE

As you know, Senator Bennett Johnston (D) will not seek re-election next year. The race to succeed him will be very hotly contested. The picture of who will run to succeed him remains clouded. On the Democratic side, Rep. Bill Jefferson (D) is the only announced candidate. Jefferson dropped out of the gubernatorial primary about a month ago and endorsed Fields. Fields, in turn, endorsed Jefferson's Senate bid. Attorney General Richard Ieyoub (D) is the potential candidate topping Democratic wish lists these days. He has travelled to Washington to sound out a race with DSCC Chair Bob Kerrey. He would make a very strong candidate and he has reportedly been emboldened by his 76% victory in the open primary against a credible candidate. New Orleans Mayor Marc Morial (D) has also expressed interest in running.

On the Republican side, David Duke and millionaire businessman Pat Taylor have said they will run. Most speculation has focused on Rep. Billy Tauzin (R), a recent convert to the GOP who is also believed to be preparing for a bid. Tauzin's apparent interest has quieted talk that Reps. Jim McCrery (R) or Richard Baker (R) will run. (Both are also reportedly very happy with their newfound influence in the House majority.) Other Republicans considering the race are New Orleans City Councilwoman Peggy Wilson and Secretary of State Fox McKeithen.

STATE LEGISLATURE

The Louisiana state legislature meets annually for 60 legislative days beginning the 3rd Monday in April. The Democrats currently hold a 87-16 majority in the House, and a 30-16 majority in the Senate. As mentioned above, the Democrats, though they will lose seats this cycle, will continue to hold decisive edges in both chambers next year. John Alario is the Speaker of the House and Sammy Nunez is President of the Senate.

FBI probe. A large group of state legislators, including Nunez and almost all Democrats, are involved in a FBI probe into corruption allegations involving the gambling industry. A number of these legislators lost in the primary or face tough run-offs. Among them, Senate President Nunez faces a run-off from Lynn Dean (R), who won the first round by a 46%-35% margin. Most analysts are predicting his defeat. Nunez gained notoriety in the state for passing around contributions from gambling interests on the Senate floor.

Issues impacting Louisiana

Attached you will find the impacts of the Republican budget cuts on Louisiana detailing numbers for medicare/medicaid and EITC and the Clinton Administration's accomplishments in Louisiana. Following are some specific Congressional issues affecting Louisiana.

Government Shutdown: There are more than 20,000 federal employees in Louisiana, including about 17,000 federal employees in New Orleans — 4,495 work for the U.S. Postal Service which is not be affected by the furloughs. John Breaux said this last week, "We're so busy trying to score political points, I think some people in Louisiana believe even we in Congress are not 'essential' employees who should report to work tomorrow."

Medicaid: The Senate included a special Medicaid block grant formula, designed for Louisiana and New Hampshire alone. Under the Senate bill (but not the House's), Louisiana would get temporary and partial relief from a mandatory 28 percent state match of federal Medicaid funds (Louisiana would pay only 15 percent initially). In return for that reprieve, Louisiana would agree to a five-year freeze of its \$ 2.6 billion Medicaid grant, while most other states would get 5 to 8 percent annual increases. Administration analysis indicates that under the new Senate block grant proposals, Louisiana would take a 52% cut in the year 2002.

Federal royalties on offshore oil and gas: The Senate last month approved Senator Johnston's legislation allowing the Interior Secretary to reduce or forgive royalties owed on some oil and gas extracted from the deepwater Outer Continental Shelf. The House rejected this royalty relief for the offshore oil and gas industry. The difference must be resolved in conference. We have not included language in our Interior SAP on this issue and the administration has not opposed the royalty relief provision in the past.

Welfare: As of January 1995, 257,557 Louisianians received a monthly federal welfare check — a relatively high number compared to other states. About 67 percent (or some 175,000 recipients) were 17 years old or younger. The House welfare bill would deny cash welfare (although non-cash services like medical care would be allowed) to unwed teenagers with children. Also, the House would deny cash welfare for additional children born to a mother already on welfare. The President has made clear that he thinks the House bill goes too far.

Food programs: In Louisiana, about 130,000 women and infants receive food and nutrition education through WIC each month. About 179,000 Louisiana school children now have a federal guarantee to a free school lunch and another 46,000 children are guaranteed a reduced-price lunch. The House has voted to block-grant these feeding programs to the states, remove the federal guarantee of who is covered, and allow the states to decide who qualifies for the feeding programs and what nutrition benefits they receive. The Senate welfare bill retains the federal guarantee of food aid for families who meet certain poverty standards. The President has said he might be able to sign the welfare bill if it ends up looking like the Senate's

Farm Issues: The ultimate resolution of how to treat the government's price-support program for sugar farmers will mean much to Louisiana farmers. The Senate bill

would preserve (although probably reduce) traditional support programs for cotton, rice and Southern dairy farmers, while a House budget bill scraps the traditional supports and substitutes a fixed-price payment to farmers which would be less generous to cotton, rice and Southern dairy products.

LOUISIANA DEMOGRAPHICS

POPULATION 4,251,569
Rank 21

White: 67.3%
African-American 30.8%
Hispanic: 2.2%

EMPLOYMENT

Government 21.2%
Manufacturing: 11.4%
Trade: 22.8%
Service: 23.8%

OTHER

Per Capita Income \$15,143
Number of Federal Workers 21,637
Average Federal Salary .. \$30,311

APPOINTEES FROM LOUISIANA

<u>Name</u>	<u>Title</u>	<u>Agency/Dept</u>
William Arceneaux	Chair, Bd of Dirs	Student Loan Mktg Assoc
Nathaniel H. LaCour	Member	Comm on Presidential Scholars
William LeBlanc, III	Commissioner	Postal Rate Commission
Phyllis Oakley	Asst Secretary	Department of State

(Prepared by Jim Kohlenberger, Eric Anderson and Doug Sosnik)

Impact Of The Republican Budget Cuts On LOUISIANA

IMPACT ON HEALTH CARE IN LOUISIANA

The Republican MEDICARE Cuts Will Force 572,000 Older And Disabled Americans In Louisiana To Pay Higher Premiums and Higher Deductibles For A Weakened Second Class Medicare Program.

- Medicare spending in Louisiana will be cut by \$1 billion in 2002 and \$5 billion over seven years.
- These cuts will threaten the integrity of the Medicare program by imposing unprecedented out-of-pocket increases on beneficiaries, decreasing access to doctors, and undermining the financial viability of hospitals.
- The cuts will force many hospitals to close and cost the typical hospital \$17 million over seven years, according to the American Hospital Association.

The Republican MEDICAID Cuts Will Reduce Federal Payments To Louisiana By \$5.3 Billion Over Seven Years, A 27% Reduction In 2002 Alone. Nationally, Republicans are proposing to cut about \$170 billion from Federal Medicaid spending between 1996 and 2002: a cut of 18% over seven years and 29% in 2002.

- 8 million people will be denied Medicaid coverage nationwide. States will be forced to deny coverage to 8 million people, including:
 - 4 million children
 - About 900,000 older Americans
 - Over one million individuals with disabilities

IMPACT ON WORKING FAMILIES IN LOUISIANA

The Republican Budget Increases Taxes For Working Families:

- The Senate Finance Committee proposal will increase taxes for 435,038 Louisiana taxpayers in 2002.
- On average, each affected EITC recipient in Louisiana will see a tax increase of more than \$369 in the year 2002.
- Families with two or more children will be hit hardest. In Louisiana, 193,038 families with two or more children will see an average tax increase of \$506 in 2002.

Source: Medicare estimates from Department of Health and Human Services (HHS). Medicaid estimates from HHS based on revised House Medicaid formula, as of October 27, 1995. EITC estimates based on Department of Treasury analysis of Senate proposal.

ECONOMIC PROGRESS IN LOUISIANA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Louisiana after the first 32 months of the Clinton Administration:

Improved Economic Conditions in Louisiana:

- The unemployment rate has dropped from 7.5% to 6.5%.
- Almost twice as many new jobs **per year** – 60,039 vs. 30,875 average during the previous 4 years. In 31 months, Louisiana has added 155,100 total jobs, after adding 123,500 during the previous 4 years combined.
- Almost 2 1/2 times as many new private sector jobs **per year** – 56,206 vs. 23,250 average during the previous 4 years. In 31 months, Louisiana has added 145,200 private sector jobs, after adding 93,000 during the previous 4 years combined.
- In 31 months, Louisiana has added 5,300 total manufacturing jobs or 2,052 **per year**. During the previous 4 years combined, Louisiana **ADDED** 12,900 manufacturing jobs or 3,225 **per year**.
- Bank lending has increased by \$4.3 billion -- after dropping by \$6.3 billion during the previous 4 years.
- Bankruptcy filings have dropped 23% **per year** -- after increasing 8% **per year** during the previous 12 years.
- Business failures have dropped 25% **per year** -- after increasing 17% **per year** during the previous 12 years.
- Home building has increased 13% **per year**.

What President Clinton's Accomplishments Have Achieved for the People of Louisiana:

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN LOUISIANA: The national debt will be **more than \$1 trillion** lower over 7 years than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in Louisiana.

25 TIMES MORE LOUISIANA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 390,496 working families in Louisiana will receive a tax cut. This compares to an increase in the income tax rate for only the 15,672 wealthiest taxpayers in Louisiana.

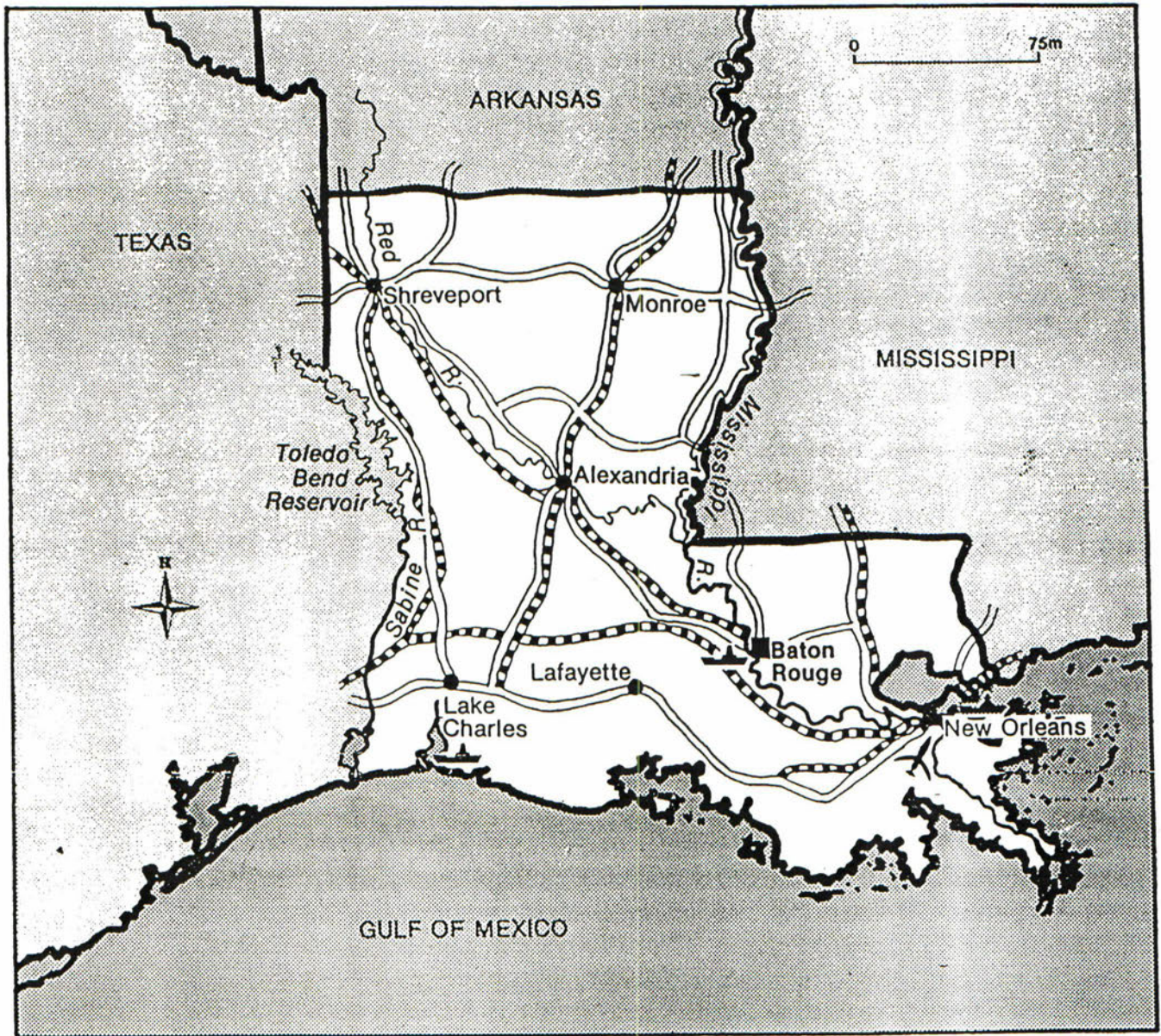
TAX CUT FOR 18,281 SMALL BUSINESSES IN LOUISIANA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 18,281 small businesses in Louisiana are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

583,000 LOUISIANA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 582,680 workers in Louisiana, and protects the jobs of 35,004 workers in Louisiana who are likely to use unpaid leave this year alone.

201,400 STUDENTS AND FORMER STUDENTS IN LOUISIANA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 201,400 Louisiana borrowers -- 141,000 current borrowers and 60,400 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.



LOUISIANA



New Orleans Background

Friday, November 17, 1995



DEMOGRAPHICS

Population 1990 . . 497,000
Population 1980: 558,000
(Population went down 10.9% between 1980-1990)

DIVERSITY

African-American . . 61.9%
Native-American2%
Asian-American 1.9%
Hispanic Origin . . . 3.5%

LOCAL NEWS



Government Shutdown: About 7,500 of the 17,000 federal employees in the New Orleans metropolitan area were victims of the government shutdown. The hardest hit federal agency in the region is the Algiers Naval Support Base where more than 1,800 civilian employees were given their "marching orders." Both the regional offices of the Department of Veterans Affairs and the Small Business Administration are operating with minimal staffs, in the case of the VA five out of 209 employees are working. Most furloughed employees were upbeat about the forced vacations so long as the government comes through with the back pay. (*New Orleans Times-Picayune*, 11/15/9)

City Charter Changes Vote: New Orleans voters will consider a package of changes to the 41-year old City Charter in tomorrow's (SAT 11/18/95) election. The changes include allowing the city to create an Ethics Review Board and an inspector general; enabling the mayor with the concurrence of the City Council to reorganize and merge several departments; and making the document's language gender-neutral. There has been no organized opposition to the charter revisions, rather the New Orleans Council of the Chamber of Commerce, Victims and Citizens Against Crime, and the League of Women Voters have all endorsed the changes. Mayor Marc Morial is working hard to win approval for the changes, hiring both a political consultant and loaning \$ 50,000 from his campaign war chest to wage a voter education campaign that includes both print and broadcast advertisements. (*New Orleans Times-Picayune*, 11/15/95)

POLITICAL – REP. BILL JEFFERSON

New Orleans, for many years a speckled black-and-white city, now has a solid black majority, making the 2d District heavily Democratic. The congressman here is Bill Jefferson, first elected in 1990 after the retirement of Lindy Boggs, who won majorities from blacks and whites alike. Jefferson was then a state senator, a skillful

political operator with high professional credentials: he graduated from Harvard Law, clerked for a well-respected federal judge, worked for Senator Bennett Johnston and set up what became the largest black law firm in the South. Jefferson was elected to the state Senate in 1979; he twice ran for mayor and lost. In 1990 Jefferson was endorsed by then Mayor Sidney Barthelemy, and in the primary won 25% of the vote to 22% for Marc Morial, whose father was New Orleans's first black Mayor and who was elected Mayor himself in March 1994. In the November runoff, charges flew: Jefferson was dogged by reports of defaults on outstanding loans and mortgages, while Morial admitted he was the father of an eight-year-old girl living in the Ivory Coast. Jefferson won with 52% and became the first Louisiana black elected to Congress since Reconstruction.

In the House Jefferson has shown impressive political skills. He was active in the Democratic Leadership Council and got to know its chairman, a young southern governor named Bill Clinton. In November 1991, Jefferson and Mississippi Congressman Mike Espy endorsed Clinton, and both began campaigning hard for him across the country, including a southern bus tour in August -- for which rewards would in time be coming. In December 1992, Jefferson won a seat on the Ways and Means Committee where he chalked up some successes. He got Ways and Means to have Clinton's one dollar increase on inland waterway tolls. In August 1993, in a conversation with Clinton on Air Force One, Jefferson got him to save a tax break for venture capital companies dealing solely with minority-owned small businesses, generating, Jefferson claims, \$ 1.2 billion in investment. In June 1994, on health care, he sponsored a compromise eliminating employer mandates for four million small businesses; this passed, and helped Ways and Means stitch together a Democratic healthcare bill. Jefferson also claimed credit for a law giving state and local governments priority in acquiring surplus Defense Department property.

Jefferson will have trouble equalling this record in a Republican House, not least because the downsizing of the Democratic ranks at Ways and Means left him and three other junior Democrats without a seat. But he has no trouble winning reelection in the 2d District. Originally thought to be interested in running for mayor, he announced in the spring of 1995 that he was running for governor.

THE DISTRICT

Today's rally and MEG's medicare event tomorrow are both in Jefferson's 2nd Congressional District. The 2d Congressional District of Louisiana today includes almost all of the city of New Orleans, everything except a few affluent white neighborhoods, plus the west bank towns of Jefferson Parish -- Gretna, Harvey, Westwego, Waggaman--industrial enclosures between levee and swamp. Here is the New Orleans everyone wants to visit, centered on the French Quarter, its 19th Century homes still intact because the Americans who moved here after 1803 wanted to stay away from the snobbish Creoles and built a new downtown above Canal Street. North of the Quarter is the site of Storyville, where prostitution was legal until 1918 and where jazz was probably first played; the old frame houses have long since been torn

down and replaced by housing projects. But many similar neighborhoods remain, where blacks and some working-class whites live in rickety frame houses which are not always strong enough to keep the rain out and never tight enough to keep out the summer humidity or the damp winter chill, along the vividly named streets -- Elysian Fields, Spain, Desire, Arts--that go north from the river wharves. In the other direction is the downtown flecked with skyscrapers and the ominous Superdome, past the old slum known as the Irish Channel -- a reminder that New Orleans had more foreign immigrants than any other part of the South -- to the Garden District. This was the home of the rich, early American settlers, and its antebellum homes are still covered with vines and Spanish moss. Quaintly named trolley cars still roll out St. Charles Avenue to Tulane University and Audubon Park.

(Prepared by Jim Kohlenberger, Chris Ulrich & Philip McNamara)

THE WHITE HOUSE
WASHINGTON

February 15, 1996

Kitty --

Following up on my earlier note about Cabinet Reports, I have marked up a recent one to illustrate how I would cut it. I think the rule of thumb should be that we're telling the President things he needs to know, or is likely to have some particular interest in. There is a lot of material in this report that doesn't meet those criteria.

On the other hand, a lot of the material does meet those criteria. If all of my suggested cuts were made, I'm sure this memo would still be in the 14-15 page range -- which I would take to be the upper limit of what we should be sending him. I think we should be aiming for something in the 10-page range and going over that only when we need to.

Anyhow, I thought this markup might be helpful in showing you concretely what I mean. Let me know if you want to talk about this further. Thanks.


Todd

Briefing Book Notes
(3-18-96)

- **What is the best product?**

First point is that the best way to figure this out is to get feedback from POTUS. Does he use any of current stuff (either event memos or background memos)? Does he have any preferences? Should we just experiment?

Feedback aside, I would think best product would be:

- **Cover sheet of the day's events a la '92 campaign;**
- **Overview memo that says:**

What he's doing; why he's doing it; the intended message. (E.g. -- On Saturday March 23 you're travelling to Cincinnati and Columbus Ohio to do x,y, and z events. This is why you're going [fill in]. And this is what we hope to accomplish in terms of message [].) This section shouldn't be long, but should be a solid, well-articulated paragraph or two.

What's going on on the ground in the given state. Should provide a good, nuanced feel for what's happening in the state, what the mood is, what's on people's and the press's minds. Should be informative, but not overinclusive. POTUS's time is limited.

-- Local political situation (how the presidential looks, relevant polling, relevant information about governor, state officials, etc., especially to extent POTUS may be dealing with them);

-- local economic situation (brief description of how state is doing, any big economic news such as strikes, plant openings or closings, etc.);

-- hot local issues (stuff that's in the news, on people's minds, important). Won't get this via Cabinet agencies saying what's on their agenda in given state. Can only get this right by talking to smart, politically tuned in contacts on the ground. (Fine for agencies to provide their list, but rather than giving that as is to POTUS, it should be used by person talking to the local contacts and checking on whether this or that issue raised by the Cabinet has any salience at time of POTUS's trip.)

NOTE -- there will be occasions where given issues are so important that a separate one-pager is needed. These should be cross-referenced in the

Overview memo, so that, e.g., POTUS knows there is something separate he'll need to look at on our border control efforts in Southern California.

• **How do we get it produced? Options:**

(1) *Most efficient way to do this would be to have a briefing book team set up as it was in the '92 campaign.* Downside of this is that it would require extra people. Also, some thought would have to be given about where such people should be situated -- in Political, or elsewhere. But you'd want a sharp person who understands how this is done and has appropriately high standards -- for example, Carter Wilkie did it in the campaign.

(2) *Staff Secretary's Office could coordinate.* This would require people in the contributing shops (Political, NEC, Cabinet, Research, Communications) to get their stuff to us on disk 48 hours before briefing books delivered to POTUS (e.g., Monday night for a Thursday morning trip). We would then integrate the pieces into a single memo, cutting what's redundant, irrelevant, etc. Downside is that overview memo will only be as good or as bad as the constituent pieces. If Political sends in a memo that doesn't capture what's going on in Cleveland or Chicago, we're not going to be able to improve on it much.

(3) *Other office could coordinate.* Conceivably some other White House office could coordinate this process, but I'm not sure who.

Briefing Book Notes
(3-18-96)

- **What is the best product?**

First point is that the best way to figure this out is to get feedback from POTUS. Does he use any of current stuff (either event memos or background memos)? Does he have any preferences? Should we just experiment?

Feedback aside, I would think best product would be:

- **Cover sheet of the day's events a la '92 campaign;**
- **Overview memo that says:**

What he's doing; why he's doing it; the intended message. (E.g. -- On Saturday March 23 you're travelling to Cincinnati and Columbus Ohio to do x,y, and z events. This is why you're going [fill in]. And this is what we hope to accomplish in terms of message [].) This section shouldn't be long, but should be a solid, well-articulated paragraph or two.

What's going on on the ground in the given state. Should provide a good, nuanced feel for what's happening in the state, what the mood is, what's on people's and the press's minds. Should be informative, but not overinclusive. POTUS's time is limited.

-- Local political situation (how the presidential looks, relevant polling, relevant information about governor, state officials, etc., especially to extent POTUS may be dealing with them);

-- local economic situation (brief description of how state is doing, any big economic news such as strikes, plant openings or closings, etc.);

-- hot local issues (stuff that's in the news, on people's minds, important). Won't get this via Cabinet agencies saying what's on their agenda in given state. Can only get this right by talking to smart, politically tuned in contacts on the ground. (Fine for agencies to provide their list, but rather than giving that as is to POTUS, it should be used by person talking to the local contacts and checking on whether this or that issue raised by the Cabinet has any salience at time of POTUS's trip.)

NOTE -- there will be occasions where given issues are so important that a separate one-pager is needed. These should be cross-referenced in the

Overview memo, so that, e.g., POTUS knows there is something separate he'll need to look at on our border control efforts in Southern California.

• **How do we get it produced? Options:**

(1) *Most efficient way to do this would be to have a briefing book team set up as it was in the '92 campaign.* Downside of this is that it would require extra people. Also, some thought would have to be given about where such people should be situated -- in Political, or elsewhere. But you'd want a sharp person who understands how this is done and has appropriately high standards -- for example, Carter Wilkie did it in the campaign.

(2) *Staff Secretary's Office could coordinate.* This would require people in the contributing shops (Political, NEC, Cabinet, Research, Communications) to get their stuff to us on disk 48 hours before briefing books delivered to POTUS (e.g., Monday night for a Thursday morning trip). We would then integrate the pieces into a single memo, cutting what's redundant, irrelevant, etc. Downside is that overview memo will only be as good or as bad as the constituent pieces. If Political sends in a memo that doesn't capture what's going on in Cleveland or Chicago, we're not going to be able to improve on it much.

(3) *Other office could coordinate.* Conceivably some other White House office could coordinate this process, but I'm not sure who.

Evelyn

Breeding
Book

THE WHITE HOUSE

WASHINGTON

March 1, 1996

MICHIGAN RADIO INTERVIEWS

DATE: March 4, 1996
LOCATION: Room W271
Cobo Conference and Exhibition Center
TIME: 2:30 PM EST
FROM: Mike McCurry

I. PURPOSE:

To discuss your trip to Michigan and what you have done to help working families in Michigan.

II. BACKGROUND:

You will conduct **four** radio interviews with Michigan radio stations.

The **first** interview will be taped with **Art Lewis** on WSGW in **Saginaw**. Lewis' is an issue-based show with no political slant. He has been a radio broadcaster for over thirty years and has never interviewed you. He is a fantastic cook of Chinese food and also hosts a cooking show weekday mornings on this station. He would like to discuss your trip to Michigan and may ask questions concerning welfare reform and trade.

The **second** interview will be taped with **Rob Sanford** on WOOD, the number one rated newstalk station in **Grand Rapids**. Sanford has been a radio broadcaster for twenty five years in Michigan and has never conducted an interview with you. Sanford will focus on your trip and may ask questions on your comfort level with Republican candidate infighting, Cuba and Bosnia, and whether you expect to win Michigan again.

The **third** interview will be taped with **Gordon Evans** on WAAM, the number one newstalk station in **Ann Arbor**. He has never interviewed you before. He will focus on your trip to Michigan but, may also touch on the budget debate and Cuba.

The **fourth** interview will be taped with **Cindy Buchan** on WTCM based in **Traverse City**. ^{THE WHITE HOUSE} This is the number one station in Northern Michigan and covers the following cities: Petoskey; Cadillac; Manistee; Gaylord; and Houghton Lake. Buchan has been a radio broadcaster for sixteen years in Michigan. Buchan will focus on your trip to Michigan and may also touch on the budget debate and which issues you will focus on in your second term as President.

III. PARTICIPANTS:

1. The President, Ginny Terzano.

IV. PRESS PLAN:

The interviews will be taped and then aired on the following Michigan radio stations: WSGW, Saginaw; WOOD, Grand Rapids; WAAM, Ann Arbor; WTCM, Traverse City.

V. SEQUENCE OF EVENTS:

- Briefing.
- Conduct radio interviews in the following order:

1. WSGW, Saginaw
2. WOOD, Grand Rapids
3. WAAM, Ann Arbor
4. WTCM, Traverse City

VI. REMARKS:

None required.

Michigan Talking Points - March 4, 1996

Economic Progress in Michigan

- * The unemployment rate has dropped from 7.0% to 5.0%.
- * Over 4 1/2 times as many new jobs per year -- 105,634 vs. 22,347 during the previous four years.
- * 10 times more Michigan families receive a tax cut than a tax increase: as a result of the expanded Earned Income Tax Credit, 392,321 working families in Michigan will receive a tax cut. This compares to an increase in the income tax rate for only the 41,107 wealthiest taxpayers in Michigan.
- * 1,502,000 Michigan workers protected by Family and Medical Leave Act.

Michigan State Exports Profile

- * Michigan is the nation's fourth-leading exporter of merchandise. In 1995, the state sold exports with an estimated value of \$42 billion. Michigan's exports rose an estimated 40% (\$12 billion) between 1993 and 1995.
- * Michigan's merchandise exports alone support jobs in Michigan estimated to be in excess of 533,000 in 1995. Michigan's exports of manufactured products were up by over 40% between 1993 and 1995 (from \$29.3 billion in 1993 to an estimated \$41.1 billion in 1995).

Political Facts

- * Michigan Democrats will select their delegates to the Democratic National Convention at caucuses Saturday, March 16.
- * Michigan Republicans will participate in an open primary Tuesday, March 19.

Welfare and Medicaid Reform in Michigan

- * I believe that the NGA proposals, drafted by Governor John Engler and others, were a useful step forward.
- * Their bipartisan statement said that I was right to veto the flawed legislation passed by Congress -- legislation that did too little to encourage work, and too much to harm children and the national guarantee of health coverage for the elderly and disabled.

* We are not, as John Engler has charged, defending the status quo -- we believe that both the welfare and medicaid system should be reformed.

* Because the NGA proposal is a work in progress, we do have many questions about its details -- questions that must be answered before we endorse or oppose their proposals.

* Now that the NGA has made its proposals, our goal should be to ensure accountability for the taxpayers. Any welfare legislation passed by Congress should require states to maintain their own effort, provide sufficient child care, and protect the nutritional safety net that Food Stamps and the school lunch program provide.

Michigan Welfare Reform Demonstrations

* Although Michigan does not have a welfare reform waiver application pending, the state is discussing whether to seek waivers so as to implement some or all of the elements of the welfare reform program (Project Zero) they had planned to put in place under a block grant.

* Michigan has been granted one waiver by my Administration. An expansion of Michigan's "To Strengthen Michigan Families" welfare demonstration, it requires AFDC recipients to participate in the Job Opportunities and Basic Skills Training Program (JOBS) or Michigan's "Social Contract" activities that encourage work and self-sufficiency. Michigan is also testing the requirement that AFDC applicants participate in job searches, by actively seeking employment while eligibility for AFDC is being determined.

Todd
please include me

03MAR11 P2:03

EXECUTIVE OFFICE OF THE PRESIDENT

07-Mar-1996 04:27pm

TO: Evelyn S. Lieberman

FROM: Todd Stern
Office of the Staff Secretary

CC: Teresa Wildman

SUBJECT: cab. report follow-up

Leon not necessary but Jew yes

Couple things:

First, last week's Cab. Report was 14 pages (down from 24 and then 19), so we're making progress.

Second, Kitty has asked me to come to a meeting with her and Jennifer Palmieri re following up the President's marginal notes on the Report. I mention this because I question whether Jennifer (or Leon), as opposed to you, is the right person to have this conversation with. This was something that Erskine took a personal interest in (probably at POTUS's request). It is also something that was fairly problematic (in ways I can fill you in on if you want) and which Erskine and I were going to meet about several times, except that more important things intervened and then North Carolina called.

I believe Kitty is trying to set this meeting up for Monday.

P.S. I understand that you've already weighed in on the Cleveland Park school question. Other question is what do you think of the quasi-Cleveland Park block on Idaho between Woodley and Macomb, a few blocks west of Wisconsin. (There are two empty lots owned by a builder friend of Susan Berger and we are considering the possibly foolhardy idea of buying and building.) todd

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

08-Mar-1996 10:47am

TO: Todd Stern

FROM: Jessica R. Arons
 Presidential Correspondence

SUBJECT: RE: honoraries

The President attended the TOP COPS ceremony in '94. In '95 both he and the First Lady were asked to be members of the Honorary Committee. John said yes; we don't have a decision from Erskine (I don't think he was on board yet with these); Maggie said POTUS should do it alone. There have been several instances where POTUS has been an honorary committee member rather than a chair. I don't think it's a problem.

Jess

THE WHITE HOUSE
WASHINGTON

FEB 26 1996

February 23, 1996

Joeld

96 MAR 7 P1:34

NOTE TO: TODD STERN

FROM: KITTY HIGGINS *Kitty*

RE: Agency Reports on "Hot" Issues

Now that the President is travelling more frequently, we should revisit the question of regularly collecting information on "hot" issues in the states and cities he visits. We have a standing request to agencies to submit important information. But we don't get reports from every department and we aren't working against an agreed upon deadline.

1. Should we regularly ask for this information? *yes*
2. If so, what is needed, when is it needed and in what form?
3. Once we receive it from the departments, what's the best way to get it to you?

cc: Leon Panetta
Harold Ickes
Evelyn Lieberman
Doug Sosnik

*ESL
wants you
to bring this
up when you
meet.*

- T

THE WHITE HOUSE
WASHINGTON

February 21, 1996

MEMORANDUM FOR DISTRIBUTION

FROM: TODD STERN *TS*
PHIL CAPLAN *PC*

SUBJECT: California Accomplishments

The attached is a rough draft on "Clinton Administration Accomplishments in California." We will edit it, especially in terms of layout and presentation, but it would be helpful if you could fact check relevant portions and return any edits to our office by 10:00 am tomorrow, Thursday, February 22. If you re-write significant portions of relevant paragraphs, please provide a disk.

Thank you in advance for the quick turn around.

DISTRIBUTION:

Jason Goldberg/NEC - Economic and Export Facts
David Lane/NEC - Defense Conversion Facts
Rahm Emanuel/Christa Robinson - Crime/Immigration Facts
Steve Silverman - Disaster Relief Facts
Shelly Fiedler - Environmental Facts

cc: Wendy Smith

California Accomplishments of the Clinton Administration

Economic Progress:

Spending - latest?

The national debt will be more than \$1 trillion lower over 7 years than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in CA.

As a result of the expanded Earned Income Tax Credit, 2,146,915 (30% of) working families in California will receive a tax cut saving them \$3.7 billion. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.

The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expending allowance from \$10,000 to \$17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expending allowance this year along and many more will benefit over the coming years.

The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.

Approximately 1.65 million California borrowers -- 1.16 million current borrowers in the next few years-- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

San Diego's shipbuilding industry has received a substantial investment from both our domestic shipbuilding initiative and Defense Department contracts. Last fall, the Navy awarded a \$500 million contract to build two new ships, securing 4,000 jobs through the year 2000.

The administration fought hard to save the Space Station and C-17 aircraft program and won a spirited international competition for a huge airplane sales contract to Saudi Arabia, preserving billions of dollars of economic activity and tens of thousands of jobs in California.

Los Angeles and Oakland have been declared "Empowerment Zones" meaning that they are receiving between \$40 and \$100 million each in flexible block grant funding designed to create jobs and help communities rebuild themselves from the inside out. To encourage hiring, businesses located in an EZ will receive a wage credit of up to \$3,000 per year per employee for the cost of wages and training for employees who are zone residents. Zone businesses will also receive tax deductions for capital investments and tax-exempt bond financing.

Imperial County, L.A.- Huntington Park, San Diego, San Francisco-Bayview-Hunter's Point, and Watsonville have been declared "Enterprise Communities." Similar to Empowerment Zones, they receive block grant funding of approximately \$3 million and access to tax-exempt bond financing for private business activities in the targeted communities.

new planes contract 2000

\$1.9 billion in federal funds has been allocated for the LA Metro Rail system in the past two years, the largest transit grant given to any city in the country. From 1993-1995, the number of jobs generated by federal dollars from the LA Metrorail Red Line project totaled 21,740. If the FY 96 request of \$158.9 million is funded, an additional 7,262 jobs will be generated.

Exports:

In order to boost the export of high value American products, President Clinton eliminated cumbersome export licensing requirements that restricted the export of computers, telecommunications equipment and other electronic goods. Barriers were eliminated on as much as \$37 billion in technology exports, 1/3 of which are manufactured in California.

California benefits more than any other state from the enactment of NAFTA. The state exported over \$6.5 billion to Mexico in both 1992 and 1993.

This administration negotiated access to the lucrative Japanese rice market for the first time. We expect to sell 500,000 tons of American rice to Japan this year, most of which is grown in California, creating 900 jobs in agriculture and shipping.

As the country's largest exporting state, California is a significant beneficiary of GATT. California firms exported over \$70 billion in goods and services in 1993.

Dave Marchick updates

Immigration:

This administration has a vision of shared responsibility for the costs of illegal immigration. It is the first to obtain funding from Congress to reimburse states for a share of the costs of incarcerating criminal aliens in addition to assisting with education and medical care costs.

The administration's border control program, formalized as Operation Gatekeeper, will nearly double the number of officers on the line in San Diego in this fiscal year and gives the Border Patrol far better equipment and training. As a result of this initiative, border crossings have dropped dramatically, drawing praise from the conservative San Diego Union editorial board and other newspapers.

Spending on services to immigrants (legal and illegal) increased by 32% from the last Bush budget request to the administration's proposed FY 95 and FY 96 budgets. California receives over \$2 billion annually in additional funds from these augmentations.

A 3-fold increase in the program to deport alien prisoners upon termination of their sentences will send thousands of felons back to their home countries faster and more cost effectively.

The new immigration initiative announced in February 1995 increases workplace enforcement program by 1/3 and targets several California industries that have a history of employing illegal workers (including the garment industry and agribusiness). The administration's proposal also limits identification documents and greatly expands testing of worker verification programs.

FY 95 marked the start of significant INS employer sanctions enforcement programs to concentrate enforcement resources against major violators. As a result, more than 11,000 illegal workers were removed from worksites and more than 1,500 fines levied on employers who violated sanctions.

The Administration has proposed a budget for FY 96 that will provide INS with an additional 604 officers and support staff and \$45 million dedicated solely to worksite enforcement. More than 450 of these officers will fill positions as Immigration Agents, a new position within INS developed specifically for employer sanctions enforcement and removal of criminal aliens.

With strong support from the Administration, the INS is instituting the Telephone Verification System which provides a means for employers to confirm the employment eligibility of newly hired non-citizen employees quickly and effectively thus sparing legal workers from having to compete with illegal immigrants, and protect legitimate contractors from those who cut costs by paying illegal workers under-the-table wages. The program currently involves approximately 200 employers in the State of California, specifically, the cities of Santa Ana and Industry. In FY 96, it will be expanded to include 1,000 employers in selected cities throughout the United States.

Disaster Relief:

Fema - Maria Hernandez

The administration's aggressive effort to reinvent the way disaster relief is provided has yielded tangible benefits for California.

In the L.A. earthquake, the administration won rapid approval of a supplemental earthquake recovery appropriation of \$9.5 billion and agreed to pay 90% of reconstruction costs. \$11.5 billion has been allocated for the recovery so far, and the administration has requested over \$4 billion more to finish the job (which is included in the rescission bill).

Earth quake benefits were delivered faster than ever before, and innovative contracting provisions ensured freeways were repaired in record time. In the 1989 San Francisco earthquake, by comparison, the federal government paid only 75% of the damages and was roundly criticized for the slow pace of reconstruction efforts.

The administration stepped in to help state and local governments in unprecedented ways: virtually no state money was contributed to the earthquake recovery effort in the months following the disaster; and HUD developed an innovative new program to rebuild apartment buildings in the San Fernando Valley "ghost towns" after the state bond measure designed to address this problem failed.

Using cost-effective teleregistration procedures, flood relief was delivered promptly, earning praise from the Wilson administration.

California will receive nearly \$30 million in federal payments through the non-insured crop assistance program as a result of the excessive rain in Monterey County, part of San Mateo County and the Pajaro River Watershed area which suffered heavy damage and crop loss.

Environment:

The California Desert Protection Act creates millions of acres of new national parkland in California, the largest addition of federal open space in over a decade.

A new national park was created at the Presidio, and the administration is fighting to create a trust to attract private support for the facility.

Ground was broken last summer on a \$52.5 million project to speed construction of a new facility to treat Mexican sewage. Under this proposal, the plant will open in 1996, two years earlier than envisioned by the prior administration.

Resolving a decades-long conflict over water quality and distribution in the San Francisco Bay Delta, EPA and the Interior Department engineered a broad agreement supported by environmentalists, farmers, cities, and the Wilson administration.

The administration strongly opposes recent Congressional efforts to drop the federal ban on offshore oil drilling.

The administration's aggressive investment in and promotion of environmental technologies disproportionately benefits California firms, which lead the world in development and commercialization of environmental technology.

Crime: *Brady Bill?*

California will receive as many as 10,000 new police officers from the administration's crime bill.

Los Angeles Police Department alone was awarded more than \$48 million to pay for 643 new police officers all of which will be assigned to field duties allowing for more preventative patrol time.

The administration proposed and won approval for a 6-year, \$1.8 billion program to offset state incarceration costs. The first installment has already been made with California receiving 70% of the available funds.

Defense Transition Programs: *David Lane*

The Technology Reinvestment Program allocates approximately \$500 million annually to firms to aid them in finding commercial applications for their defense technologies. California projects have received about 30% of all funds awarded. With the required matching fund investments, these projects will generate billions of dollars in new high-tech economic activity in California.

The Clinton Administration is expediting the transfer of military facilities to localities so that these bases can be developed for the economic benefit of surrounding communities. The Alameda Naval Supply Center, the Presidio, and San Bernardino County's Norton Air Force Base have all been transferred to the local community for productive reuse. The Sacramento Army Depot was recently turned over to the city to serve as the site for a 3,000-employee Packard Bell facility. California bases have received over \$1.5 billion in environmental cleanup, job retraining, and economic development grants.

Four military bases in California will house DFAS defense accounting centers, saving or creating 3,000 new jobs.

from Oval Ofc.

96 MAR 5 P6:44

EXECUTIVE OFFICE OF THE PRESIDENT

01-Mar-1996 04:54pm

TO: Janice A. Enright

FROM: Jennifer M. O'Connor
Office of The Chief of Staff

SUBJECT: Michigan trip

Janice -- can you please print this out and take it with you to Michigan and remember to show it to Harold before the phone call to the UFCW conference.

Harold should brief the President beforehand and make two comments:

1) Substance: the President's stump speech focusses alot on how great the economy is, 7.7 million new jobs, etc. This audience in particular represents the group of workers who have 3 of those new jobs apiece. Their members are supermarket cashiers, meat packers, poultry workers, etc. They work just above minimum wage. And they work more than one job alot of the time. The President needs to emphasize that he knows the economy is not right yet and there is lots of work to do because people like UFCW members are working harder and longer just to stay afloat.

2) Format: when POTUS gets on the phone, UFCW President Dority will welcome him and tell him who is in the audience and why they are there. Then POTUS should do his remarks. Then Dority will ask POTUS what the UFCW can do to help. The POTUS should then give a short one line zinger and get off the phone -- something like keep fighting on the hill for labor protections and minimum wage increase -- and go back to their states and help win back a Democratic House.

Thanks.

2127

• Bielyn

- Cash Reports - Q's
- China Ltd. Accs.
- NH

• E.O. Delmas.

• Patrick Birch letters: ^{faxed} TV HILL TONIGHT
DELIVERED 2128

• Arr

• Spk Horn

• Procs.

Bulls
722 - Stu

C-
I need
copy of cab.
Report.
T.

THE WHITE HOUSE
WASHINGTON
March 1, 1996

THE PRESIDENT HAS SEEN
3-4-96

96 MAR 11 P8:22

Leon
Summers

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
February 23 - March 1

DEPARTMENT OF TREASURY

- **Securities Reform:** On March 7, Representative Fields has scheduled a markup of a revised version of his bill to modify securities laws. Treasury staff is working with the White House on the Administration's position.
- **Cuba Sanctions Enforcement Hearing:** The Western Hemisphere Subcommittee of the House International Affairs Committee has rescheduled hearings for March 5 on sanctions enforcement and the Cuban embargo.
- **Operation Joint Endeavor Tax Relief:** On February 28, the Committee on Ways and Means marked up tax relief legislation to benefit our troops in Bosnia and ordered it favorably reported. It likely will be on a fast track, and could be taken up by the House early next week under suspension. It was agreed to unanimously by the Committee.
- **Senator Feinstein, Customs and the Southwest Border:** On March 5, Deputy Secretary Summers and Commissioner Weise are scheduled to meet with Senator Feinstein to discuss a number of issues concerning Customs' interdiction efforts on the border, including the recently distributed Operation Hard Line Annual Report.
- **Social Security:** Treasury staff have prepared a catalogue of potential issues raised by the expected proposal of the Social Security Advisory Council to invest portions of the OASDI (Old Age and Survivors Disabilities Insurance) trust funds in private securities, including equities. The Council's report is not expected to be released before mid-March.
- **Wage Stagnation & Worker Displacement:** Treasury's Office of Economic Policy has begun discussions with Labor Department officials on possible initiatives in the area of wage stagnation and worker displacement.

Leon
Summers
Fairfield
R

- **Libya:** On February 22, Louis Farrakhan and a delegation of 29 followers returned to the U.S.. Based upon much publicized media reports that Farrakhan had met with leaders in Libya, Iraq and Iran and reportedly had received a pledge of \$1 billion from Muammar Gaddafi. Customs agents and inspectors interviewed Farrakhan and other returnees, all of whom were described as very cooperative. Customs seized numerous documents in connection with Farrakhan's admission of having traveled to embargoed countries. That information will be forwarded to the Office of Foreign Assets Control for evaluation as to whether a violation of travel prohibitions occurred.
- **Currency Redesign:** Next week Treasury will announce that new currency, designed to stay ahead of technologies available to counterfeiters will be released on March 25.

DEPARTMENT OF COMMERCE

- **Travel to Los Angeles Area:** On March 8 at 4:00pm, the Secretary will be the honored guest at a rally hosted by Mayor Larry Guidi of Hawthorne, Danny Bakewell, developer of Hawthorne Plaza, and the California Aerospace Association. Presentation of Economic Development Administration loan checks will be made, through the Business Assistance Earthquake Fund. This event amplifies your State of the Union message of economic security through public/private partnerships. An audience of over 1,000 is expected.
- **Muenster Conference:** On March 4 and 5, Secretary Brown will be at the Muenster Conference in Baltimore, MD, discussing trade and investment between the G-7, Central and Eastern European countries, and the Newly Independent States.

DEPARTMENT OF LABOR

- 
- **United Food and Commercial Workers:** On March 5, Secretary Reich will deliver remarks at the United Food and Commercial Workers International Union's 1996 Legislative Conference.
 - **Pension Payback:** On March 6, Secretary Reich will announce the Pension Payback initiative. This initiative will allow employers to avoid possible federal, civil, and criminal sanctions by restoring employees' retirement contributions and any lost pension earnings. Attorney General Reno will participate in this event.
 - **Travel to Pennsylvania:** On March 7, Secretary Reich will travel to Philadelphia to be the featured speaker at the Pennsylvania AFL-CIO's 32nd Constitutional Convention.
 - **Employment Numbers:** On March 8, Secretary Reich will release the Employment Situation report for February, and will be interviewed by The Associated Press, Dow Jones News Service, NBC Desktop and Reuters News Service.

- **Electric Boat:** As a result of a recent self-audit, the Electric Boat Division in Groton, CT, has paid additional back wages of over \$74,700 to 226 employees. The firm has now paid back wages totaling \$6.6 million to 1,731 employees as a result of investigations during the past two years.

His

G.I. Bill for American Workers: Conference negotiations on workforce development legislation have broken off. House and Senate staff were unable to reach agreement on the federal structure of the system, the funding of the blocks, and the maintenance of the Job Corps.

- **Automakers:** The Michigan Jobs Center and the University of Michigan predict that the Big Three automakers will hire as many as 129,000 new workers in Michigan between now and 2003. Replacing some of the 140,000 General Motors, Ford, and Chrysler workers expected to retire during this period in Michigan alone. A total of 240,000 blue collar, salaried, and skilled trades workers employed by the Big Three are expected to retire during the next seven years. Other states where job openings will occur include Ohio, Missouri, Kentucky, Tennessee, Illinois, Delaware, Georgia, Indiana and California.
- **Detroit Newspapers:** On February 27, the NLRB regional office in Detroit issued a complaint charging five Detroit area newspaper unions with numerous acts of strike related violence. A hearing on the allegations is set for May 6 before an NLRB administrative law judge. The unions have been striking the *Detroit News* and the *Detroit Free Press* since July 13, 1995.

DEPARTMENT OF TRANSPORTATION

- **Cuba Sanctions:** On February 26, actions against the Cuban government were invoked by the Treasury Department in conjunction with the Department of Transportation. These actions included the immediate suspension of charter air travel from the United States to Cuba. There are approximately 4,000 passengers now stranded in Cuba, having been brought there by U.S. operators. Transportation is working with U.S. tour operators to resolve this issue.
- **U.S. - Germany:** On February 29, Secretary Pena announced that U.S. and German negotiators have reached an agreement on a new "open skies" aviation relationship between our two countries. The open skies agreement with Germany will more than double the level of passenger traffic between the United States and open skies markets in Europe, increasing from just under 20 percent currently to nearly 40 percent of the total European market. There may be an opportunity for you and Chancellor Kohl to formally sign the agreement in July.
- **Emergency Relief Fund Status:** The Federal Highway Administration (FHWA) has depleted its FY 96 Emergency Relief (ER) fund, which is statutorily set at \$100 million. A request for supplemental funding in the amount of \$275 million is pending at OMB.

- **Congressional Hearing on Railroad Safety:** On March 5, the Federal Railroad Administrator will testify before the House Subcommittee on Railroads. It is expected to be an oversight hearing on the issue of rail safety and efforts that the Department and industry are taking to improve safety in light of recent rail accidents.

DEPARTMENT OF JUSTICE

- **Government To File Brief In 8th Circuit Challenge To "Don't Ask, Don't Tell":** Richenberg v. Perry. This case is one of four challenges currently pending on the constitutionality of the new policy governing military service by homosexuals. Former Air Force Captain Richard F. Richenberg, Jr., was ordered discharged on December 26, 1995 based upon his statement that he is homosexual. The district court granted summary judgment for the government, rejecting Richenberg's arguments that the military's policy violates the First Amendment and equal protection. The district court then denied Captain Richenberg's motion for an injunction pending appeal that would have stayed his discharge until the 8th Circuit decided his appeal. The 8th Circuit, over a dissent, also denied Captain Richenberg's motion for an injunction pending appeal. The United States will file its brief by March 4.
- **Office for Victims of Crime Helps Oklahoma City Victims:** On February 26, the Office for Victims of Crime (OVC) forwarded a memorandum to the Attorney General outlining activities and options to assist victims of the Oklahoma City bombing to attend the judicial proceedings which have been moved to Denver. OVC participated in a press conference with Governor Keating on February 28, and announced \$200,000 to assist with travel to Denver.
- **Press Inquiries:** ABC Weekend News is starting work on a story to air the weekend before the California primary (March 23-24) on the increase in naturalization applications and the political climate that has created the upsurge. They will focus on one city (probably San Diego).
- **Notice Of Appeal Filed In Louisiana Voting Case:** On February 22, the U.S. filed a notice of appeal and a motion for a stay pending appeal in Hays v. Louisiana, the constitutional challenge to Louisiana's 1994 congressional redistricting plan.
- **Cocaine Traffickers Arrested in New York:** On February 16, DEA New York arrested six members of a cocaine trafficking organization that distributed 300 kilograms monthly in Manhattan's Washington Heights section. Agents seized 221 kilograms of cocaine, approximately \$300,000 in cash, five vehicles, and two handguns.
- **South Africa Begins Extradition Proceedings Against Suspect in Illegal Shipment of Military Hardware to Iraq:** Extradition proceedings commenced in South Africa on February 16 against John Paul Grecian, a British citizen who is wanted in the District of New Jersey for arms export violations, bank fraud, and conspiracy, in connection with the illegal shipment of artillery fuses to Iraq. He was tried on similar arms export control violations in

the United Kingdom, but was acquitted after it came to light that high ranking British government officials knew about the true nature of the shipments.

- **Federal District Court Denies Department's Attempt To Deport Mexico's Former Deputy Attorney General:** On February 28, U.S. District Court for the District of New Jersey denied DOJ's attempt to deport Mexican Deputy Attorney General, Mario Ruiz Massieu. INS initiated deportation action against Massieu based on the Secretary of State's belief that his "presence in the United States... would have potentially serious adverse" effects on U.S. interests. The District Court declared this particular deportation statute unconstitutional and directed his release from custody. The Solicitor General has authorized appeal and the government has filed an emergency stay of the release order.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **HHS Approves Amendment to California Welfare Waiver:** In the next two days, HHS will approve an amendment to the "Assistance Payments Demonstration Project," a statewide welfare demonstration for California. The amendment includes reductions in cash assistance benefits for California welfare recipients, combined with new work incentives. The waiver, originally approved by HHS in October 1992, was challenged in court in the case of Beno v. Shalala. The 9th Circuit voided the original waiver and returned it to HHS for consideration. Under the original demonstration, California sought to subject all recipients to the benefit reductions. However, consistent with a demonstration that encourages work, HHS will approve the amendment with exemptions to the benefit cuts for certain people who would not reasonably be expected to work, such as persons with disabilities and teen parents attending school.

HHS Approves Ohio Waiver: In the next week or two, HHS will announce approval of **Ohio First**, a statewide demonstration project for Ohio. This is the third waiver demonstration for Ohio approved by the Clinton Administration. **Ohio First** will limit AFDC eligibility to 36 months in any 60-month period, with good cause exceptions. As a condition of eligibility for the family, applicants must look for employment while their application is being processed.

FDA Approves Second Protease Inhibitor to Treat HIV in Record Time: As of March 1, the FDA will approve the second in a new class of AIDS drugs called "protease inhibitors." Ritonavir, the new drug, will receive full approval for use alone or in combination with nucleoside analogue medications, such as AZT. FDA will have approved the drug about 2 months after receiving the application. The review of ritonavir in 72 days is the fastest FDA approval of any AIDS drug yet.

Two L.A. and Chicago Youth Gang Drug Prevention Programs Lose Grants due to Congressional Budget Cuts: The Administration for Children and Families' Family and Youth Services Bureau sent notification this week to two grantees in the Youth Gang Drug

Prevention Program, that due to budget cuts by Congress, there are no resources to provide continuation funding for their programs. The grantees are the Los Angeles County Office of Education's "Mujeres and Hombres Nobles" program and the Chicago Commons Association's "Better Days for Youth" program. Together, these programs are serving over 700 youth, and employ 44 staff. Both programs will have exhausted their current funds by the middle of March. If the funding status of the Youth Gang Drug Prevention and other youth programs does not change, over 190 additional youth programs will receive similar notice between now and the end of the fiscal year.

- **Folic Acid Fortification to Prevent Birth Defects:** HHS issued a regulation on March 1, which will require U.S. food manufacturers to add the nutrient folic acid to most enriched breads, flours, corn meals, pastas, rice and other grain products to reduce the risk of neural tube birth defects (e.g. spina bifida) in newborns.
- **Oregon Health Plan Demonstration Premium Issues Resolved:** On February 23, HCFA approved Oregon's proposal to waive past due premiums for certain persons covered under Oregon's demonstration who are unable to pay their premiums due to hardship. This proposal will waive past due premiums for individuals who are at the zero income level, or have higher incomes, but meet certain objective criteria such as being homeless, or a victim of a natural disaster, domestic violence, or other crimes.
- **TennCare HMO May Close Due to Insolvency Problems:** The second largest health plan in Tennessee's TennCare Medicaid Program, Access MedPlus, may be shut down as of March 1 because of a lack of financial resources. The health plan, a minority-owned HMO that enrolls over 275,000 TennCare eligibles (approximately 24% of the total TennCare enrollment), has had continuing financial problems since the inception of TennCare. HCFA has been working closely with the State to ensure that, if termination of the plan is necessary, an orderly transition for the plan's enrollees will occur with minimum disruption of care.
- **Tobacco Initiative Event in Atlanta:** On March 14, Secretary Shalala will travel to Atlanta to promote the Administration's tobacco initiative. The U.S. Olympic Women's Soccer Team will participate in a press conference to announce the release of a tobacco prevention campaign targeted to adolescent girls.
- **ReGo Third-Party Review Pilot Program:** A voluntary pilot program to test the use of third-party review for selected medical device applications will be announced in the *Federal Register* shortly. The initiative was included in your April 1995 report on reinventing drugs and devices.
- **Largest Medicare Fraud Case in New England Settled:** This week, Bioran Medical Laboratories in Cambridge, MA, agreed to pay \$6.67 million to settle Federal claims that Bioran double-billed Medicare and other insurers for blood tests between 1989 and 1992. The U.S. Attorney expressed that this case was the largest fraud case involving a medical

laboratory in New England. Thousands of serum iron tests were performed by Bioran, which were not knowingly ordered by a physician and were not medically necessary. This case was investigated by the HHS Office of the Inspector General, the Defense Criminal Investigative Service, and the Medicaid programs in Vermont, Maine, and New Hampshire. The FBI has set up a hotline for citizens to report instances of health care fraud. According to the Regional Inspector General, Massachusetts ranks tenth nationally in spending on Medicare and Medicaid.

- **HHS Poverty Guidelines to be Issued:** HHS poverty guidelines, used in determining eligibility for such programs as the Community Services Block Grant, Head Start, Low-Income Home Energy Assistance, and the Food Stamp Program is usually updated, are expected to be published in the *Federal Register* either on March 1 or March 4.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Detroit Housing Authority Update:** On December 15, 1995, HUD entered into a partnership with the City of Detroit to turn around the city's long-troubled housing authority. As part of the partnership, Mayor Archer agreed to a range of specific action items, most of which are to be executed by March 1. The City has completed or is carrying out all of the agreed upon action items except for one significant matter -- the legal separation of the housing agency from the city government. The City Council voted (5-3) on March 1 to convert the Housing Authority into an independent entity. The votes are currently tied. If the resolution is vetoed or no action is taken by March 1 to take up the resolution, HUD will be forced to heighten their intervention effort in Detroit. HUD will keep you posted on this matter. A more formal briefing and update on this will be transmitted for your trip.
- **Secretary Cisneros and Mayor Willie Brown Announce Next Steps on San Francisco Housing Authority:** On March 2, Secretary Cisneros will meet privately with Mayor Brown to discuss strategies for improving the San Francisco Housing Authority. Several options are being considered, including HUD intervention and the possible dissolution of the current Executive Board. The agreement reached between HUD and the City will be announced in a press conference immediately following the private meeting.
- **Pending Takeover of the Springfield Housing Authority:** HUD has long been working with the City of Springfield, IL, to develop solutions to turn around its troubled housing authority, one of the lowest-performing housing agencies in the nation. The Mayor of Springfield, the housing agency's board, and the public housing residents have all agreed that an alternative management of the city's public housing system is required, which includes a full dismantlement of the current board. HUD will act soon to bring these issues to a close.
- **America's Worst Case Housing Needs Continues to Grow:** On March 14, HUD will release a report which indicates that not only are more Americans facing severe housing needs but for some, those needs are getting worse.

- **HUD Delivers Ultimatum to Slumlord in Cleveland:** On February 23, HUD gave a Cleveland non-profit group, NOAH, Inc. (Neighbors Organized for Action in Housing, Inc.) 72 hours to correct health and safety violations at six Cleveland-area housing developments, and no more than 30 days to correct all violations of federal housing quality standards.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Key Department News:** General McCaffrey was confirmed by the Senate on February 29 as the Director of the Office of National Drug Control Policy. He will be sworn in privately on March 1, with a public ceremony on March 6, with the President and Justice Ginsburg.
- **White House Conference:** The White House Conference on Youth, Drug Use, and Violence will take place on March 7, at Eleanor Roosevelt High School in Greenbelt, MD. A welcoming reception will take place at the White House on the evening of March 6.

SMALL BUSINESS ADMINISTRATION

- **Deputy Administrator Nominee:** You approved Ginger Lew as his nominee for Deputy Administrator for the SBA. She will begin acting in her new position in mid-March and begin the confirmation process.

VETERANS AFFAIRS

- **Budget-Driven Reduction in Force Impacts VHA Headquarters:** February 24 marked the effective date of the Veterans Health Administration (VHA) headquarters Reduction in Force (RIF) personnel actions. VHA issued letters of *Proposed Separation* to 133 employees and *Notices of Reassignment or Change-to Lower Grade* to 118 employees on December 14, 1995. VA set up a Career Transition Center to help displaced employees identify suitable placement opportunities, and were successful in finding jobs for many.
- **VA Establishes Internet Home Page:** On February 23, VA came "on-line" with its customer service section of the VA Home Page on the Internet. The purpose for establishing an agency home page was to: 1) provide citizens access to the agency's customer service standards; 2) publicize an agency Presidential Vanguard Commitment; and 3) offer customers an outline feedback mechanism.

SOCIAL SECURITY ADMINISTRATION

- **Hart Case in Federal Court:** On February 28, the Federal district court in New Orleans heard oral argument in a case involving a child and a mother who were denied Social Security benefits because the child was conceived three months after the worker's death. The worker had his sperm frozen, and over three months after his death, Ms. Hart underwent a "gamete intrafallopian transfer" procedure under which her ova were fertilized using the

Thompson
Lew
Ginsburg
Hart
SBA
VA
SSA

worker's sperm and then implanted in her. This resulted in a pregnancy and the birth of Judith Hart on June 4, 1991. The plaintiff and her mother contend that the denial of survivor's benefits to a child conceived after the worker's death is unconstitutional.

- **Investigation of Death Row Inmate Receiving Social Security Benefits:** SSA is investigating the recent discovery of a prisoner on death row in California who has received Social Security disability benefits in violation of the law for up to 14 years. William Bonin was executed on 2/23/96. Upon receiving the death certificate, SSA discovered that Bonin had been receiving checks at a bank in Los Angeles (possibly totaling \$70,000 - \$75,000). Commissioner Chater has asked for an investigation, including the seizure of any assets. Preliminary review of his records indicate that information received in 1990 should have been investigated.

DEPARTMENT OF INTERIOR

- **Grazing:** Sen. Domenici has led a Republican effort to overturn the Administration's grazing program and legislate it to an elevated status among all public land uses. Sen. Baucus is the only Democrat thus far to join him. Hunters, fishermen, and other outdoors and environmental groups are opposed to the Domenici effort. Interior believes the Administration program is working, that Domenici will not move without measurable Democratic support, that the next few weeks are critical, and that the President's best interest is served by no Senate action.
- **Chesapeake and Ohio Canal:** The Department is planning several events revolving around the C&O Canal restoration. Private fundraising for restoration totals \$500,000. On March 18, MD Governor Glendening, Secretary Peña and Secretary Babbitt will create a state/federal canal interagency task force coordinating Maryland's restoration work. The First Lady may dedicate and celebrate the reopening of a portion of the C&O Canal.
- **Travel Update:** Secretary Babbitt will be travelling to Orlando, FL on March 2, to participate in the St. John's River celebration with Lt. Governor MacKay. In conjunction with the President's environmental speech in NJ, Secretary Babbitt will be travelling to Baton Rouge, LA and possibly Texas for the next leg of the "National Heritage Tours."

UNITED STATES DEPARTMENT OF AGRICULTURE

- **House Passes Farm Bill:** On Thursday, the House passed Chairman Roberts' Freedom to Farm legislation (H.R. 2854) by a vote of 270 to 155. During floor consideration of the bill, the House adopted the following amendments: an amendment that included many of the conservation provisions already incorporated into the Senate-passed version; an amendment to reform export and food assistance programs; and an amendment to provide \$200 million for the Everglades. During consideration of the bill, the House rejected Democratic motion which would have included a modified version of the Freedom to Farm program; additional

conservation provisions; reauthorization for the Department's nutrition programs; and the Fund for Rural America, which would allow for additional investment in research and rural development. The Farm Bill conference could be convened as early as next week. Conferees have not yet been named in either the House or the Senate.

- **USDA Disaster Response Continues/Trip Planned For Oregon:** March 1, Secretary Glickman traveled to Portland to address the City Club on timber and participate in several flood and timber related events. A *Portland Oregonian* editorial board meeting has also been arranged. In response to the high number of pending applications to restore damaged croplands, estimated at over \$17 million, USDA has sent a revised supplemental funding request to OMB.
- **Trade Report:** On March 4, the Economic Research Service will release *U.S. Agricultural Trade Update Situation and Outlook Report*, which will include detailed export and import data by commodity for calendar year 1995.
- **Federal Lands Case Delayed:** A decision in United States v. Nye County, the government's leading case challenging local ordinances dealing with the ownership and administration of federal lands, will be delayed pending the completion of an additional round of briefing and oral argument. A decision in this case will not be issued by the court until March 7 at the earliest.

DEPARTMENT OF ENERGY

- **Major Environmental Facility Opens in SC:** The Defense Waste Processing Facility at the Department's Savannah River Site in SC, will begin operations as early as this week. The facility will solidify (in glass) 35 million gallons of nuclear waste from weapons production. Comprehensive safety testing of this facility is nearing completion.
- **Travel Hearings:** Representative Barton, Chairman of the House Oversight Subcommittee of the Commerce Committee, announced that he would hold a series of hearings to review Department travel practices the week of March 8.

① • **Landmark Cleanup Agreement Reached with State of Colorado:** The Department has reached two significant agreements that will guide the cleanup of the Rocky Flats Environmental Technology Site--a former nuclear weapons facility. The site contains a large amount of plutonium. The first agreement is a revised, cleanup agreement that contains a limited number of legally enforceable milestones for major cleanup activities extending over a three-year period. The revised agreement provides a framework for focusing resources on the environmental challenges thereby increasing productivity while reducing costs and environmental risks. The second agreement is a plan for completing work and closing Rocky Flats, with a target for removing plutonium from the site by 2015.

- **Environmental Agreement Signing with Governor Romer:** In order to amplify your environmental address of March 11, Secretary O'Leary will travel to Denver to sign the Rocky Flats Environmental Cleanup Agreement with Governor Romer in a public ceremony. The theme for the event will be that DOE and Colorado are meeting your challenge to preserve the environment.
- **Meeting with CEO's:** On March 6, Secretary O'Leary will participate in a breakfast meeting with CEOs from 20 multinational corporations based in the Midwest. DOE expects that companies, such as, Commonwealth Edison and AMOCO, will be in attendance. The purpose of this breakfast is to discuss the Administration's efforts to open foreign markets for these firms and to discuss the business community's interest in the Administration's international economic initiatives.
- **DOE Funding Announcement:** DOE will fund (\$200,000) a joint project sponsored by Illinois and Chicago to expand an existing facility in an enterprise zone to recycle used cooking oil into biodiesel fuel.

ENVIRONMENTAL PROTECTION AGENCY

- **Safe Drinking Water:** Bipartisan negotiations began this week to re-authorize the Safe Drinking Water Act. EPA has been invited to provide technical assistance. On March 5, the House Transportation and Infrastructure Subcommittee on Water will mark up a bill to authorize the drinking water State Revolving Fund. Following negotiations, the subcommittee is expected to hold further hearings on reauthorization of the Act. The Senate completed action on reauthorization of the Safe Drinking Water Act at the end of November, with unanimous passage of S. 1316, a bipartisan bill.
- **Regulatory Reform:** The regulatory reform debate is quickly heating up. A Clinger (R-PA) - Hyde (R-IL) regulatory reform bill was expected to go to the House Rules Committee on February 29, and potentially to the House floor on March 5. The bill contains problematic provisions on regulatory flexibility, congressional review, and administrative review. The administrative review portion is particularly troubling. On the Senate side, Levin (D-MI) has drafted a somewhat improved regulatory reform proposal. Levin's proposal, although problematic, is supported by the Business Roundtable. Additionally, Senator Bond is hoping to move quickly on S. 942, his small business regulatory flexibility bill.

What does this mean?

Clean Air Standards for Solid Waste Landfills: On March 1, Administrator Browner held a press briefing to issue a final regulation that will significantly reduce harmful air emissions from landfills. This rule requires large landfills to reduce these gases with either pollution controls or waste-to-energy recovery technologies. Because landfills are a significant source of green house gas emissions, the reductions anticipated from this rule are a major component of the President's Climate Change Action Plan. EPA in partnership with industry and state

and local governments worked to develop a cost-effective rule that targets only the largest landfills, which contribute the majority of emissions.

- **Lead Rule Announcement:** Next week, Secretary Cisneros and Administrator Browner will announce a joint rule ensuring that purchasers and renters of housing built prior to 1978 receive the information necessary to protect themselves and their families from lead-based paint hazards. Under this rule, homeowners will be required to disclose the presence of lead-based paint of which they are aware to homebuyers, who will be allowed the option of conducting a lead hazard assessment. This rule promotes a number of Administration priorities including reducing the threats to children and adults from lead poisoning and empowering the public with information on the presence of public health hazards.
- **Ohio Trip:** Administrator Browner will travel to Dayton and Cincinnati next week to amplify the joint EPA and HUD announcement of the lead in homes disclosure rule. On March 9, the Administrator will travel to Cincinnati where she will address the National Farmer's Union National Conference.

DEPARTMENT OF EDUCATION

- **Manual on School Uniforms:** The Department has prepared a manual on school uniforms that provides advice for schools that are considering adopting a uniform, and describes several existing school uniform programs. The Department expects to distribute the manual to all school districts by the end of March.
- **Student Loan Default Rates:** The Department is planning a press conference in early March at which Deputy Secretary Kunin will announce the school-by-school FY 1993 cohort default rates.
- **Schedule:** Secretary Riley plans to participate in the March 9 NETDAY event with you and the Vice President, in CA. On March 11, Secretary Riley is scheduled to address a PTA rally on vouchers at the Capitol.

GENERAL SERVICES ADMINISTRATION

- **Barram will become Acting Administrator:** On February 27, you announced that David J. Barram will succeed Roger Johnson as Administrator of the General Services Administration. Johnson's resignation is effective March 1. Barram will begin serving as Acting Administrator on March 4.
- **Supplies for Mission in Bosnia:** FSS (Federal Supply Service) continues to provide equipment and supplies for the Department of Defense mission in Bosnia. The bulk of the items are to meet basic human needs, such as food service items and cleaning. As of February 28, FSS has issued over \$4 million in equipment and supplies for this effort.

On Tuesday, February 28, OPM transmitted an Altered System of Records to the Senate Governmental Affairs Committee and the House Governmental Reform and Oversight Committee, as required by the Privacy Act. The Report provides a detailed description of the records that will allow the release of OPM records to labor organizations. The proposed system is necessary to avoid confusion resulting from the recent government shutdown and to allow labor organizations to communicate with their memberships. The report was published in the Federal Register ten days after its transmittal to Congress. It was also published in the Washington Post and was attacked by anti-union Republicans.

Human Rights

- Human Rights Report: The US rapid presentation of the facts publicly and in the UN and the rapid response of the UN with world opinion. After meeting with Secretary Clinton, several American Presidents also issued a strong condemnation. The UE also issued a strong condemnation.
- Human Rights Report: The State Department will deliver its annual human rights reports to the UN. Certain reports generate controversy in our bilateral relations. State Department officials expect such reactions to the reports on China, Cuba, Haiti, and Turkey, and perhaps those on Bosnia, Croatia, Serbia, Egypt and Nigeria. Some less controversial reports may provoke policy debates, or are of perennial interest to certain members on the Hill and certain domestic constituencies. These include reports on Israel and the Occupied Territories, Saudi Arabia, Cyprus, Rwanda/Burundi, Colombia, Mexico, Guatemala, Cuba, Vietnam, Indonesia, India and Pakistan.

Human Rights

- Haiti: The UN mandate in Haiti has been renewed for four months with 1,500 troops.
- Human Rights: The Ambassador will be introduced by Senator Jesse Helms at a special event at the Women's Fund of the NC Community Foundation in Raleigh on March 4. The Administration plans for achieving UN reform, and the importance of our efforts to the UN.

Human Rights

- Human Rights: Today the final reports of the Commission on the Roles and Responsibilities of the United States Intelligence Community, chaired by former Secretary of Defense Frank Brown, were released to the public. The unclassified report endorses the importance of intelligence in the post-Cold War world and argues that while reform is

needed, the current functions of the CIA remain valid. You asked Director Deutch to develop an Administration response and he has tasked a panel, composed of members from the Intelligence Community, to study the recommendations. He expects their work to be completed within the next few weeks. Following this review, Director Deutch will propose an implementation plan.

UNITED STATES INFORMATION AGENCY

- **Essay Contest Winners:** The First Lady will host a White House reception March 13 honoring the winners of the VA-National Endowment for the Humanities essay contest.
- **Interviews From Space:** On February 29, "Conversemos en Esta Noche," the weekly, Spanish-language VA/WORLDDNET call-in program to Latin America, featured a live interview from space with Astronauts Franklin Chang-Diaz and Andrew Allen, crew members of the current mission of the Space Shuttle Columbia.
- **Mexico/Corruption Methods:** USIS Mexico will sponsor an anti-corruption seminar for the Mexico City police department March 7-8 with former Watergate prosecutor Terry Lenzer and New York City police chief Raymond Kelly.
- **Broadcast in Cuba:** All of USIA's media elements, especially Radio and TV Marti, have given special attention to the Cuban downing of two civilian US planes flown by the exile group Brothers to the Rescue. Radio Marti broadcast your statement to the nation every 30 minutes. This was reinforced with a news item based on statements by White House spokesperson Mike McCurry. In addition to full translation of remarks condemning the Cuban attack, reports included two-way exchanges with VOA Miami-based News Division, Spanish Branch correspondents, and a report on the Clinton Administration policy towards Cuba.

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