

**THE TRIP OF
THE PRESIDENT
TO
COLORADO SPRINGS, COLORADO
AND
BILLINGS, MONTANA**

**May 31, 1995
June 1, 1995**

Staff Copy

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SCHEDULE OF THE PRESIDENT

FOR

WEDNESDAY, MAY 31, 1995

FINAL

TRIP SCHEDULER:

NICOLE ELKON

HOME: 202-332-2350

OFFICE: 202-456-7560

WHCA PAGER: 4344

PRESS DESK:

JANNA SIDLEY

HOME: 202-466-8663

OFFICE: 202-456-7560

WHCA PAGER: 4025

PRINCIPAL EVENTS:

- * **US Air Force Academy Commencement - Colorado Springs, CO**
- * **Remarks to Base Personnel - Peterson Air Force Base, CO**
- * **Remarks to Citizens of Billings - Billings, MT**

WEATHER:

Washington, DC

Partly cloudy. Wind northwest to southwest at 5 to 10 knots.
Low 60 to 65. High 82 to 87.

Colorado Springs, CO

Partly to mostly cloudy. Wind southwest at 10 to 15 knots.
Low 40 to 45. High 71 to 76.

Billings, MT

Partly cloudy. Wind northwest to northeast at 5 to 10 knots.
Low 49 to 54. High 74 to 79.

**SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, MAY 31, 1995
FINAL**

NOTE TO STAFF: *Staff vans* will depart from the West Basement entrance to the White House at 7:40 am en route Andrews Air Force Base. Staff driving themselves to Andrews Air Force Base should arrive there no later than 8:20 am.

Baggage call is 5:30 am Wednesday. All luggage must be properly labelled and left outside Room 89 1/2 at or before that time.

tba

MORNING RUN

8:10 am

THE PRESIDENT proceeds to South Lawn

8:20 am

THE PRESIDENT departs White House via Marine One en route Andrews Air Force Base
[flight time: 15 minutes]

NOTE: This departure is closed to staff and guests.

8:35 am

THE PRESIDENT arrives Andrews Air Force Base

8:50 am

THE PRESIDENT departs Andrews Air Force Base via Air Force One en route Peterson Air Force Base
[flight time: 3 hours, 25 minutes]
[time change: - 2 hours]

10:15 am

THE PRESIDENT arrives Peterson Air Force Base
OPEN PRESS/CLOSED PUBLIC

10:30 am

THE PRESIDENT departs Peterson Air Force Base via Marine One en route US Air Force Academy Landing Zone
[flight time: 15 minutes]

10:45 am

THE PRESIDENT arrives US Air Force Academy Landing Zone
POOL PRESS

10:55 am

THE PRESIDENT departs US Air Force Academy Landing Zone via motorcade en route Falcon Stadium
[drive time: 5 minutes]

11:00 am

THE PRESIDENT arrives Falcon Stadium

11:00 am-
1:30 pm

US AIR FORCE ACADEMY COMMENCEMENT
FALCON STADIUM
US Air Force Academy
Remarks: Tony Blinken
Staff Contact: Tony Lake, Al Sullivan
OPEN PRESS

- **The President**, accompanied by Lt. General Paul Stein, Superintendent of the US Air Force Academy, is announced to "Ruffles and Flourishes" and "Hail to the Chief."
- US National Anthem is played.
- Staff Chaplain, Colonel Robert R. Gilman is announced to stage.
- Staff Chaplain Gilman delivers Invocation.
- Lt. General Paul Stein is announced.
- Lt. General Paul Stein makes welcoming remarks and introduces **the President**.
- **The President** delivers Commencement Address.
- Cadet Wing Commander C1C Paul F. Spaven is announced and presents gift to **the President**.
- President of the Air Force Academy Foundation William J. Hybl presents the Distinguished American Award to **the President**.
- Brigadier General Ruben A. Cubero is announced, steps to the podium and presents the graduating class.
- **The President**, accompanied by Colonel Robert Y., Foerster, Director of Admissions, presents diplomas.
- Brigadier General John D. Hopper Jr., Commander 34th Training Wing, is announced and administers the Oath of Office to the graduating class.
- "The Air Force Song" is played.
- General Hopper dismisses the graduating class.

-- Thunderbirds perform first flyover.

-- Following the first flyover, the President and Lt. General Stein depart.

1:30 pm **THE PRESIDENT** departs Falcon Stadium via motorcade en route the Tea House
[drive time: 10 minutes]

1:40 pm **THE PRESIDENT** arrives the Tea House

1:45 pm-
1:50 pm **BRIEFING**
TEA HOUSE
Staff Contact: Mike McCurry

1:50 pm-
2:05 pm **INTERVIEW WITH US AIR FORCE NEWS**
LIVING ROOM
Tea House
Staff Contact: Mike McCurry

2:10 pm-
2:15 pm **VOLUNTEER PHOTOS**
PATIO
Tea House

2:20 pm-
2:50 pm **AIR FORCE ACADEMY FOUNDATION RECEPTION**
LAWN
Carlton House
Staff Contact: Tony Lake
CLOSED PRESS

-- The President greets guests in a receiving line.

3:00 pm **THE PRESIDENT** departs Carlton House via motorcade en route US Air Force Academy Landing Zone
[drive time: 10 minutes]

3:10 pm **THE PRESIDENT** arrives US Air Force Academy Landing Zone

3:20 pm **THE PRESIDENT** departs US Air Force Academy Landing Zone via Marine One en route Peterson Air Force Base
[flight time: 15 minutes]
OPEN PRESS/CLOSED PUBLIC

3:35 pm **THE PRESIDENT** arrives Peterson Air Force Base
OPEN PRESS/OPEN TO BASE PERSONNEL AND FAMILIES

3:35 pm-
4:05 pm

REMARKS TO BASE PERSONNEL
TARMAC [RAIN SITE: HANGER 121]
Peterson Air Force Base
Remarks: Carolyn Curiel
Staff Contact: Tony Lake, Al Sullivan
OPEN PRESS

- Chief Master Sergeant Sue Turner proceeds to podium and introduces the President.
- The President makes remarks, works ropeline and proceeds to Distinguished Visitors Lounge.

4:10 pm-
4:30 pm

MEETING WITH FEDERAL EMPLOYEES
DISTINGUISHED VISITORS LOUNGE
Peterson Air Force Base
Staff Contact: Kitty Higgins
CLOSED PRESS

- The President will participate in a roundtable discussion.

4:45 pm

THE PRESIDENT departs Peterson Air Force Base via Air Force One en route Logan International Airport, Billings, Montana
[flight time: 1 hour, 30 minutes]
[time change: none]

6:15 pm

THE PRESIDENT arrives Logan International Airport, Billings, Montana

6:30 pm

THE PRESIDENT departs Logan International Airport via motorcade en route Montana State University - Billings
[drive time: 5 minutes]

6:35 pm

THE PRESIDENT arrives Montana State University - Billings

6:45 pm-
7:45 pm

REMARKS TO CITIZENS OF BILLINGS
ALTEROWITZ GYMNASIUM
Montana State University - Billings
Remarks: Terry Edmonds
Staff Contact: Mark Gearen
OPEN PRESS

- Offstage announcement of the President, accompanied by Governor Racicot ("Rasco"), MSU President Malone, and Chancellor Sexton, to "Ruffles and Flourishes" and "Hail to the Chief."

- Ron Sexton, Chancellor of Montana State University - Billings, introduces Governor Marc Racicot.
- Governor Racicot makes brief remarks and introduces Representative Pat Williams.
- Representative Williams makes remarks and introduces the President.
- The President makes remarks, works ropeline and departs.

8:00 pm-
8:45 pm

MEET WITH NATIVE AMERICAN GROUP
ROOM 52, ALTEROWITZ GYMNASIUM
Montana State University - Billings
Staff Contact: Harold Ickes
CLOSED PRESS

9:00 pm

THE PRESIDENT departs Montana State University via motorcade en route restaurant
[drive time: 5 minutes]

9:05 pm

THE PRESIDENT arrives restaurant

9:10 pm

WORKING DINNER WITH WESTERN ADVISORS
Staff Contact: Harold Ickes
CLOSED PRESS

tba

THE PRESIDENT departs restaurant via motorcade en route Sheraton Billings
[drive time: 5 minutes]

tba

THE PRESIDENT arrives Sheraton Billings

BC RON

SHERATON BILLINGS
BILLINGS, MONTANA
WHITE HOUSE

HRC RON

THE WHITE HOUSE

WASHINGTON

May 30, 1995

AIR FORCE ACADEMY COMMENCEMENT

DATE: May 31, 1995

LOCATION: Air Force Academy

TIME: 11:00 a.m. - 1:30 p.m.

FROM: ANTHONY LAKE I. PURPOSE

To deliver the commencement address to the 1995 graduating class of the United States Air Force Academy.

II. BACKGROUND

It is traditional that the Commander-in-Chief deliver the commencement address each year at one of the service academies. Last year you went to the Naval Academy; two years ago to West Point. Your remarks at the Air Force Academy speak to the theme of "a safer America."

Earlier this month you presented the Commander-in-Chief's trophy to the Air Force Academy football team. This is the sixth straight year the team was recognized as the best Service Academy football team.

For the second year in a row, a foreign student is the top graduate. Cadet First Class Chung Wuan Low of Singapore (one of 12 foreign cadets graduating this year) ranked first in his class. Thomas A. Geiser, one of the 987 graduating cadets, will attend Oxford this fall as a Rhodes Scholar.

III. KEY PARTICIPANTS

Representative Jim Ramstad (R-MN)

Governor Roy Romer

Lieutenant General Paul Stein, Superintendent, U.S. Air Force Academy

Secretary Sheila Widnall, Secretary of the Air Force

General Ronald Fogleman, Chief of Staff, U.S. Air Force

Deborah Lee, Assistant Secretary of Defense for Reserve Affairs

Bill Hybl, President, Air Force Academy Foundation

Brigadier General John Hopper, Commander, 34th Training Wing

Brigadier General Ruben Cubero, Dean of Faculty

Anthony Lake, Assistant to the President for National
Security Affairs

Robert Bell, Special Assistant to the President for National
Security Affairs and Senior Director for Defense Policy
and Arms Control

IV. PRESS PLAN

Pool and local media

V. SEQUENCE

You will arrive at the Academy by helicopter from Peterson Field and be met by Lieutenant General Paul Stein, the Academy Superintendent, and Colorado Governor Roy Romer. They will escort you to Falcon Stadium (altitude: 7,000 feet) for the graduation. During the ceremony you will give remarks and shake hands with each of the 987 graduates as they come forward to receive their diplomas. After your address, but prior to the diploma presentation, the Class President, Cadet First Class Paul Spaven, will present you with a saber mounted on polished oak, and the President of the Air Force Academy Foundation will award you the "Distinguished American Award."

Following the commencement and commissioning, the Thunderbirds will make one pass overhead prior to your departure from the stadium. En route to the Tea House for your interview with AIR FORCE NEWS, the motorcade will stop to view part of the Thunderbird's flight demonstration.

See Tab A for a detailed sequence of events.

Attachments

Tab A Sequence of Events

Tab B Issues of Interest

A

As of 0900, 30 May 1995
Prepared by DFR

(THIS SCENARIO IS SUBJECT TO REVISION)

1995 GRADUATION CEREMONY SCENARIO
STADIUM

Wednesday, 31 May 1995

0930 Guests arrive at Officers Club.

1015 Platform guests are briefed in the Falcon Room of the Officer's Club by XPO.

1015 Motorcade 1 departs for Falcon Stadium.

1020 Motorcade 1 arrives Falcon Stadium. Motorcade 1 guests are directed to seats on the stadium floor.

1025 Motorcade 2 departs for Falcon Stadium.

1030 Motorcade 2 arrives at Falcon Stadium, and guests are escorted to their seats on the platform.

Lower three classes of the Cadet Wing proceed individually to seats to be in place by 1030.

1035 USAF Band of the Rockies plays various selections.

1054 Cadet Operations NCO announces, "Wing Attention," "Ladies and Gentlemen please rise, the Graduating Class of 1995." Graduating class march on to their seats on the stadium floor and mark time at their seats. When all graduates are in place, Cadet Operations NCO announces: "Graduates, Halt—Left Face." "Please be seated."

• If President's car is in the tunnel, everyone remains standing.

1058 "Wing Attention," "Ladies and Gentlemen, Please Rise," "Wing, Present Arms." The Band plays Ruffles and Flourishes. "Ladies and Gentlemen the President of the United States accompanied by Lt Gen Paul Stein." The Band plays Hail to the Chief as the President and Superintendent walk to the stage.

1100 President and Superintendent stand in front of their chairs as the National Anthem plays.

1102 After the National Anthem, Cadet Operations NCO announces: "Wing, Order Arms; Wing, At Ease," "Ladies and Gentlemen, the Staff Chaplain, Colonel Robert R. Gilman." Cadet Operations NCO steps aside.

Staff Chaplain Gilman, steps to podium, delivers Invocation, and returns to seat.

1104 Cadet Operations NCO steps to podium and announces, "Graduates and Wing, take seats." "Ladies and Gentlemen, please be seated." "Ladies and Gentlemen, the Superintendent of the United States Air Force Academy, Lieutenant General Paul E. Stein." Cadet Operations NCO departs the speaker's platform, Superintendent steps to podium, gives welcoming remarks and introduces the President of the United States and returns to seat.

1120 President Clinton steps to podium, delivers Commencement Address.

1140 Cadet Operations NCO steps to podium and introduces C1C Paul F. Spaven. "Ladies and Gentlemen, the Cadet Wing Commander C1C Paul F. Spaven." Cadet Operations NCO will meet Wing Commander at the left ramp and both will proceed to the podium with gift for President Clinton. The Wing Commander will present the gift from the Cadet Wing. (Gift is saber mounted on polished oak.) President Clinton will accept, respond with appropriate remarks, and pass gift to Cadet Operations NCO. Cadet Operations NCO will accept gift, hand gift to detail cadet and steps aside. Wing Commander departs speaker's platform and returns to seat.

1145 Cadet Operations NCO steps to the podium and announces, "Ladies and Gentlemen, the President of the Air Force Academy Foundation, William J. Hybl," Mr Hybl steps to the podium and presents the Distinguished American Award to President Clinton.

After President Clinton has accepted the award from Mr Hybl he will pass the gift to Cadet Operations NCO who will hand it to the detail cadet. (Gift is engraved plaque.) President Clinton and Mr Hybl will return to their seats.

1147 Cadet Operations NCO steps to podium and announces: "Ladies and Gentlemen, the Dean of the Faculty, Brigadier General Ruben A. Cubero." General Cubero steps to podium, presents graduating class, and returns to seat. In his presentation, General Cubero recognizes the international cadet graduates, the distinguished graduates, and those graduating with academic and military distinction.

1152 The President, accompanied by ~~Colonel Robert T. Foster~~ ^{Col Head}, Director of Admissions, moves to Stage Center and begins participation in the Presentation of Diplomas to 73 Distinguished Graduates. ~~Colonel Robert T. Foster~~ will recognize the number one cadet of the class, the number one academically, and the number one militarily, as their

Col James H. Head

names are read. Each cadet will receive his/her diploma at the bottom of the ramp. As ~~Colonel Hopper~~ announces each name, the cadet will walk up ramp on to speaker's platform. He/she will then stop one pace in front of President Clinton, salute, shake hands, and then proceed past the President and exit front ramp. For Squadrons one through forty, Dr. Dean Wilson will join ~~Colonel Hopper~~ in announcing the rest of the class.

Col Head

Cars for departure motorcade will be directed into their places when the first cadet in Squadron 36 is announced.

- 1322 Cadet Operations NCO steps to podium and orders, "Graduates and Wing Attention," and announces, "Ladies and Gentlemen Please Rise." "Ladies and Gentlemen, the Commander 34th Training Wing, Brigadier General John D. Hopper Jr.," and returns to seat. General Hopper steps to podium, administers Oath of Office to graduating class, and steps aside and waits.
- 1325 Band plays "The Air Force Song."
- 1327 On cue from top of press box (waving of flags), the Commander 34th Training Wing, General Hopper, dismisses graduating class (hats of '95 in the air). Thunderbirds will perform their first flyover.
- 1329 Thunderbirds disappear; President Clinton and Superintendent depart stadium.
- 1345 Aerial review (35 minutes). No one is allowed to exit the stadium until after the aerial demonstration.

B

ISSUES OF INTEREST

Termination of SERE Training at USAFA

- The Air Force Academy recently revised its Survival, Evasion, Resistance and Escape (SERE) Training program to delete the POW "resistance" segment after complaints surfaced that the training had gone too far with respect to simulated sexual assault and harassment. *The New York Times Magazine* (May 28, 1995) carried an article on the former SERE program and its impact on one female Cadet, who has since dropped out of the Academy. [You were provided a separate memo concerning this case during Tuesday's speech prep.] The article detailed an instance of simulated rape that occurred as part of the training. Cadets who attend flight training after graduation will receive "resistance" training at that time.

General Joseph Ashy Investigation

- The DoD Inspector General is presently investigating General Joseph Ashy, the head of Space Command and NORAD in Colorado Springs, for improper use of Air Force aircraft and other charges related to his transfer from Italy to his current assignment. The IG report may be released this week.

Air Force Officer Evaluation Policies

- Retired Air Force Lieutenant Colonel William C. "Chuck" Weir filed a class action suit to force the Air Force to "pull" officer fitness reports written during a three-year period during the mid-1970s. In 1976 the Air Force officer evaluation system was revised because of numerous complaints, but Weir and others claim that reports from this period limited promotion and job opportunities long afterwards for many officers. Weir's lawsuit seeks compensation for those purportedly affected by the old evaluation policy. Various newspapers have reported this, and Weir sought to include mention of this in your Air Force Academy speech. An Air Force review board is examining the issue.

Role/Value of Service Academies

- A recent *60 Minutes* episode questioned the value of our Service Academies and argued that they cost too much when compared to other commissioning sources, such as ROTC. It is impossible to quantitatively compare the value of education or assign a numerical value to the intangibles achieved through the immersion process inherent in a Service Academy

environment. The historical record clearly shows the lifelong contributions that Service Academy graduates have made to America through their leadership and vision -- in peace and in war -- in the military and in the civilian workforce. Today's graduates will undoubtedly continue this tradition.

Sexual Harassment at Service Academies

- A recent GAO report noted that a majority of women at the service academies had experienced at least one form of sexual harassment on a recurring basis and that the percentage of women affected has increased since 1990. The GAO noted, however, that the most common forms of harassment were "gender-related verbal comments or visual displays as opposed to sexual advances." DoD took issue with the report's methodology and noted its increased emphasis on sexual harassment prevention and education programs at the academies and throughout DoD over the last few years.

Undergraduate Pilot Slots for Academy Graduates

- During the peak periods of the military's drawdown, the Air Force greatly reduced the number of active duty pilots; accordingly, the number of pilot training slots available to Academy graduates drastically declined. The number of flying billets available to Academy graduates is on the upswing (with approximately 300 members of this year's class) and could reach 500 by 1999.

5/30/95 10 p.m. DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT

**PRESIDENT WILLIAM JEFFERSON CLINTON
AIR FORCE ACADEMY COMMENCEMENT
COLORADO SPRINGS, COLORADO
MAY 31, 1995**

[Acknowledgments:] Secretary Widnall; General Fogleman; General Stein; faculty and staff; proud parents, families and friends; members of the Cadet Wing: here, at the foot of the magnificent Rampart Range, we gather to celebrate the graduation of this Air Force Academy class -- the "Pride of '95." Gentleman and Gentle ladies of the First Class: this is your day and you are only one short speech away from being Second Lieutenants. I'll try to keep my remarks just like the food service at Mitchell Hall: "fast, neat, average, friendly, good, good."

I'm honored to share the stage with some exceptionally accomplished alumni of the Academy: General Fogleman, the first USAFA [U-SAH-FAH] graduate to be appointed Air Force Chief of Staff...General Hopper, the first African-American USAFA graduate to serve as Commandant of Cadets...and Robert Bell, a member of my staff and the first USAFA graduate to be Senior Director for Defense Policy and Arms Control at the National Security Council. As I look out at all of you, I'm sure it won't be long before our nation benefits from another first: an Air Force Academy graduate in the Oval Office. But I hope we can put that off for a few more years.

By then, if recent tradition holds, the Air Force will have extended its lock on the Commander-in-Chief's trophy. This year's winning squad -- which I was pleased to receive at the White House a few weeks ago -- had a powerful defense and made life miserable for the opposition with its devastating air attack. That's only fitting for the world's finest Air Force.

Now, let me do my part in another long-standing tradition. By the power vested in me as Commander-in-Chief, I hereby grant amnesty to Cadets who are marching tours or serving restrictions or confinements for minor misconduct. General Stein, I leave it to you to decide just which offenses are minor.

Members of the Class of 1995, you are about to become commissioned officers in the United States Air Force. You should be proud of all that you have accomplished during your years at the Academy. You have earned our admiration. But you should also be sobered by the important responsibilities you are about to assume. From this day forward, every day, you must defend our nation and protect the lives of the men and women under your command.

As President, my first and foremost responsibility is to work for the safety of every American -- not just this generation, but also the generations of remarkable Americans yet to come. It is a responsibility that you -- the new leaders of our armed forces -- have chosen to share. Today, I want to talk to you about the steps we must take together to build a safer America in a safer world.

You are entering active service in a moment of tremendous hope. In the last five years, we have begun to unravel problems that have plagued us for the past fifty years and more. No Russian missiles are aimed at our cities or citizens... From the Middle East to South Africa to Ireland, former adversaries are turning from conflict to cooperation... on every continent, technology and trade are creating opportunity for people who have never known it... all around the world, democracy is on the march. And just yesterday, Russia's decision to actively participate in the Partnership for Peace helped lay the groundwork for a secure, stable and unified European continent for the next century.

But these powerful forces that are pulling us together have a dark underside -- they carry within them the seeds of disintegration. The free and rapid movement of people and information make us more vulnerable in new ways to the forces of terror, organized crime and drug trafficking. The technological revolution that is bringing our world closer also brings more and more problems to our shores. The end of communism has opened the door to the spread of weapons of mass destruction and lifted the lid on age-old conflicts.

Nowhere are the forces of disintegration more obvious than in Bosnia. Two weeks ago, the Bosnian Serbs unleashed a 1400 shell assault on the civilians of Sarajevo. The United Nations called this attack "a return to medieval barbarism" and asked for a NATO air response, which we supported. Now, we have joined with our allies to develop a coordinated response to the Serbs continued refusal to make peace. We believe that a strengthened, reconfigured UNPROFOR must remain in place -- it is our best insurance against an even worse humanitarian disaster. And we remain convinced that an end to Bosnia's long nightmare must be found at the negotiating table, not on the battlefield.

In this new era of hope and danger, there are those who would have America turn away from the world. Some believe that, with the end of the Cold War, we can now safely retrench behind our borders. Others trumpet the need for American leadership -- but then deny us the resources we need to lead. But the rising tide of freedom -- and the opportunities it brings -- is neither inevitable nor irreversible. It needs our support. It requires our resources. It demands our leadership. And the new challenges we face have no respect for borders. We must confront them now -- or pay the price for our indifference later.

And we must look at the promise and problems of our time in new ways. For the generations that came before us, there was a clear dividing line between threats to our national security from beyond our borders, and challenges to law and order within our borders. But now, the boundaries between those threats are being blurred. And many of the tools we would use in one area are effective -- and necessary -- in the other.

So, for example, if we are to meet the challenge of international organized crime, some of the conventional law enforcement expertise we've built up here at home can help do the job. And when foreign terrorism or drug trafficking threaten law and order on our own soil, we must not hesitate to use some of the weapons in our traditional national security arsenal -- diplomacy, economic sanctions, military force -- to defeat them. We must, in short, break down the barriers in our thinking between national security and domestic law and order and open our minds to new solutions.

Only if we do that will we succeed in meeting what I believe must be our three priorities to make the American people safer. First, we must combat those who would destroy democratic societies -- the terrorists, organized criminals and drug traffickers -- with all the tools, techniques and technology at our disposal. Second, we must reduce the threat of weapons of mass destruction and take advantage of the historic opportunity that has been entrusted to us. And third, we must provide our military with the forces and flexibility it needs to keep the peace and protect our interests around the world.

The struggle against the forces of terror, crime and drug trafficking is our most immediate concern. The World Trade Center bombing... the nerve gas attack in Tokyo... the slaughter of innocent civilians in the Middle East... the organized crime plaguing the former Soviet Union... the drug cartels in Latin America and Asia: each of these threats is aimed at the foundation of open societies. And as we have seen in Oklahoma City, they can emerge from within and strike at the very heart of our nation.

Nothing we do will make us invulnerable. The liberties and openness we so cherish and must always defend also benefit the terrible work of the organized forces of destruction. What we can do -- what we must do -- is remain vigilant, reduce our vulnerabilities, and constantly renew our efforts to defeat terrorism.

That's why we're working closely with foreign governments -- sharing intelligence, providing military support and initiating anti-corruption and money laundering programs -- to stop drug trafficking at its source. That's why we've opened an FBI office in Russia and a training center in Hungary to help combat international organized crime.

And that's why, over the past two years, we have waged a tough counter-terrorism campaign that has strengthened our laws, increased funding, manpower and training for the CIA and the FBI, and imposed sanctions on states that sponsor terrorism. Many of our efforts have paid off. We were able to quickly arrest and convict those responsible for the World Trade Center bombing... stop another terrible attack in New York and a plan to blow up American civilian airliners over the Pacific... and bring to justice terrorists around the world.

In the aftermath of Oklahoma City, our top law enforcement officials told us they need new tools to fight would-be terrorists -- and I proposed legislation that would provide those tools. The power to move wiretaps as fast as the terrorist moves his base of operations -- without getting a new court order each time. The authority to use the unique capabilities of the military where chemical or biological weapons are involved -- just as we call on those capabilities to fight nuclear threats. The ability to mark explosive materials so they can be more easily traced -- and so we can dramatically increase our ability to deter terrorists, and to find and apprehend them if they do strike.

Congress promised to put an anti-terrorism bill on my desk by Memorial Day -- a commitment I applauded. Memorial Day has come and gone, and we are still waiting for a bill. I know Congress has a full agenda of important issues. Passing a responsible budget is important.

Pushing through fundamental welfare reform is important. But all this will take time. And when it comes to terrorism, time is one luxury we do not have.

Some in Congress say we should go slow on anti-terrorism legislation. But terrorists don't go slow. Their only agenda is death and destruction, and we need new weapons now to make sure they don't succeed. Six weeks after Oklahoma City, there's no more excuse for delay. Today, I say to Congress: make good on your pledge to act quickly. Join me in protecting the American people.

Meanwhile, if Congress won't legislate, we must not hesitate in the face of the terrorist threat. That is why I have directed Attorney General Reno to ensure that law enforcement agents understand the full powers of their authority under the guidelines for investigation of domestic terrorism. If the FBI receives information that a group is planning to attack citizens, the FBI should fully and immediately investigate. If the FBI receives information that individuals are plotting to endanger Federal officials, the FBI should fully and immediately investigate. And if the FBI receives information of any plan to bomb a federal facility, the FBI should fully and immediately investigate. Acting within the Constitution and laws of the United States, agents should follow up on leads to determine whether these groups or individuals have the intent or the ability to carry out violent or illegal activities. We must not wait for evidence that violence is imminent. We must act.

Our obligation to fight the forces of terror and destruction is closely related to our efforts to reduce the threat of weapons of mass destruction. With the end of the Cold War, we have a chance to lift the dark cloud of fear and anxiety that has hung over our heads for nearly half a century. But that very opportunity has also made it easier for terrible tools of destruction to fall into the wrong hands. The breakup of the Soviet Union left nuclear materials scattered throughout the newly independent states. The potential for the theft of these materials and for organized criminals to enter the nuclear smuggling business increased. As horrible as Oklahoma City and the World Trade Center attacks were, imagine the destruction that would have resulted had those explosions been from a stolen nuclear weapon.

The United States will retain, as long as necessary, a broad arsenal of nuclear forces to deter any future hostile regime with nuclear weapons. But I will also continue to pursue the most ambitious agenda to dismantle and fight the proliferation of weapons of mass destruction since the dawn of the nuclear age.

That effort is succeeding. No Russian nuclear missiles are pointed at America and no American missiles are aimed at Russia. Because we put the START I treaty into force, Russia is joining us in dismantling thousands of strategic weapons. Our patient, determined diplomacy convinced Belarus, Kazakhstan and Ukraine to give up the weapons left on their land when the Soviet Union fell apart. We are cooperating closely with these nations and others to safeguard nuclear materials and stop their spread. And just last month, we won the indefinite, unconditional extension of the Non-Proliferation Treaty.

The NPT extension will benefit not only this generation of Americans, but future generations as well, by preventing scores of nations from acquiring nuclear weapons. More than one hundred

and seventy countries subscribe to the Treaty. Non-nuclear states that sign on vow never to acquire nuclear weapons. Nuclear weapons states pledge not to help others obtain them and to pursue arms control and disarmament.

Our success in extending the NPT opens the door to even more far reaching steps to control weapons of mass destruction. There is no excuse for the Senate to go slow in approving two of these vital measures: START II and the Chemical Weapons Convention.

Following on the cuts required by START I, START II will enable us to reduce by two-thirds the number of strategic warheads deployed at the height of the Cold War. The Chemical Weapons Convention requires the destruction of chemical weapons stockpiles around the world and provides severe penalties for those who would sell materials to build chemical weapons to terrorists or criminals. It would make chemical terror like the tragic attack in the Tokyo subway much more difficult and expensive. Both START II and the CWC will make each and every American safer. We need them now.

As we put these critical initiatives into place, we must also complete negotiations on a Comprehensive Test Ban Treaty... fully implement the agreement we reached with North Korea first to freeze, then to dismantle its nuclear program... and strengthen the Biological Weapons Convention. This is a full and ambitious agenda -- an agenda worthy of the moment we are living. We must make every effort to complete it.

Finally, let me turn to a third policy priority for building a safer America -- adapting our military to meet the demands of the 21st century. For all the new threats we face, the men and women of our armed forces remain the foundation of American security. You put the power of persuasion into our diplomacy. And you get the job done when all means short of force have been tried and failed.

We saw your strength on display in Haiti. There, the brutal military regime agreed to step down peacefully only when it learned that more than 60 C-130s and C-141s loaded with paratroopers were on their way. Now, the Haitian people have a second chance to rebuild their nation. We saw your speed in the Persian Gulf, when Iraq massed its troops on the Kuwaiti border and threatened regional stability. I ordered our planes, ships and troops into the Gulf. You got there in a hurry. And Iraq got out of the way in a hurry. We saw your compassion in Rwanda, where you flew tons of supplies, medicine and food into a nation torn apart by violence and saved countless lives.

All over the world, you have met your responsibilities with skill and professionalism -- keeping the peace, making the peace, saving lives and protecting our national interests. In turn, America, and your leaders, have a responsibility to make sure you have the resources, the flexibility and the tools you need to get the job done.

From our first day in office, my Administration has sought to make good on that obligation by crafting a defense strategy for our times. One of its principal architects was former Defense Secretary Les Aspin. At the Pentagon, during his many years in Congress, during his every waking hour, he devoted himself to our nation's defense -- we will miss him terribly. But the

legacy he left -- a blueprint for reshaping our military to the demands of the new century -- will help ensure our security for years to come.

That blueprint calls for us to make sure the force reductions we began at the end of the Cold War do not jeopardize our strength. And it provides you with the resources you will need to meet the challenges of a world plagued by ancient conflicts and new instability.

After World War II, a major drawdown left us at a major disadvantage when war broke out in Korea. And just five years after the post-Vietnam drawdown, in 1980, the Army Chief of Staff declared that we had a "hollow Army" -- a view shared by most experts. From the outset of my Administration, we have been determined not to repeat those mistakes. We calculated that, even as we drew down the troops, we had to be prepared to engage -- and prevail -- in two nearly simultaneous major regional conflicts. Some argued that this scenario was unrealistic and excessively demanding. Recent events proved them wrong and showed that we have the right strategy, and the right force levels, for our times.

Last summer, just before the North Koreans finally agreed to dismantle their nuclear weapons program, we were poised to send substantial air, naval, and ground reinforcements to defend South Korea. Then, just a few months later, we deployed tens of thousands of troops to the Persian Gulf and placed thousands more on high alert. And in between these crises, I gave the go ahead to the 25,000 troops engaged in Operation Uphold Democracy in Haiti.

In Haiti, the four services worked together, drawing on each others' special capabilities. As a result, for the first time, we were ready to launch Army infantry in an air assault from a Navy aircraft carrier. And when we decided to send our troops in peacefully, we were able to do it in matter of hours, instead of days. This kind of innovation must lie at the heart of our defense policy in the years ahead.

I have also been determined to maintain our military as the best trained, best prepared and best equipped fighting force in the world. Two years ago, I added \$11 billion to our future defense spending plans to ensure that our troops would be ready to fight. Last year, I concluded that we needed an additional \$25 billion to sustain readiness, modernize our forces, and improve the quality of life of our fighting men and women and their families. And both this year and last, when unanticipated crises strained our budget, I asked Congress for emergency funds to cover these costs. The American people ask a lot of our armed forces. In turn, you have a right to ask -- indeed, to insist -- that we give you the resources and support you need to defend our interests. And as long as I'm President, you will get them.

This, then, is our mission: to take on terrorism, organized crime and drug trafficking... to take advantage of the extraordinary opportunities to reduce the nuclear threat... to keep our military flexible and strong. These are the cornerstones of our program to build a safer America at a time when threats to our security have no respect for boundaries, and when the boundaries between those threats are disappearing. Abroad as at home, we must measure the success of our efforts by one standard: have we made the lives of the American people safer?

Let me say to the Class of '95: I know that the rewards of serving on the frontlines of our foreign policy may seem distant and even uncertain at times. As President Kennedy noted thirty-four years ago, "When there is a visible enemy to fight, the tide of patriotism runs high. But when there is a long, slow struggle, with no immediate, visible foe...your choice will seem hard indeed."

Your choice -- to take on the problems and possibilities of our time...to engage with the world, not to run from it -- is the right choice. As you have learned on these Academy grounds, it demands sacrifice. In the years ahead, you will be asked to travel far from home...to be away from your loved ones for long stretches of time... and to face dangers we do not yet know. These are the burdens you bear to make America safer. These are the obligations you assume to help all of us seize the opportunities of this era.

Go forth knowing that the American people support you. They admire your dedication. They are grateful for your service. And they are counting on you -- the Class of '95 -- to help lead us into the 21st Century -- a century in which your most sacred task will be to keep this country and its people safe and secure. On behalf of all Americans, I wish you Godspeed.

#

THE WHITE HOUSE

WASHINGTON

May 30, 1995

INTERVIEW WITH
AIR FORCE NEWS

DATE: May 31, 1995

LOCATION: Living Room, The Tea House

TIME: 1:50 - 2:05 p.m.

FROM: ANTHONY LAKE

I. PURPOSE

To provide background information for your interview with the Air Force News Service.

II. BACKGROUND

Secretary Perry requested that you allow the Air Force News Service to interview you during your visit to the Air Force Academy for their graduation ceremonies (Tab A). Proposed questions for the interview include force drawdown and the future of the military, quality of life and thoughts on the next generation of leaders in the military. Qs and As for these issues are attached at Tab B. As additional background information, foreign policy talking points will be forwarded.

As a result of this interview, you may reach more than 41 million people -- a combination of internal Air Force and external audiences from around the world.

III. PARTICIPANTS

The President
Anthony Lake
Mike McCurry
Robert Bell
Calvin Mitchell

Colonel Joseph Purka, Director, AFA, Public Affairs
Staff Sergeant Christopher D. Beckwith, Air Force TV
News, Interviewer
Senior Airman Jim Cunningham, Cameraman
Tsgt. Kenneth Carter, AFA Newspaper, Falcon Flyer
(observing)

IV. PRESS PLAN

Broadcast by Air Force TV, radio and print

V. SEQUENCE

The pre-brief will take place in the Master Bedroom of the Tea House, part of the Carlton House complex. You will enter the Living Room and be introduced to participants. You will then be seated in a chair in front of the fireplace and miked. The interview will last 15 minutes.

Attachments

Tab A Request for Interview from Secretary Perry

Tab B Qs and As for Air Force News Interview

A



THE SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1000

28 APR 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Request for Interview

During your visit to the Air Force Academy for their graduation ceremonies, May 31, 1995, the Air Force News Service would like the opportunity to interview you. The AFNEWS request package is attached. The proposed questions in the package concern force drawdown and the future of the military, quality of life, and thoughts on the next generation of leaders in the military.

The interview would result in Air Force TV, print, and radio news stories reaching a combined internal Air Force and external audience of more than 41 million. Your interview would mean a great deal to Air Force members and their families and I sincerely hope you will be able to fit it into your schedule.

Attachment:
AFNEWS Request Package

William J. Perry



203 Norton Street
Kelly AFB, TX
78241-6105

DSN: 945-1363
Fax: 945-6031
Comm: (210)925-1363
Fax: (210)925-6031

Global Reach...
Global Excellence

Proposed Questions for President Bill Clinton U.S. Air Force Academy Graduation -- 31 May 95

1. The military has witnessed an increase in the number of deployments and operations since the end of the Cold War. Yet, from an airman's perspective, the drawdown continues and we are being asked to do more with less. As Commander in Chief, when do you foresee the end of the drawdown, and what is your vision for the military's future, and can we indeed "do more with less"?
2. It's no secret we have the best trained, best equipped Air Force in the world today. Keeping the high-caliber airmen it takes to maintain that level of readiness is becoming much more difficult. Military pay raises continue to trail civilian counterparts. The time we spend away from our families, often in harm's way, has increased over the last three years. What can you offer soldiers, sailors, and airmen as an incentive to choose a military career?
3. After witnessing today's graduation, what are your thoughts about this next generation of leaders? What concerns or advice do you have?
4. Sir, you have the full attention of every airman and civilian employee in the Air Force. What message would you like to leave with them today?



203 Norton Street
Kelly AFB, TX
78241-6105

DSN: 945-1363
Fax: 945-6031
Comm: (210)925-1363
Fax: (210)925-6031

Global Reach. . .
Global Excellence

Staff Sergeant Christopher D. Beckwith
Reporter / Producer
AIR FORCE TELEVISION NEWS

Staff Sergeant Beckwith was born and raised in Hot Springs, Arkansas. He graduated from Hot Springs High School in 1986 with a 3.25 GPA. He was President of the Student Body, member of the band, Naval JROTC, and Beta Society. His awards and recognition include American Legion Citizenship Award (1983 & 1986) & Who's Who Among American High School Students. He is the son of Nancy Carol Beckwith, of Hot Springs, and Gordon Beckwith, of Searcy, AR.

He joined the Air Force in June, 1986, as a Radio & Television Broadcasting Specialist. Assignments include Torrejon AB, Spain; Comiso AS, Sicily; Keflavik Naval Air Station, Iceland; and Kelly AFB, Texas. He has also covered stories worldwide to include Bosnia-Herzegovina, Somalia, and Desert Shield.

Sergeant Beckwith was promoted to his present grade under the Stripes for Exceptional Performers (STEP) program in January 1991. His military awards include Kelly AFB Airman of the Year - 1991, Kelly AFB NCO of the Year - 1993, Joint Service Commendation Medal, Air Force Commendation Medal (1 Oak Leaf Cluster), and the Air Force Achievement Medal (3 Oak Leaf Clusters).

Sergeant Beckwith serves as a writer/producer for Air Force Radio News, Air Force Television News, and Air Force Satellite News Service.



Summary of Air Force News Agency Electronic News Products

203 Norton Street
Kelly AFB, TX
78241-6105

DSN: 945-1363
Fax: 945-6031
Comm: (210)925-1363
Fax: (210)925-6031

Global Reach. . .
Global Excellence

AIR FORCE RADIO NEWS -- AFNEWS transmits a five minute radio news program for daily airing, Monday through Friday. The program concentrates on news of the day. It includes reports from Air Force Correspondents in Asia, Europe, and around the U.S. Radio news is Internal Information's most responsive communications tool. It's available to overseas members via satellite from the Armed Forces Radio & Television Service - Broadcast Center (AFRTS-BC). Stateside personnel may call 24-hours a day, 7 days a week, at 1-800-264-2066.

AIR FORCE TELEVISION NEWS -- A bi-weekly video program covering significant Air Force issues using reports from Asia, Europe, the U.S., and every place in between. It's available for our overseas viewers via AFRTS-BC, and stateside mailing and satellite transmission in the ConUS. More than 300 cable and broadcast civilian television station currently air AFTN. Total potential viewing audience is 41 million people.

AIR FORCE SATELLITE NEWS SERVICES -- We respond to breaking news stories with Video News Releases (VNRs); packages developed and produced by our reporters and distributed by satellite. VNRs are either finished stories or raw video and they are available for unrestricted use in news and information programs, civilian or military. We go where the action is to get the story!

B

AIR FORCE NEWS Interview

Q #1: The military has witnessed an increase in the number of deployments and operations since the end of the Cold War. Yet, from an airman's perspective, the drawdown continues and we are being asked to do more with less. As Commander-in-Chief, when do you foresee the end of the drawdown, and what is your vision for the military's future, and can we indeed "do more with less"?

A. Military Drawdown

- Drawdown of military is nearly complete and numbers are starting to "level-out;" Secretary Perry is still "tweaking" military force structure and manning levels, but the drawdown is nearly over. This brings about more stability within the Services and simplifies planning.

Number of Academy graduates has increased to approximately 300; General Stein (USAFA Superintendent) estimates this number will increase to nearly 500 by 1999.]

B. Vision for Military's Future

- Smaller, more efficient and versatile force than we had during the Cold War -- a military that is equally prepared to conduct major combat operations against regional powers (2 MRCs) as it is to mount smaller operations to respond to changing American security threats and concerns -- threats arising from the unstable, unpredictable post-Cold War international environment (Haiti, Rwanda).
- Military must be prepared and trained to confront new threats -- newly aggressive regional powers, spread of weapons of mass destruction, terrorism and urgent humanitarian needs.
- America's military is well-suited to meet range of threats; intelligent, well-trained, well-equipped, highly-motivated, well-lead; visited troops in Kuwait, Haiti, South Korea, at-sea, in the States -- impressed by their ability to respond in a superb fashion to whatever they are asked to do.
- When we must use force, we use it decisively and effectively, as in Iraq and Haiti.

C. Can we do "more with less?"

- Certain military specialties are being asked to do more (AWACs aircrews, for instance); frequently discuss with Joint Chiefs as they seek to find solutions to these difficulties. One partial solution is greater use of Reserve Components. We saw this in Haiti and it is also being examined for AWACs.
- Not necessarily a problem across the board; however, it is affecting certain communities more than during the 70s and 80s, but this shows how our military has to adapt to meet the challenges of today's and tomorrow's world -- and our Service Chiefs are shaping our military to respond to these changes.
- But you should know that I am determined to ensure that our military has the resources it needs to do its job and do it well.

Q #2: It's no secret we have the best trained, best equipped Air Force in the world today. Keeping the high-caliber airmen it takes to maintain that level of readiness is becoming much more difficult. Military pay raises continue to trail civilian counterparts. The time we spend away from our families, often in harm's way, has increased over the last three years. What can you offer soldiers, sailors and airmen as an incentive to choose a military career?

A. Quality of Life Issues

- When I meet with senior military leadership, I continually ask about the well-being of our service-members and their families. People are the greatest strength of America's military -- and we have to take care of them if we are to remain strong.
- Must keep our military strong and ready to fight, so that we are able to defend American interests whenever necessary.
- Have vigorously sought to ensure that our military does not have to "have less:"

-- obtained congressional passage of defense budgets that demonstrate firm commitment to military readiness;

- increased initial funding plan for defense three times, and requested and received defense supplementals three times as world events have unfolded -- ensuring that our Armed Forces have the funds they need to carry out their missions;
- Secretary Perry's November 1994 Quality of Life initiative added \$2.7 billion over the next six years to directly improve the quality of life for service members and their families;
- last December proposed \$25 billion increase in military spending plans over the next 6 years; much of this goes toward modernizing weapons and equipment and improving the quality of life for military and their families;
- support pay raises to the maximum extent possible under the law; providing military personnel with compensation levels competitive with the private sector; seek to increase military community and family support, including more child care and family counselors; and
- committed to providing resources to bolster our Armed Forces; this is insurance to protect the physical and economic safety of all Americans today and for generations to come.

B. Incentive to Remain in Military

- Americans greatly respect the security you provide and recognize the continually excellent job you do. Often times those in government service do not see the results of their efforts, but the fruits of those efforts are still evident.
- The ground crews that load transport planes flying to Rwanda may not feel like they are doing anything out of the ordinary -- but they are, and many thousands are alive today because of those crews.
- Those who deployed to Kuwait last fall might have questioned their role, particularly since nothing "happened" -- but that is exactly the point -- nothing did happen because we responded rapidly with great numbers *before* something happened.
- America is proud and respects her military and those in military service; witnessed a tremendous outpouring of respect and affection throughout this past year for America's WWII veterans as we celebrated the 50th anniversary of that war --

America remembers; the military provides a vital service to our country and Americans understand that.

Q #3: After witnessing today's graduation, what are your thoughts about this next generation of leaders? What concerns or advice do you have?

- I believe America's security will be in good hands with future military leaders of this caliber. My advice: do your very best and "fly high."

Q #4: Sir, you have the full attention of every airman and civilian employee in the Air Force? What message would you like to leave with them today?

- We are very proud of what you are doing; we recognize and deeply appreciate the risks you assume and the hardships you incur; and I, as your Commander-in-Chief, am committed to ensuring that you remain the best-trained, best-equipped and best-prepared military in the world.

THE FOREIGN POLICY TALKING POINTS
WILL BE FORWARDED

THE WHITE HOUSE

WASHINGTON

May 30, 1995

AIR FORCE ACADEMY FOUNDATION RECEPTION

DATE: May 31, 1995

LOCATION: Carlton House

TIME: 2:20 - 2:50 p.m.

FROM: ANTHONY LAKE ✓

I. PURPOSE

To attend a reception of the Air Force Academy Foundation prior to their annual board meeting.

II. BACKGROUND

The Air Force Academy Foundation is a major source of funding for many Academy projects that do not receive congressionally-appropriated funding, such as the Eisenhower Golf Course, Falcon Stadium and the visitors center. In addition, the Foundation presents a trophy to the cadet squadron with the most cadets on the Superintendent's list.

Approximately 80-90 people (including Mack MacLarty's brother, Bud) are expected to attend the reception.

III. PARTICIPANTS

Attached at Tab A

IV. PRESS PLAN

Closed

V. SEQUENCE

Lieutenant General Paul Stein, the Academy Superintendent, will meet you and lead you to the receiving line outside on the lawn. He will introduce guests as they come through the line. [Bill Hybl, the President of the Air Force Academy Foundation, may assist.]

Attachment

Tab A List of Participants

Invited Guests for the AFAF Luncheon

as of 5/26/95

Mr N. Christian Anderson, III

Publisher, Gazette Telegraph
News Media, AFA (AH Invite)

Colonel Victor C. Andrews, USAF

and Mrs Sue Andrews
Vice Superintendent
Top 9, USAFA Colonel, Area Chiefs of Staff, All Brunch, Supt's
Classmates

Cadet Nick Antonopulos

Cadet

General Joseph W. Ashy, USAF

and Mrs Sue Ashy
Commander in Chief, NORAD and USSPACECOM
Gen Officer Active Duty Colo Springs, All Brunch List

Colonel Gregory P. Bailey, USAF

and Mrs Margie Bailey
Director, Plans & Programs
USAFA Colonel

Mr Stephen Bartolin, Jr.

and Mrs Barbara Bartolin
President, Broadmoor Hotel, Inc.
AFA Foundation, COC, BoD, 30 Group (Local),
Broadmoor Hotel Key Personnel

Mr Mike Beatty

and Mrs Kathleen Beatty
Invited by Mr Hybl at Governor's request
Chairman, Colorado Democratic Party

Cadet Dan Begin

Cadet

Invited Guests for the AFAF Luncheon**as of 5/26/95****Lt Gen Benjamin N. Bellis, USAF, Retired**

and Mrs Rosemary Bellis

President of the Falcon Foundation

FF President, AFAF, AOG Advisory Cmte, All Brunch List

Mr Steve Benson

and Mrs Terri Benson

Mr Hybl's Guests

El Pomar Foundation

Mr Stewart Bliss

AFAF Member

Cadet John Boehm

Cadet

Maj Gen William J. Breckner, Jr., USAF, Retired

and Mrs Cheryl Breckner

Steering Cmte, (Chairman, MAC) Colo Spgs USAF (Ret), General
Officers, Former USAFA Staffer,**Captain C.Q. Brown**

Gen Fogleman's Staff

Lt Col Jim Brown

and Mrs Rose Brown

V.P. Association of Graduates

Ms Nancy Burns

Air Force Association (Local)

Invited Guests for the AFAF Luncheon.**as of 5/26/95****Cadet Jake Campbell****Cadet****General Paul Carlton****and Mrs Helen Carlton****USAF Retired, AFAF Member****Cadet Aaron Cerrone****Cadet****Cadet Will Chaffee****Cadet****Lt Gen A.P. "Bub" Clark, USAF, Retired****and Mrs Carolyn Clark****Former Supt (70-74), FF Member, AFAF****All Brunch List, Friends of Library (BOD)****President Bill Clinton****Mr Chapman B. Cox****Member AFAF****President, Chief Executive Officer****USO-World Headquarters****Cadet Brian Crismore****Cadet**

Invited Guests for the AFAF Luncheon

as of 5/26/95

Cadet Jeff Crouse

Cadet

Colonel David P. Csintyan, USAF

and Mrs Margo Csintyan

Commander

USAF Colonel, Top 6, All Brunch List

Brig Gen Ruben A. Cubero, USAF

and Mrs Jan Cubero

Dean of Faculty

Area General Officer, Top Nine, Key Staff,

Perm Prof, All Brunch List

Cadet Jeff Cunningham

Cadet

Lt Col Dell Dempsey

Secretary Lee's Staff

Ms Laura Dibiase

and Mr Jim Dibiase

Representing Senator Nighthorse-Campbell

Colonel Paul Dordal

SECAF Mil Asst

Maj Gen George M. Douglas, USAFR, Retired

and Mrs Lee Douglas

AFAF, 30 Group, FF Member, AOG Advisory Cmte, AFA

Colo Sprgs Retired General

Invited Guests for the AFAF Luncheon

as of 5/26/95

Mr Karl E. Eitel

and Mrs Mary Eitel

President, The Broadmoor Golf Club

Member, AFAF

Brig Gen Philip J. Erdle, USAF, Retired

and Mrs Carolyn Erdle

President, Academy Research & Development Inst.

ARDI (Pres & Exec Dir), AFAF, Retired Area Gen (Local), Former

USAF Staffer, Former P.P., All Brunch List

General Ronald R. Fogleman, USAF

and Miss Jane

Chief of Staff, USAF

Senior DoD Personnel

Ms Dolores Fowler

President, Colo Sprgs Chamber of Commerce

CoC, Exec Cmte, and Member, MAC

All Brunch List, C

Major Stephen Gensheimer

Secretary Widnall's Staff

Cadet John Gerst

Cadet

Colonel Robert R. Gilman, USAF

and Mrs Barbara Gilman

Staff Chaplain

USAF Colonel, All Brunch (Reports 24 May 95)

Mr Neal C. Groff

and Mrs Diane Groff

AFAF and Colorado Concern

Invited Guests for the AFAF Luncheon**as of 5/26/95****Cadet John Hardee**

Cadet

Mr Richard A. Haynie

Director, Development and Alumni Programs

SR CIV-13

Cadet Paul Heitmeyer

Cadet

Lt Col Ted A. Hilbun, USAF

and Mrs Cherie Hilbun

Commander, Cadet Group 2

AOC, Key Staff

General James E. Hill, USAF, Retired

and Mrs Mary Sue Hill

Member, Mac, Vice Pres, AFAF, FF, 30 Gp, AOG, Advisory Cmte, Colo

Spqs General Officer (Ret),

Cadet Rob Hoeritz

Cadet

Brig Gen John D. Hopper, USAF

and Mrs Tricia Hopper

Commander

Area Gen Officer - Active Duty, Top Nine, All-Brunch List

Mr William J. Hybl

and Mrs Kathy Hybl

Vice Chairman, The Broadmoor Hotel

Pres, AFAF, 30 Gp, FF, ARDI (BOD), MAC & Council Mbr

Visitor Center Donor, All Brunch List, (Sec-Georgia)

Invited Guests for the AFAF Luncheon

as of 5/26/95

Ms Fern Kinion

Dean of Faculty Department Head

Cadet Joe Krieger

Cadet

The Honorable Deborah R. Lee

Assistant Secretary of Defense for Reserve Affairs

Cadet Geoff Lohmiller

Cadet

The Honorable John A. Love

and Mrs Ann Love

Former Governor of Colorado

Member, 30 Group and AFAF

General James P. McCarthy, USAF, Retired

and Mrs Alice McCarthy

Member, FF, Olin Prof for National Security (VP),

All Brunch List, Non-DOD (ARDI Paid), AFAF Member

Ms Dialtha McGee, CLA

Grants Officer

AFAF (Secretary) and Member, 30 Group

Mr Francis "Bud" McLarty

and Mrs Shelly McLarty

AFAF Member

Invited Guests for the AFAF Luncheon

as of 5/26/95

Mrs Joseph Moller

USAFA Friend, XPA Donor

Mr Kent O. Olin

Secretary-Treasurer FF, 30 Grp, AFAF

Mr David J. Palenchar

Member, AFAF

Vice President, Programs

El Pomar Foundation

Colonel Joseph W. Purka, Jr., USAF

and Mrs Dee Purka

Director of Public Affairs

USAFA Colonel, All Brunch List

Colonel Michael J. Quinlan, USAF, Retired

and Mrs Susan Quinlan

Senior Vice President

Member MAC, AFAF, COC, Exec Cmte (Chairman), All Brunch

Mr Robert H. Rawlings

and Mrs Sandy Rawlings

News Media, Member, AFAF, 30 Gp

Chairman & Publisher

The Pueblo Chieftain

Mr Joseph A. Reich, Jr.

President, The Reich Co.

MAC, AFAF, 30 Gp, All Brunch List

Cadet Tisha Renfroe

Cadet

Invited Guests for the AFAF Luncheon**as of 5/26/95****The Honorable Roy R. Romer**

Governor of Colorado

30 Group, Colorado State Official (1991-1995),

All Brunch List

Colonel Kenneth L. Schweitzer, USAF

and Mrs Mary Kay Schweitzer

Athletic Director

Top 6, USAFA Colonel, All Brunch List

Ms Lynda Hare Scribante

and Dr A.J. Scribante

Former Member, BOV, AFAF, ARDI (BOD), Friends of the Library

Mr Bruce E. Shepard

President, Village Associates

Member, 30 Gp, AFAF, Thunderbird Amship Donor

Ms Connie S. Solomon

Representing Congressman Joel Hefley

Cadet Mike Starr

Cadet

Lt Gen Paul E. Stein, USAF

and Mrs Carol Stein

Superintendent

Cadet K.C. Stevens

Cadet

Invited Guests for the AFAF Luncheon

as of 5/26/95

Mr Steven E. Suggs

President and CEO, Highland Commercial Group
Member, 30 GP, AFAF & CoC

Cadet Matt Thomas

Cadet

Colonel James Toles

34 Training Wing Commander

Mr R. Thayer Tutt, Jr.

AFAF, MAC, 30 Group, All Brunch List
President and Chief Operating Officer
El Pomar Foundation

Brig Gen James P. Ulm, USAF, Retired

and Mrs Jeanne Ulm

Chairman, Association of Graduates
Member, FF, President, AOG (1 Jul 97),
Colo Sprgs USAF General Officer (Ret),

Lt Col Jim A. Warsinske, USAF, Retired

and Mrs Beverly Warsinske

Member, Air Force Academy Foundation

Cadet Frank Watson

Cadet

Cadet Jeff Whitfield

Cadet

Invited Guests for the AFAF Luncheon

as of 5/26/95

The Honorable Sheila E. Widnall

and Dr Bill Widnall

The Secretary of the Air Force

Sr DOD Personnel, Former BOV

Captain Robert Yahn

and Mrs Lisa Yahn

AOC Sq 19

The Honorable Fred M. Zeder, II

Board of Visitors

THE WHITE HOUSE

WASHINGTON

May 30, 1995

MEETING WITH
PETERSON AIR FORCE BASE PERSONNEL AND FAMILIES

DATE: May 31, 1995

LOCATION: Peterson Air Force Base, Colorado

TIME: 3:35 - 4:05 p.m.

FROM: ANTHONY LAKE

I. PURPOSE

To visit base personnel and family members.

II. BACKGROUND

Peterson Air Force Base is home to NORAD, the U.S. Space Command and the Air Force Space Command. These three commands direct worldwide military satellite and early-warning operations. Nearly 7,000 U.S. and Canadian service members are stationed at Peterson and nearby Falcon Air Force Base.

On May 14, an Air Force Reserve C-130 aircraft assigned to Peterson crashed in Idaho as its crew returned from transporting other unit members and equipment to Boise, Idaho, for airborne firefighting training. All six crewmembers were killed. An investigation is underway to determine the cause of the accident.

III. PARTICIPANTS

Colonel (Brigadier General-select) Jerry Perryman,
Commander, 21st Space Wing
Chief Master Sergeant Sue Turner, 21st Space Wing

IV. PRESS PLAN

Open Press

V. SEQUENCE

After exiting the helicopter you will walk through an Honor Cordon. Chief Master Sergeant Turner, the Senior Enlisted Advisor for the 21st Space Wing, will escort you to the stage and introduce you to the 1,000 - 3,000 personnel and family members gathered on the tarmac. Following your

remarks, she will escort you to a ropeline off-stage to the right. After the ropeline, you proceed to the nearby Distinguished Visitors Lounge.

President William J. Clinton
Departure Talking Points
Peterson Air Force Base
May 31, 1995

- [Acknowledgments: Chief Master Sergeant Sue Turner (who introduces you); Governor Romer; General Ashy (commander in chief of North American Aerospace Defense Command and United States Space Command and NORAD); the men, women and families of Peterson Air Force Base.]
- Earlier this month (on May 13), America lost 6 patriotic sons, reservist members of the 302nd Air Lift Wing, based here at Peterson. (Their C-130 crashed.) Today, it is fitting to remember them, their sacrifice and the sacrifice made every day by the members of our military and their families. In their memory, let us have a moment of silence.
- Like the Rockies, the men and women of Peterson stand tall, strong and proud. And Peterson stands always ready. You are the sentinels of our air sovereignty. Here at the home base for our Space Command and NORAD, you are our eyes in space.
- Your commitment makes not only America safer, it makes the world safer.
- As we face the new challenges of the 21st century, our military will continue to play a vital role, and it must adapt to the changing landscape of security, both inside and outside our borders.
- The problems of terrorism, the drug trade, and organized crime have invaded societies around the world. In our changing world, the lines between national security threats and law and order threats are blurred. We must fight forces of disintegration by using all means at our disposal.
- I am committed to keeping our military flexible and strong, the best trained, best prepared and best equipped fighting force on Earth.
- I am committed to help improve the quality of life of our fighting men and women and their families.
- Two years ago, I added \$11 billion to our future defense spending plans to help you do the job; last year I concluded that we needed \$25 billion more, and this year I asked Congress for emergency funds to cover these costs.
- I'm committed to seeing that you are allowed to do what you do best, which is defending America and our people's interests. Thank you and God bless you all.

THE WHITE HOUSE
WASHINGTON

MEETING WITH FEDERAL EMPLOYEES

DATE: May 31, 1995
TIME: 4:10 - 4:30 PM
LOCATION: Distinguished Visitors Lounge
Peterson Air Force Base
Colorado Springs, Colorado
CONTACT: Kitty Higgins
LeeAnn Inadomi

I. PURPOSE

To meet with Federal employees who work in the field and have experienced threats or harassment because of their duties implementing Federal park and land policies.

II. BACKGROUND

Governor Romer suggested that you meet with a representative group of Federal employees from the West who have borne the brunt of the so-called "Sagebrush Rebellion." Many of these individuals have been threatened with violence or harassed in their communities simply because they work for the Federal government.

This meeting will be closed to the press, but you should feel free to reference some of the stories you hear in your appearances in Montana.

III. PARTICIPANTS

Governor Roy Romer

Mitchell Fong, National Park Service

Mr. Fong was the lead ranger in a felony arrest of a homicide suspect on Friday, May 26, 1995, in Rocky Mountain National Park.

Richard Grosz, Fish and Wildlife Service

Rich is a wildlife inspector. He has been in the Denver office for the past 2 years, after serving in Los Angeles.

Jim Nelson, Forest Service

Mr. Nelson is the forest supervisor at Toiyabe National Forest. The Carson ranger

district office of the Toiyabe National Forest was bombed after working hours on March 30, 1995. No suspects have been arrested. There is a question in Nevada about who should manage public lands. The County Supremacy movement is very vocal out there. Nye County, Nevada, has passed resolutions that the state should manage the lands through the counties.

Waive Stager, Forest Service

District ranger of the Humboldt National Forest. She has served both in the BLM and the Forest Service. She feels the county supremacy movement has hampered her ability to do her job.

Perry McCoy, Bureau of Land Management

Perry is a Law Enforcement Ranger with BLM. Club 20, a group of Western Colorado counties, although a conservative group, they have generally worked with BLM. Governor Romer has successfully dealt with this group in the past on various issues.

John Silence, Bureau of Land Management

John is the Special Ranger-in Charge of the BLM Colorado state office. Before joining BLM he served with the Forest Service for many years.

John Sering, Bureau of Land Management

Ranger in Montrose, Colorado, who was almost run over by an angry landowner while on duty.

EPA is attempting to identify someone from the Leadville, Colorado area where state representative Ken Chlouber (R) has, on numerous occasions, threatened to hang EPA officials on the streets of Leadville. Leadville is a superfund site, where EPA has been involved for approximately 14 years.

IV. SEQUENCE OF EVENTS

- Roundtable discussion with participants.

V. MEDIA

Closed Press.

VI. REMARKS

No remarks provided.

ECONOMIC PROGRESS IN COLORADO 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 Colorado after the first 28 months of the Clinton Administration:

Improved Economic Conditions in Colorado:

- The unemployment rate has dropped from 6.1% to 3.5%.
- 78% more new jobs **per year** -- 77,400 vs. 43,550 average during the previous 4 years. In 26 months, Colorado has added 167,700 total jobs, after adding 174,200 during the previous 4 years combined.
- Twice as many new private sector jobs **per year** -- 73,431 vs. 36,850 average during the previous 4 years. In 26 months, Colorado has added 159,100 private sector jobs, after adding 147,400 during the previous 4 years combined.
- 6,200 new manufacturing jobs added in 26 months -- after 2,900 lost during the previous 4 years combined.
- New business incorporations have increased 4%.
- The Help Wanted Index has increased 68%.
- Bank lending has increased by \$5.8 billion -- after dropping by \$5.7 billion during the previous 8 years.
- Home building has increased 20%.
- Bankruptcy filings have dropped 17% **per year** -- after increasing 9% **per year** during the previous 12 years.
- Business failures have dropped 18%.

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

\$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN COLORADO: By 1998, the national debt will be **over \$600 billion** lower than was projected before the passage of the President's economic plan. That's about \$10,000 of reduced federal debt for each family of four in Colorado.

10 TIMES MORE COLORADO FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 171,838 working families in Colorado will receive a tax cut. This compares to an increase in the income tax rate for only the 17,837 wealthiest taxpayers in Colorado.

TAX CUT FOR 23,578 SMALL BUSINESSES IN COLORADO: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 23,578 small businesses in Colorado are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

564,000 COLORADO 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 564,008 workers in Colorado, and protects the jobs of 33,882 workers in Colorado who are likely to use unpaid leave this year alone.

314,900 STUDENTS AND FORMER STUDENTS IN COLORADO WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 314,900 Colorado borrowers -- 220,400 current borrowers and 94,500 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.

THE WHITE HOUSE

WASHINGTON

May 30, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Julia Chamovitz
National Economic Council

SUBJECT: Background on Recent Developments in the Colorado Economy

This memorandum presents background information about current conditions in Colorado.

- ***Colorado Springs Firm is Partner in \$2.6 million TRP Project*** -- Colorado Springs-based EPI/ETA Technologies, which manufactures commercial and military electronics, will be a partner in a \$2.6 million project based in California. The TRP project is intended to design and fabricate a Passive Millimeter Wave Camera capable of "seeing" through fog, clouds, smoke and sandstorms -- an important capability for our military. It is also intended to enhance vision systems for the operation of commercial aircraft under low visibility conditions. (Source: ARPA)
- ***New Airline Takes Off From Colorado Springs*** -- Western Pacific Airlines (WestPAC) began service from its hub at the newly expanded Colorado Springs airport on April 28. The airline has 3 Boeing 737's in service, with 2 more beginning service June 1. WestPAC said the airline plans to employ 1000 people by the end of its first year, and 5,000 by the end of its fifth year. (Source: Western Pacific Airline News, 4/28/95)
- ***Quantum to Build New Facility in Louisville, Colorado*** -- The Quantum Corporation will build a new research and development facility in Louisville, CO. The facility will employ 530 people in late Spring 1996. Research at the facility will include development of information storage devices and testing of manufacturing processes. (Source: Quantum Corporation, 5/3/95)
- ***A New Ace Hardware Distribution Center in Colorado Springs*** -- Ace recently broke ground for a new distribution center. The center will employ 200 people. Ace estimates the center will have a local economic impact of more than \$5 million in salaries, fringe benefits, and taxes. It is being constructed in the Newport Tech Center Industrial Park, adjacent to the Colorado Springs Airport. (Source: Ace Hardware)
- ***Wal-Mart Stores, Inc., Announces a Wal-Mart Supercenter in Colorado Springs*** -- Wal-Mart Stores announced on April 22 that one of its Colorado Springs stores will move to a bigger location. The company anticipates adding 300 new associates to its current staff of 150 when the store opens in the spring of 1996. (Source: Wal-Mart)

- **Denver International Airport (DIA)** -- DIA opened on March 1, 1995 after a 17 month delay. The cost to construct DIA was approximately \$5.2 billion, of which \$500 million were federal funds. In bad weather, jets are reporting to land at twice the rate they once did at Stapleton International Airport, and the baggage claim system once inoperative is now functioning. The decision to build the airport remains highly controversial in Denver. (DOT, Rocky Mountain News, 3/1/95, NEC)
FYI: The University of Denver predicts DIA will add 1,500 jobs this year, and the airport itself predicts up to 8,000 new positions over the long term. (Source: Rocky Mountain News, 1/8/95)
- **A New Baseball Field for Denver** -- Five years in the making, Coors Field opened as the home of the Colorado Rockies in April 1995. The stadium is designed in the old-fashioned ballpark style and seats 50,400 fans. The stadium cost \$215.5 million, funded by a voter-approved sales tax increase and Coors Brewing Co. (Source: USA Today 4/24/95)
- **Colorado Host to Hemispheric Trade and Commerce Forum** -- The December 1994 Summit of the Americas mandated the Hemispheric Trade Ministerial and the Hemispheric Trade and Commerce Forum. Both of these events will be hosted in Denver June 29-July 2, 1995 by Ambassador Mickey Kantor and Commerce Secretary Ron Brown. (Source: Colorado Springs Gazette-Telegraph, 5/16/95)
- **Denver Designated as an Enterprise Community** -- Denver will receive \$3 million in social services block grant funds and tax exempt bond authority. Due to the recent closure of Lowry Air Force Base, Denver's political and civic leadership has been highly involved in planning for the city's economic future. The Denver Enterprise Community (EC) contains the most distressed area of the city, with an EC poverty rate of 45% and an unemployment rate of 14.4%. (Source: NEC)
- **Uruguay Round is Good for Colorado** -- Colorado recorded merchandise exports of \$6.2 billion in 1993, up nearly 30% from \$4.8 billion in 1987. Rapidly expanding export categories include food products, printing and publishing, transportation equipment, scientific and measuring instruments. (Source: DoC)
- **EITC Benefits Over 170,000 Families** -- This information comes from 1993 Treasury estimates.

Expanded EITC (fully phased in)

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$ (Millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
Hefley	23,800 families	39.4	16.2	3,223 taxpayers
Schroeder	40,000 families	66.2	30.4	3,662 taxpayers
STATE	171,800 families	284.3	19.9	17,837 taxpayers

- **Federal Reserve of Tenth District (Kansas City)** -- The District grew at a strong pace over the past month. Manufacturers continued to operate at high levels of capacity, homebuilding activity picked up slightly, and the District's winter wheat crop was in good condition. Retail activity, however, appears to have slowed from its brisk pace earlier in the year. Manufacturers continue to report increased materials prices, although few report upward pressure on wages. Prices at the retail level remain steady. (Source: Federal Reserve Beige Book, 5/10/95)

THE WHITE HOUSE

WASHINGTON

May 30, 1995

MEMORANDUM FOR THE PRESIDENT

**FROM: ANN WALKER
RUSSELL HORWITZ**

RE: Local Issues Briefing -- Colorado Springs, CO

SEXUAL HARASSMENT LAWSUIT

According to the May 28th *New York Times Magazine*, a female cadet at the U.S. Air Force Academy is suing the Air Force and the school, alleging that she was sexually assaulted during a "simulated rape" staged as part of survival training exercises in June of 1993. Elizabeth Saum, 21, also claims that she was regularly subjected to abuse during her two years at the Academy. She is also suing several male cadets whom she said assaulted her. Saum has been on medical leave from the Academy since June of 1995.

EDUCATION

Teacher Strike

Jefferson County and the teachers' union are at an impasse in contract negotiations and will seek help from a neutral party. The major disagreement between the district and the 4,700 teachers is over a pay raise equivalent to other state employees and a proposal to link merit pay to performance evaluations. Union officials object to the district's proposed pay increase of less than 2% because it has agreed to a 3% increase for other employees. Encompassing the area just west of Denver, Jefferson County is Colorado's largest school district with 85,000 students.

TELECOMMUNICATIONS

One of the most important bills to come out of the 1995 legislative session concerns Colorado's telecommunications industry. Governor Romer signed the telecommunications bill on May 24th making Colorado one of the first states to open local exchange telephone markets to competition. Colorado is home to some of the largest telecommunications companies in North America.

Rocky Mountain Arsenal

A cleanup plan for the Rocky Mountain Arsenal has been reached. The Arsenal was listed as a Superfund site 10 years ago by the EPA due to contamination from chemical weapons production. The hazardous waste located there will be buried instead of burned. It is estimated that the cleanup will cost more than \$2 billion and could last more than 10 years.

Rocky Flats

Another current cleanup effort is Rocky Flats, an old nuclear weapons plant west of Denver. Colorado Congressman David Skaggs expressed disappointment in the House National Security Committee's decision to decrease funding for the Rocky Flats cleanup and increase funding for the Star Wars defense system. Attorney General of Colorado Gale Norton will appear before a Congressional subcommittee to outline states' cases for use of federal funds for environmental cleanup. She proposes that the funds come out of the Department of Energy's environmental management budget.

PARKS

Congress has proposed cutting the National Park Service's budget by 10%. Such a cut would mean the Rocky Mountain National Park budget would take a \$710,000 cut. The Park set a record last year with over 3.1 million visitors. Interior Secretary Bruce Babbitt claimed the cuts would dismantle the National Park Service, but Representative Wayne Allard, a Colorado Republican and supporter of the bill, called Babbitt's defense "hypocritical," citing the fact that the bill passed through Congress without a dissenting vote.

NEW INDOOR ARENA

COMSAT Video Enterprises and Denver officials reached an agreement to begin construction on \$132 million Pepsi Center due to be completed by 1997, but a recent Colorado Supreme Court ruling put the deal on hold. The Supreme Court ruled that private businesses leasing public facilities are subject to property taxes. COMSAT will not build the arena if the added property taxes make it unprofitable. Legislation to bypass the court's ruling is awaiting Governor Romer's signature. Although legal action is pending, COMSAT's recent purchase of the NHL's Quebec Nordiques serves to strengthen its case.

THE WHITE HOUSE

WASHINGTON

May 30, 1995

INTERVIEW WITH BILLINGS GAZETTE

DATE: May 31, 1995
LOCATION: Limo ride from Logan Airport to
rally at Montana State University
TIME: 6:30 p.m.
FROM: Mike McCurry

I. PURPOSE:

This interview provides you with the opportunity to preview your town hall meeting in Billings and discuss how you look forward to talking directly to the people of Montana about issues of concern to them. The interview will also enable you to discuss your Administration's record of helping working families, particularly farming families, in the West.

II. BACKGROUND:

* You will be interviewed by Jim Gransbery, the political reporter from the Billings Gazette. In addition to questions about the town hall meeting, you will probably also get questions on the Montana militia, grazing fees, and Presidential politics.

* The interview will take place during the limo ride from Logan Airport to Montana State University. Mike McCurry will ride with you and the reporter.

III. PARTICIPANTS:

1. The President
2. Jim Gransbery
3. Mike McCurry

IV. PRESS PLAN:

Interview is exclusive to the Billings Gazette

V. REMARKS:

You will proceed immediately to Qs and As.

VI. ATTACHMENTS:

- * Select Qs and As from Communications for town hall meeting (specifically, militia, grazing fees and Montana politics).
- * Political Qs and As
- * Economic Progress in Montana
- * The Republicans' Rescission bill
- * Recent articles by Jim Gransbery

TRADE & AGRICULTURAL ISSUES

Q. What is your Administration doing to solve the wheat dispute with Canada?

A. I understand the importance of the Canadian wheat trade issues to farmers here in Montana. That is why we negotiated a one-year settlement with Canada last fall that helps American farmers. As you all know, that agreement set limits on the amount of Canadian grain that can be exported to the U.S. and established a Joint Commission on Grains to look at all aspects of marketing and support systems for grain in both of our countries. We hope that the Commission finds a solution that is acceptable to both sides before the settlement expires in September. We should know a little more about where we stand when the Commission issues its report later this month.

Q. What if the Commission doesn't come up with a solution that fixes the problems here in Montana?

A. I have confidence that Ambassador Kantor will do his best to get a deal with Canada that helps American consumers and wheat farmers. If we can't come up with an acceptable solution, we will explore our options. We will cross that bridge when we come to it.

Q. What about the wheat problem with China? They are using exaggerated concerns about TCK, a mold found on some Pacific Northwest wheat, as an excuse for keeping wheat from Montana out of their country?

A. My negotiators have been pushing China pretty hard over the last few months on agricultural issues. We have made some real progress. Among other things, we got commitments from the Chinese to allow imports of cherries from Washington State, and apples from Oregon and your neighbor Idaho. On wheat, Ambassador Kantor got the Chinese to agree to address concerns we have had for a long time over TCK, a mold that grows on wheat. We have asked them to produce a plan by the end of this month, and we are continuing to press this issue. There's still more to do, but I think China knows we are serious about resolving this issue.

TRADE & AGRICULTURAL ISSUES
PAGE 2

Q. What are you doing to get Koreans to import more U.S. beef? They have unreasonable shelf-life rules that keep them from importing our beef and pork. We lose about \$240 million worth of red meat exports last year and that hurts ranchers here in Montana.

A. I know this is a serious concern of cattlemen throughout the West and also for pork producers in the Midwest and the South. We are doing our best to work this out. The cattle producers and others filed a trade complaint -- what's known as a Section 301 petition against Korea -- last November. My trade office has investigated their complaint and found that the Koreans have no scientific basis for their regulations.

So their arbitrary regulations unfairly block our exports and violate international agreements. The Koreans didn't resolve this issue to our satisfaction in trade talks this April, so we initiated a trade complaint against them last month. Now, they have agreed to sit down with us, and the Canadians and Australians to resolve this. We hope two work this out soon, because American red-meat producers could almost double their exports to Korea -- they're already worth \$254 million a year. Those talks will start next week.

Q. Why did the trade talks with Korea in April break down?

A. They failed, because there was little progress across the board. The Koreans could not or would not give us adequate assurances that their government's arbitrary regulations would not inhibit our agricultural exports.

Q. How far apart are the sides?

A. We made some concessions to resolve our differences with Korea. We thought we had secured a deal, but there were still unacceptable gaps on frozen meats.

TRADE & AGRICULTURAL ISSUES
PAGE 3

- Q. Ranchers in Montana and all across the country have a serious problem with the prices consumers are paying for beef in the supermarket. Ranchers are getting much less money for their calves and slaughter cattle. Prices are down as much as 15-20 percent from last year, but prices at the supermarket haven't gone down at all. A lot of us think that the meat packers are unfairly keeping the prices too high.
- A. I haven't really heard of this problem before. I will ask the Agriculture Secretary Dan Glickman and the Department of Justice to look into this when I get back to Washington.

TERM LIMITS

Q. Our Republican Senator Conrad Burns says he supports term limits, but now that the Supreme Court stuck them down, he won't promise not to run for a third term. First of all, do you feel the recent Supreme Court decision about term limits in your home state puts an end to the term limits movement, or will the debate over career politicians become a major campaign issue next year?

A. I think the debate will continue, and it should continue. I've had my own reservations about term limits because I don't necessarily think that voters in one state ought to tell voters in another how long they ought to be able to vote for people of their choice. But in the case of Montana and Arkansas, my home state, there was a vote among the people. So I'm having this Supreme Court decision analyzed, and I'm going to get some advice about it. And we're going to look at it and see what happens from here.

I would like to say that there are other things that voters who are for term limits and don't want career politicians controlled by special interest to run this government -- there are other things they can do right now.

- o Congress can pass the line-item veto. Both Houses passed it, the Republicans have said they were for it for years and they won't even appoint a committee to agree on the line-item veto that they can send me. I could get rid of a lot of pork and a lot of special interest politics if I had the line-item veto.
- o Last year, the Democrats waited too long to pass the lobbying bill requiring lobby disclosure and a gift ban, and the Republicans filibustered it. Now, for the first time in my adult lifetime, you actually have lobbyists up there in the Capitol writing the bills and telling the congressmen what's in it. So we ought to pass this lobby reform bill and have lobby disclosure. That would help promote the kind of political reform that people who are for the term limits are also supporting.

THE FEDERAL COURTS -- NEW CIRCUIT

Q. A lot of our federal court appeals get bogged down in San Francisco, where the 9th Circuit seems to have more cases than it can handle. Senator Burns has proposed that the 9th Circuit be divided up so that our appeals get handled by a court that only had to deal with Montana, Alaska, Idaho, Oregon, and Washington. What does your Administration think of that plan?

A. This suggestion has been made before and it clearly has some merit since the 9th Circuit has experienced problems because of its immense size. On a judicial administration issue such as this, however, before expressing any kind of official position, I would like to hear the views of the Chief Justice of the United States, the Chief Judge and the other judges of the 9th Circuit, the Attorney General, and the key members of Congress. I will pose this matter to them so that we can together determine the best way to address the issue you raise.

[You should know that Senator Burns, who introduced this bill last week, has vowed to block consideration of any appointments to the circuit court until this bill is passed.]

ANTI-GOVERNMENT SENTIMENT

Q. I'm a park ranger and I am scared to death. I get a lot of death threats just for doing my job. I work for your government. What can you do to help protect me?

A. This is a serious problem. Just yesterday, I spoke with a group of park rangers and federal workers who have been threatened as they go about their day-to-day business. I understand that a lot of people are fed up with a government in Washington that is too big and too out of touch. Since I came to Washington, I have been working to make the government smaller and more responsive, to move more decisions back to the people that have to live with them, and to cut down on inefficient regulations.

I know that there are too many overly intrusive and just-plain stupid regulations. And I know that these rules can be absolutely maddening to people who are just trying to run a business and stay on the right side of the law. But that frustration is no excuse for lawlessness. No one should lift a finger against good people like you who are just trying to do their job and make sure the law is obeyed.

I am absolutely committed to protecting park rangers and other good people. If the tragedy in Oklahoma City taught us anything, it taught America that there is no such thing as a "government bureaucrat." The people who died in that building wake up and go to work just like everyone else. They have the same hopes and fears as all Americans, and there is simply no excuse for the mindless evil that ended their lives.

Q. I own a ranch and I am just trying to do my job, raise my kids and make a good living. I take care of the land my cattle graze on -- even if it "belongs" to the federal government. So, I am sick and tired of all these government bureaucrats telling me how to do my job, how to treat my cattle and how to take care of the "government's land." We have been taking care of this land for years. Why can't the government leave us alone or at least stop regulating us to death?

A. I understand that a lot of people are fed up with a government in Washington that is too big and too out of touch. Since I came to Washington, I have been working to make the government smaller, to move more decisions back to the people that have to live with them, and to cut down on inefficient regulations.

I know that there are too many overly intrusive and just-plain stupid regulations. And I know that these rules can be absolutely maddening to people who are just trying to run their ranches or businesses and stay on the right side of the law. But that frustration is no excuse for lawlessness or violence. No one should lift a finger against the good people who are just trying to do their job, earn a living, and make

sure the law is obeyed. But unfortunately, as we all know from the tragedy in Oklahoma City, they already have:

- o Someone set off a bomb at the U.S. Forest Service office in Carson City, Nevada. Luckily, no one was hurt, but life isn't the same for the people who work there.
- o Earlier this spring, armed members of a militia threatened the marshal of Darby, a town right here in Montana.
- o [add anecdotes from meetings in Colorado.]

I am absolutely committed to protecting park rangers, Forest Service employees and other good people who work for the federal government. And we will hunt down, prosecute, and put behind bars jail anyone who threatens to hurt any federal employee.

If the tragedy in Oklahoma City taught us anything, it taught America that there is no such thing as a "government bureaucrat." The people who died in that building wake up and go to work just like everyone else. They have the same hopes and fears as all Americans, and there is simply no excuse for the mindless evil that ended their lives.

EDUCATION - GOALS 2000

Q. Mr. President, do you have any comments regarding the decision of the Montana legislature to officially opt out of Goals 2000?

A. Montana has a strong tradition of excellence in education and strong support for public education. Goals 2000 provided another opportunity for this tradition to be continued and expanded upon. Governor Racicot and Superintendent Keenan, in conjunction with local education agencies, have begun working on a comprehensive reform strategy that will enable all children to meet high standards.

Continued participation in Goals 2000 would allow those reform measures to proceed. It is hard to understand that a program with virtually no strings attached, like Goals 2000, would not be welcomed in a state where education is obviously a priority. I want to make it very clear to Governor Racicot, Superintendent Keenan, parents, teachers, administrators, and school boards that, while we accept the decision of the legislature, we remain committed to education reform and Goals 2000 and would be happy to work with you in any way that would be helpful.

CRIME BILL

- Q. A lot of people here are strongly opposed to the assault weapons ban that was in the crime bill. But I also have a concerns about the crime bill's provisions on community policing. I have heard that all the money goes to big cities like New York . Why should we in Montana help pay for police for the big cities on the coasts -- especially when we have crime right here in Billings?
- A. Actually, a lot of the crime bill's money goes straight to smaller cities and town in states without big cities. In Montana alone, forty-nine different communities (including Billings, Bozeman, Helena and Missoula) have received federal money [\$4.6 million] to hire 71 new police officers. And smaller cities and towns without a lot of support staff benefit from the reduced paperwork; you only have to fill out a one-page application.

"WAR ON THE WEST"

Q. For more than two years, Republicans in Congress have been saying that your administration is waging a "War on the West" through environmental and federal land use policies. How do you respond to that, and more broadly, how would you assess your administration's sensitivity to the inner mountain West region's needs thus far?

A. The Republicans have done a brilliant job of selling this "War on the West," but it's just not true. If I had waged war on the West, as dependent as the West is on the way the federal government treats it, then the economy would have reflected it. And instead, the inner mountain West is one of the most successful parts of the country.

Our overall economic strategy to bring down the deficit and increase investment in education and expand trade has been a very good thing for the West. It has helped the economy enormously. And it has focused on solving a lot of the thorny problems that other Administrations have just ignored.

Under the previous administration, they talked a lot about how terrible the federal government was, even though they were running it. But the timberlands in Washington and Oregon, to take one example, were tied up in court. We got them out of court. In Idaho we just had the National Forest Service approve a very large salvage timber sale, one of the largest in a very long time. We have resolved a particularly thorny conflict between agriculture and environmental interests in the farming areas of California.

On grazing issue, I have tried to follow the Colorado model, which turns over decision-making to community-based groups. That approach allows local people to make sure that over the long run we could preserve both the rights of people to graze and their ability to do it in an affordable way, and preserve the lands themselves.

Right now, Congress is making some pretty radical departures from present environmental laws that do not bode well for the mountain West. It is not in Billings's interest for the Clean Water Act that the House of Representatives passed to become law. That rewrite would permit improperly treated sewage to be released in the waterways. It will permit something less than the best technology to be used in purifying the water. That is not in the interest of the inner mountain West.

"WAR ON THE WEST"
PAGE 2

People are moving to the inner mountain West, because it is a wonderful place to live and it is beautiful. And so what we have to do is to try to find a balanced way to permit growth and economic activity and preserve the environment.

My whole goal has been to prove that you could do both. And if you look at the record of the last two years instead of the Republican rhetoric, there's pretty good evidence that we've made progress on the environment and a lot of progress on economic growth.

Montana Political Qs and As - May 26, 1995

1. Most polls show that you have very little chance of winning the state next year. Do you intend to campaign here, and how do you expect to win?

I expect to campaign here and should do very well. As you know, we won the state in 1992, and once our accomplishments have been communicated well, we ought to be successful. We have delivered on our campaign promises to lower the deficit, add police, and reinvent the federal government. These and many other issues are important to Montanans, and we'll do our best to engage the people here in a discussion. That process begins Thursday night with our Town Hall in Billings.

2. Why don't you get rid of Secretary Babbitt and replace him with someone more in tune with the needs of Western ranchers?

Secretary Babbitt has worked hard with people throughout the West to improve the management of public lands and protect the taxpayers' interest in those lands. Some of what he has tried to do has been misrepresented or communicated poorly, but our policies are moderate, mainstream proposals that serve the interests of all the people of Montana. We will continue to reach out to local ranchers and others to meet the needs of communities impacted by our public lands policies.

3. Polls show Senator Baucus is in real trouble if Governor Racicot decides to run against him. What do you think of Baucus's chances, and what will your administration do to help him?

Max Baucus has been an outstanding Senator for many years, and I have found him to be one of the most effective and forceful advocates for his state of anyone in the Congress. While he and I don't agree on everything, he has shown courage in standing up for what he believes and what is right for the people of his state. Recently, he has demonstrated that trait with his criticism of the radical rhetoric of some of these militias. He has also stood up to powerful lobbyists for polluters and defended the need for an effective Clean Water Act. He deserves reelection and I expect the people of Montana to do just that.

ECONOMIC PROGRESS IN MONTANA 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 Montana after the first 28 months of the Clinton Administration:

Improved Economic Conditions in Montana:

- The unemployment rate has dropped from 6.6% to 4.9%.
- 70% more new jobs **per year** -- 13,892 vs. 8,150 average during the previous 4 years. In 26 months, Montana has added 30,100 total jobs, after adding 32,600 during the previous 4 years combined.
- 72% more new private sector jobs **per year** -- 12,369 vs. 7,175 average during the previous 4 years. In 26 months, Montana has added 26,800 private sector jobs, after adding 28,700 during the previous 4 years combined.
- 85% more new manufacturing jobs **per year** -- 462 vs. 250 average during the previous 4 years. In 26 months, Montana has added 1,000 manufacturing jobs, after adding 1,000 during the previous 4 years combined.
- New business incorporations have increased 16%.
- The Help Wanted Index has increased 68%.
- Bankruptcy filings have dropped 7% **per year** -- after increasing 6% **per year** during the previous 12 years.
- Business failures have dropped 14%.
- Home building has increased 14%.

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

\$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN MONTANA: By 1998, the national debt will be over \$600 billion lower than was projected before the passage of the President's economic plan. That's about \$10,000 of reduced federal debt for each family of four in Montana.

23 TIMES MORE MONTANA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 47,638 working families in Montana will receive a tax cut. This compares to an increase in the income tax rate for only the 2,096 wealthiest taxpayers in Montana.

TAX CUT FOR 5,550 SMALL BUSINESSES IN MONTANA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 5,550 small businesses in Montana are likely to benefit from the expansion of the expensing allowance this year alone and many more will benefit over the coming years.

76,000 MONTANA 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 76,342 workers in Montana, and protects the jobs of 4,586 workers in Montana who are likely to use unpaid leave this year alone.

71,400 STUDENTS AND FORMER STUDENTS IN MONTANA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 71,400 Montana borrowers -- 50,000 current borrowers and 21,400 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.

**"Pork Vs. People":
The Republicans' Rescission Bill
vs.
The President's 1995 Rescission Proposal**

- o This is **not** a dispute over deficit reduction: The Republicans cut \$16.414 billion. The President cuts \$16.524 billion, growing to \$18.614 billion over 6 years.
- The President has a plan to cut **more** in 1995 spending than Republicans.

THE REPUBLICAN ASSAULT ON THE ENVIRONMENT

The President will veto the Republican conference bill, because it is a full-scale assault on the environment.

- o The conference bill rescinds \$1.5 billion in environmental programs -- more than were in either the House or Senate bills.

The impact on specific programs is even more striking:

Environment:

- o **Safe Drinking Water:** Delay investments in more than 1,000 public water systems serving 13 million people that lack the filtration systems to prevent incidents like the Milwaukee cryptosporidium outbreak that killed 100 people in 1993
- o **Timber Salvage Sales:** Overrides all environmental laws and increases the possibility that timber sales from federal lands will again be embroiled in legal challenges

The President proposes to restore:

- o \$500 million for the environment

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The Billings Gazette

WEDNESDAY
 May 17, 1995

Congress looks at deep cuts in ag budget

 By JIM GRANBERRY
 Of the Gazette Staff

The budget resolution to be debated today and tomorrow in the U.S. House contains proposed cuts in farm production programs totaling \$17 billion over seven years.

That is \$3 billion more than first reported last week and \$5 billion more than called for in the Senate's budget resolution, which comes up for debate Thursday.

The House figures are contained in reconciliation instructions in the House Republican 1996 budget. The GOP budget plan in both chambers is to balance the federal budget by the year 2002. The House version includes tax cuts, too; the Senate version does not.

The cuts in proposed farm spending are measured relative to the amounts that would be spent if current law were continued without change.

The House budget "mark," or spending target, released last Wednesday called for reducing farm program spending by \$9

billion over five years and a reported \$14 billion over seven years. The Senate budget plan calls for spending cuts of \$8 billion over five years and \$12 billion in seven.

However, the reconciliation directives for farm programs in the GOP resolution cover only the first five years, but still call for cuts of \$4 billion in 2001 and 2002, for a total of \$17 billion over the seven years.

The 1995 Farm Bill, to be completed by fall, is for five years. The Clinton administration farm spending plan calls for a

reduction of \$1.5 billion over five years. That represents the low end of proposals. On the high side, Sen. Richard Lugar, R-Ind., chairman of the Senate Agriculture Committee, has a plan to cut agricultural spending by \$15 billion in five years.

In order to meet the farm program targets, Congress will probably pare subsidies by reducing the number of eligible acres and reduce target prices for wheat, barley and other crops that are used to determine deficiency payments.

Also on the chopping block is spending for the Agricultural Research Service,

Economic Research Service, Foreign Agriculture Service, and the Farmers Home Administration.

The budget proposals should pass the two chambers by the Memorial Day break and the differences between the House and Senate version should be reconciled before the Fourth of July.

Then the authorizing and appropriations committees in the House and Senate will have to decide specifically which programs will get cut and by how much. They must remain within the overall limits imposed by the final budget resolution.

Post-It Fax Note	7671	Date	5/17/95	Page	1
To: Brian C.		From	Merlyn		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

The Billings Gazette**THURSDAY**
May 4, 1995**Canada-U.S. wheat conflict
remains unresolved**P. 3
3
1/2By JIM GRANSBERRY
Of The Gazette Staff**Perspective**

U.S. wheat farmers, especially those along the Northern Tier, could find the influx of Canadian grain renewed at harvest as an export-import agreement expires this fall.

And the elimination of a Canadian rail subsidy for grain shippers that ends Aug. 1 will provide an added incentive to funnel grain to the nearest market.

Those two elements may well lead to a replay of events last year, when grain trucks from Canada lined up at elevators from Shelby to Plentywood and across North Dakota to unload wheat and be greeted by pickets and protests from local grain growers.

Canadian trade and agriculture officials recently told their U.S. counterparts they "have no intention of extending" the memoranda of understanding reached last summer restricting the amount of wheat Canada could sell in the United States. The pact expires Sept. 12.

YENI ORENALDELS. press secretary

for Minister of Agriculture Ralph Goodale, said Wednesday from his Ottawa office that Canadian Trade Minister Roy McLaren and his boss were responding to a recent statement from U.S. Trade Representative Mickey Kantor. Kantor said that if the grain trade dispute of 1994 "was not satisfactorily resolved," he would recommend the agreement be extended beyond the Sept. 12 deadline or find a way to continue restrictions.

"The United States asked us to institute it for one year," said Elizabeth Blackburn, a spokeswoman for the Ministry of Foreign Affairs and Trade. "There is no intention of extending it."

Goodale and McLaren emphasized that point in Calgary in mid-April.

"How could we conceivably be interested in an extension of the 12-month limitation, which in effect, the U.S. imposed upon us?" McLaren asked.

"There is posturing from both sides," said Earl Karst, a grain grower from Sun-

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The Billings Gazette

THURSDAY

May 4, 1995

burst. Mont. Karst belongs to the 10-member Joint Commission on Grains formed last year as part of the agreement to limit Canadian wheat exports. The panel is supposed to examine all aspects of each country's marketing and support systems for all grains and recommend some permanent solutions. The panel's interim report is due June 12. Karst was an instigator of the protests and picketing that eventually pushed the U.S. government to limit the Canadian exports.

Greenshields said the joint commission may find a "means of resolving the problem. That is still to be seen."

Karst said that the perturbing was "political pressure directed at the possible failure" of the panel to find the solutions that have eluded both sides.

The United States last year invoked one of its own laws that was part of the 1989 U.S.-Canada Free Trade Agreement. The U.S. threatened to impose quotas and tariffs against Canada under the Agriculture Adjustment Act which permits such action against unfair trade practices like subsidies and unfair pricing. The two

countries reached the interim agreement last August.

The agreement imposes higher tariffs for durum wheat imports above 300,000 tons, and for other wheat imports above 1.05 million tons.

But the controversy may be overshadowed this year because the U.S. Congress ratified the Uruguay Round of the General Agreement on Tariffs and Trade.

"The GATT agreement removes the means of unilateral action by the U.S.," said Greenshields.

In April, McLaren told reporters in Calgary that the new world trade agreement coming into effect this summer limits the U.S. Thus "on the one hand, the United States has no ready way to extend unilaterally the limitation," McLaren said. On the other "we see no reason or justification for any limitation on Canadian wheat exports to the U.S."

If the U.S. decided Canada's exports were violating international trade law, it would have to file a complaint with the World Trade Organization, which would conduct a study and render a decision at least a year later.

Karst said he thought the controversy was "in a different context and that the country can react" to protect its markets under the CFTA.

"We need to continue some restraints," he said. "We don't want it to explode like it did last year."

Goodale met Wednesday in Washington with newly confirmed U.S. Secretary of Agriculture Dan Glickman. Greenshields said the restrictions on Canadian grain would probably be discussed.

The meeting lasted 90 minutes, a half-hour longer than scheduled. Both men said the get-acquainted session set a favorable tone for future discussions, although none has been formally scheduled. The 1994 agreement was broached, but both sides agreed to wait for the commission's reports.

Karst said the U.S. members of the joint commission had not yet met the new agriculture secretary.

"We have five weeks to complete our work and I hope there is nothing confrontational (between Goodale and Glickman) to muddy the waters at this point," said Karst.

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The Billings Gazette**SUNDAY**
April 30, 1995**Farm Bill is focus
for price fight** 2/4By JIM GRANSBERRY
Of The Gazette Staff

In 325 B.C., the army of Alexander the Great found "honey bearing reeds" - sugar cane - along the Indus River.

In 1995, U.S. sugar producers from the Yellowstone River to the Gulf of Mexico will do battle with a different army - House Majority Leader Dick Armey, R-Texas, and other congressional foes of the federal sugar program.

The impending battle is both economic and ideological. It will inject some bitterness into the sweetener industry because what Congress decides will directly affect the future of sugar producers and processors.

The critical focal point is the U.S. support price for sugar. (See story at bottom of this page.)

That support price is what determines the minimum payment to sugar beet and sugar cane farmers. That price will determine the long-term viability of processors and those economically dependent upon sugar refining plants in such places as Billings and Sidney and the Wyoming towns of Lovell, Worland and Torrington.

A study of farm bill policy conducted by Texas A&M University pointed out that the sugar industry affects specific rural communities not only for producer's incomes but also for employment and economic activity of the processing industry.

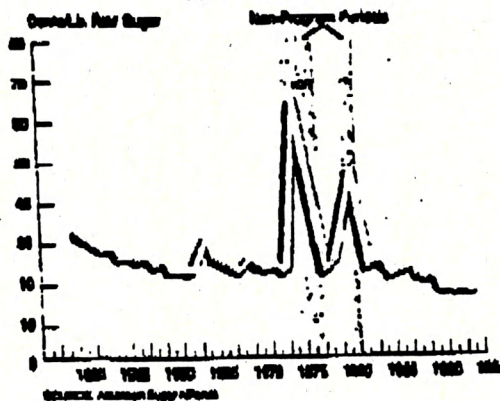
"The sugar industry provides 361,000 jobs in 42 states and adds \$18.5 billion to the U.S. economy" each year, the study reported.

"Every (congressional) staffer we talk to talks about reform, which translates to a reduction in support," said Jack Fulton, director of government relations for The Western Sugar Co. "This is the third farm bill I've been involved with and it will be the most contentious."

The Western Sugar Co. owns and operates the refineries in Billings and Lovell.

The opening salvo in this year's sugar battle came in March when longtime opponents to sugar support prices announced their intention to end the sugar program. A similar effort in 1990 failed, but the complexion of Congress, especially in the House, has changed considerably as the Republicans are in the majority for the first time in more than 40 years.

In a letter to House colleagues, Armey, Rep. Charles Schumer, D-N.Y., and 25 other repre-

U.S. Real Sugar Prices 1947-94
(1982 dollars)

sentatives said that the U.S. program, by raising U.S. sugar prices above world prices, candy makers, cereal makers and other food processors pay excess prices for an important raw ingredient. A GAO report cited by the opponents said those higher prices cost sweetener users \$1.4 billion a year.

The sugar industry argues that the so-called "world price" is a below-cost-of-production dump price for low quality, unrefined sugar and

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The Billings Gazette

SUNDAY
April 30, 1995

bears no relation to the real price. (See related story, Page 8D.)

Don Steinbocker, of Sidney, said the "projected savings of \$1.4 billion a year is a fallacy. It's baloney. It is raw sugar, it needs refining and that costs at least 5 cents a pound." The current world price is 12.4 cents a pound.

"For the sugar users, if they can save 1 cent a pound, it means millions in their pockets," said Steinbocker, president of the Montana-Dakota Beet Growers Association, which represents the growers contracted to the Holly refinery in Sidney. "If you gave them the sugar free, the price of a candy bar would not go down a penny."

"The price of the sugar in a candy bar is an insignificant portion of the cost," added John Richmond, of Holly Sugar Corp. in Colorado Springs, Colo. Reductions in ingredient prices "are never passed to the consumer."

The historical record gives credence to the contention.

In the mid-1970s and again in 1980, when there was no U.S. sugar program in effect, the world prices went as high as 60 cents a pound which was passed on to consumers. When world prices dropped to 3 cents a pound, consumers were not treated to the savings.

The goal of the sugar program since 1981 has been to provide consumers at all levels a reliable supply at a reasonable price. Since 1983, the program has operated at no cost to taxpayers.

"The program is rational," said Richmond. "If prices float on the world market, the threat of volatility is very real." the U.S. support price gives "stability at reasonable cost."

Majority Leader Arney is a free-market economist. He argues that farm subsidies are no more needed to maintain supplies of subsidized crops than they are for the hundreds of

See more on BILL, Page 8D

Bill

From Page 1D

crops that are produced without subsidies. He is especially critical of the dairy program. A request for an interview went unanswered.

Traditionally, it has been up to the chairman of the commodity subcommittees of agriculture committees in the House and Senate to decide how to treat those products in the farm bill.

"But I am not sure those dynamics will work this time," said Luther Markwart, executive vice president of the American Sugarbeet Growers Association. "That might not happen in the GOP Congress," he said. "I expect the farm bill to be dissected on the floor of the House."

Another Texan, Rep. Charles Stenholm, a Democrat and now the ranking minority member in the House Agriculture subcommittee on specialty crops recently said that "sugar will fare no worse or better than any other commodity. It will be a tough year as budget pressures force additional changes. Sugar is not a budget program. It makes money for the treasury."

Stenholm also debunked the world price scenario of lower prices to consumers. "You would not notice any change in price," he said. "The argument is based on a false assumption that the world free market would remain at that price (absent the U.S. support price). In the past, when we went off the sugar program there was a big spike in the world price."

The sugar program probably will find more traditional support in the Senate. Sen. Thad Cochran, R-Miss., chairs the agriculture subcommittee that deals with sugar.

"Recent hearings confirmed the need for stable price, predictable supply and income protection," said Cochran. "I hope we can agree on a program that meets those needs."

The underpinning to those three goals is the support price, emphasized Frank Bush, Western Sugar's vice president for sales.

"The most detrimental effect of a reduction is support price is in the minimum payment to the grower," said Bush. Reduction in the support price means a reduction in selling price.

"I sell refined sugar at a profit which leads to a net return to growers," he said. All of Western's sugar is sold domestically.

Bush said Western does not take a CCC loan on its sugar but secures production financing at lower cost through its parent company Tate & Lyle.

Fulton said he was somewhere in the middle of being optimistic to pessimistic.

"We may lose 2 to 3 cents on the loan rate," he said. "That is not dramatic, but we would lose some farmers in some parts of the country."

"In all probability the payments to the growers would be higher than the minimum. Montana and Wyoming probably would not be affected. Our farmers are not high-cost producers."

3/4

THE WHITE HOUSE
WASHINGTON

MAY 30, 1995

REMARKS TO CITIZENS OF BILLINGS

DATE: May 31, 1995
LOCATION: Montana State University, Billings
TIME: 6:45-7:45 p.m.
FROM: Mark Gearan

I. PURPOSE

To speak to a general audience in Billings, Montana.

II. BACKGROUND

This will be your first trip to Montana as President. With a population of 81,000, Billings is the state's largest city and the only metropolis in the more conservative eastern half of the state. The university community forms the core of the audience, though the event has been widely publicized in the local media. The university has a major School of Education and Human Services, including significant special education, rehabilitation, and counseling programs. There are also Schools of Arts and Sciences, Business, and Technology. The school was founded in 1927 and reorganized into a campus of Montana State University last year. It is attended largely by Montana (Yellowstone County) residents, most of whom live off campus and hold jobs. With about 4,300 undergraduate and graduate students, it is the third largest campus in the state. During the summer session, which began May 15, about 2,000 students attend.

III. PARTICIPANTS

Chancellor Ron Sexton, who will kick off the program, holds a doctorate in education. He is a long-time member of the university community.

About 3000 people are expected to attend. There are overflow facilities if the crowd exceeds the space available in the gymnasium.

IV. PRESS PLAN

Open press.

V. SEQUENCE OF EVENTS

You will be greeted curbside by University President Mike Malone and his wife, and escorted to the gymnasium.

MSU Chancellor Ron Sexton makes brief remarks and introduces Gov. Racicot.

Gov. Racicot makes brief remarks and introduces Congressman Williams.

Congressman Williams makes brief remarks and introduces you.

You make remarks and work a ropeline upon departure.

VI. REMARKS

Prepared by speechwriting.

REMARKS BY
PRESIDENT WILLIAM JEFFERSON CLINTON
RALLY AT MONTANA STATE UNIVERSITY
BILLINGS, MONTANA
MAY 31, 1995

Acknowledgements, introduction: Congressman Pat Williams; Governor Marc Racicot (Roscoe); Montana State University Chancellor, Ron Sexton, for hosting this event]. I rely on the advice and leadership of Congressman Williams and Senator Baucus. On most things, their support fits the classic description of Montana: "High, wide, and handsome." It's great to be back here. When I was last here, I spoke at the other college in town [Rocky Mountain College].

Beauty of Montana. I am always amazed at Montana's natural beauty. I brought my family to Montana in 1985 for what was perhaps the best vacation we ever had. We explored the wildlife of the Missouri River. We got on a rail line and went from Cut Bank all the way to Whitefish. We went to Glacier National Park where it seemed like we could almost touch the stars. It was a spectacular experience.

Environment. Environment isn't only pretty, it's important to the culture and economy of Montana. You folks understand: Clean air and clean water are essential for a healthy and prosperous community. You understand: We must balance use of our parks and farmlands and rivers and the need to protect them. I am doing everything in my power to keep that balance -- to streamline regulations without jeopardizing our streams. Environment has always been non-partisan. Americans have always stood together in saying no to things like dirty water, and yes to giving our children an environment as unspoiled as their hopes and dreams.

Economy. Those hopes and dreams are linked to economic progress we have made in past two years, in Montana and across the country.

Deficit down by over \$1 Trillion in seven years. Our budget would be in balance today except for the interest on the debt run up in the twelve years before I became President. **Created** over 6 Million new jobs. **Unemployment** in Montana down from 6.6 percent to 4.9 percent.

Age of uncertainty. We have to do more. Cold War over. Industrial Age becoming Information Age. Global economy. Throughout history, great change brings great opportunity but also great challenges. Today is no different. More than half of Americans are working harder, spending less time with children, and earning the same or less than 15 years ago. Social threats: Too many children are not born into stable families. Streets are far too violent. New forces threaten order and security which

free people everywhere cherish.

Two kinds of challenges. I want to talk today about how we are meeting challenges to seize our opportunities and to make Americans more safe and secure.

Education -- challenge of seizing opportunity. We're expanding educational opportunity. Today, more than ever, what you earn depends on what you learn. Let me thank Congressman Williams, a former elementary school teacher, for his strong support for education.

Direct student loans: opening educational opportunities for thousands of Montanans, saving taxpayers \$6.8 billion in process. We're going to fight to preserve **national service program**, AmeriCorps, helping over 20,000 people (332 in Montana) earn money for college by serving their communities. We're not going to let them cut these vital programs. Cutting education in the global economy would be like cutting defense at the height of the Cold War.

I propose a tax deduction up to \$10,000 to help middle class meet cost of education and job training.

New dangers -- safety and security. The excitement and promise of this new era has also unleashed a dark underside. The dark possibilities of our age are visible in the smoke, the horror, and the heartbreak of Oklahoma City. But the threat of that tragedy is not isolated: World Trade Center, nerve gas attack in Tokyo, the Middle East.

Terrorism legislation. We must respond to these threats in ways that preserve our security and our freedoms. Appeasement of evil is not an option. I am disappointed that Congress failed to act on the anti-terrorism legislation I sent them. Congress promised to put that bill on my desk by Memorial Day -- a commitment I applauded. Memorial Day has come and gone. We must not wait longer.

Some Congressional leaders want to go slow on the terrorism package. Today, I say to Congress: make good on your vow. Join me in protecting the American people. Let's do our duty.

FBI Guidelines: As I said earlier today during my commencement address at the Air Force Academy, if the FBI receives information that a group is planning to attack citizens, the FBI should investigate. If the FBI receives information that individuals are plotting to endanger Federal officials, the FBI should investigate. And if the FBI receives information of any plan to bomb a Federal facility, the FBI should investigate. Acting within the Constitution and laws of the United States, agents should follow up on leads to determine whether these groups or

individuals have the intent or the ability to carry out violent or illegal activities. And today, I am directing Attorney General Reno to ensure that law enforcement agents understand the full powers of their authority under the guidelines for investigation of domestic terrorism. We must not wait for evidence that violence is imminent.

I want the FBI to know, if they use every measure legally available to crack down on domestic terrorism and protect our citizens, I will support them.

Freedom requires safety. We can do this without undermining our constitutional rights. Failure to act will undermine those rights. No one is free in America when parents have to worry when they drop children off at day care, when people are the target of assassination simply because they work for our government.

Militia. I would like to say something to the paramilitary groups in the area. I am well aware that most of you have never violated the law of the land. I believe in your right and your responsibility to question our government when you disagree with its policies. And I will do everything in my power to protect your right to do so. But I also know there have been lawbreakers among those who espouse your philosophy. It is one thing to believe the Federal government has too much power and work within the law to reduce it. It is quite another to break the law and threaten to shoot officers of the law if all they do is their duty to uphold it. There is no right to resort to violence when you don't get your way. There is no right to kill people doing their jobs, or to kill innocent children. Anyone who does that does a gross injustice to the high principles of patriotism and courage that have made America great.

The Real Montana. People may have heard a lot about the militia movement in Montana. But I want all Americans to see and know the real Montana. You are the real Montana. The real Montana is Montana State. It's the farmers and ranchers and fishermen who work hard everyday to support their families. The real Montana is the people of Billings. I came to Billings because you have shown how one community can turn back hatred and silence the voices of division. When a group of skinheads threw a bottle and a brick into homes of two Jewish families displaying menorahs, you didn't throw up your hands, wonder what to do, and sit around debating the next step. You answered the attacks with a bold message. Your former police chief, Wayne Inman said, "Hate crimes are not a police problem, they are a community problem." You made it clear that Billings would not be divided by outside agitators and haters. The publisher of the Billings Gazette, Wayne Shile [SHEELY] published a full-page drawing of a menorah. Some 10,000 families pasted these drawings in their windows as a show of support for the Jewish community. That's the kind of positive response that we need whenever hate rears its ugly head.

We must fight back -- peacefully, but we must fight back.

Town Hall. Tomorrow, I will participate in a Town Hall meeting on the need for greater vigilance among the vast majority of Americans who honor our freedoms and respect our laws. The example of your leadership here in Billings can serve as a model to the nation.

Thank you and God bless you.

THE BRIEFING PAPER FOR THE MEETING WITH
THE NATIVE AMERICAN GROUP WILL BE
FORWARDED

THE WHITE HOUSE
WASHINGTON

May 30, 1995

WORKING DINNER WITH WESTERN ADVISORS

DATE: May 31, 1995
LOCATION: Billings, Montana
TIME: 9:10 PM
FROM: Harold Ickes

I. PURPOSE

To meet with some of your Western advisors as well as some recommended local and regional people as described below.

II. BACKGROUND

This is a private working dinner in Billings, Montana to discuss issues of interest to the West.

III. PARTICIPANTS

Governor Roy Romer

Mike Sullivan - Former Governor of Wyoming

Ted Schwindman - Former Governor of Montana

Kelly Addie - State Chair of Montana

Congressman Pat Williams

Mike Malone - President of Montana State University. He is very knowledgeable on the history of Montana. He has authored several books on Montana since he has been president.

Nancy Keenan - Secretary of Education in Montana. She is a potential statewide candidate in Montana in the near future.

Tom Breitvach - Board member of Northern Plain Resource Center (an environmental group) and a rancher.

Mike Gustafson - Head of the DLC in Montana. He is a strong supporter of yours and has "buted heads" with the state party apparatus in Montana. He and Governor Schweinden do not get along.

Mike Cooney - Secretary of State. Cooney is a strong and early supporter of yours in Montana.

Harold Ickes or Bruce Lindsey

IV.PRESS PLAN

Closed press.

V.SEQUENCE OF EVENTS

As per usual.

VI.REMARKS

None required.

SCHEDULE OF THE PRESIDENT

FOR

THURSDAY, JUNE 1, 1995

FINAL

TRIP SCHEDULER:

NICOLE ELKON

HOME: 202-332-2350

OFFICE: 202-456-7560

WHCA PAGER: 4344

PRESS DESK:

JANNA SIDLEY

HOME: 202-466-8663

OFFICE: 202-456-7560

WHCA PAGER: 4025

PRINCIPAL EVENTS:

- * Horseback Riding - Yellowstone Valley, MT
- * Brief Tour of Auer Wheat Farm - Billings, MT
- * Discussion with Farmers and Agricultural Organization Leaders - Billings, MT
- * KTVQ Town Hall Meeting - Billings, MT

WEATHER:

Washington, DC

Partly cloudy. Wind northwest to southwest at 5 to 10 knots.
Low 60 to 65. High 82 to 87.

Billings, MT

Partly cloudy. Wind northwest to northeast at 5 to 10 knots.
Low 49 to 54. High 74 to 79.

**SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, JUNE 1, 1995
FINAL**

tba

MORNING RUN

8:50 am

THE PRESIDENT departs Sheraton Billings via motorcade en route Intermountain Equestrian Center
[drive time: 25 minutes]

9:15 am

THE PRESIDENT arrives the Intermountain Equestrian Center

9:20 am-
11:35 am

**HORSEBACK RIDING
INTERMOUNTAIN EQUESTRIAN CENTER
Yellowstone Valley
POOL PRESS**

11:40 am

THE PRESIDENT departs Intermountain Equestrian Center via motorcade en route Auer Wheat Farm
[drive time: 20 minutes]

12:00 pm

THE PRESIDENT arrives Auer Wheat Farm

12:05 pm-
12:15 pm

**BRIEF TOUR OF AUER WHEAT FARM
AUER WHEAT FARM
Staff Contact: Mark Gearan
POOL PRESS**

12:20 pm-
12:40 pm

**DISCUSSION WITH FARMERS AND AGRICULTURAL
ORGANIZATION LEADERS
CORRAL
Auer Wheat Farm
Talking Points: Jake Siewart, David Shipley
Staff Contact: Mark Gearan
OPEN PRESS**

-- Senator Max Baucus will open and moderate the roundtable discussion.

12:40 pm-
1:50 pm

**LUNCH WITH FARMERS AND AGRICULTURAL
ORGANIZATION LEADERS
REAR OF EQUIPMENT SHED
Auer Wheat Farm
Staff Contact: Mark Gearan
CLOSED PRESS**

2:00 pm **THE PRESIDENT** departs Auer Wheat Farm via motorcade en route
Sheraton Billings
[drive time: 30 minutes]

2:30 pm **THE PRESIDENT** arrives Sheraton Billings

2:35 pm-
2:40 pm **POLICE AND VOLUNTEER PHOTO**
HOTEL LOBBY
Sheraton Billings
WHITE HOUSE PHOTO

2:40 pm-
5:55 pm **BRIEFING/DOWN TIME**
SHERATON BILLINGS
Staff Contact: Mark Gearan

6:00 pm **THE PRESIDENT** departs Sheraton Billings via motorcade en route
KTVQ TV Station
[drive time: 5 minutes]

6:05 pm **THE PRESIDENT** arrives KTVQ TV Station

6:10 pm-
6:50 pm **BRIEFING/MAKE UP/DINNER**
EMPLOYEE LOUNGE
KTVQ TV Station
Staff Contact: Mark Gearan

7:00 pm- 8:00 pm	KTVQ TOWN HALL MEETING STUDIO ONE KTVQ TV Station Staff Contact: Mark Gearan
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- Taped opening.
- Gus Koernig, KTVQ Anchor, introduces the **President** into the studio.
- Gus Koernig asks the first question.
- Q & A with the audience.
- Gus Koernig asks the last question.
- **The President** gives brief closing remarks.

8:30 pm **THE PRESIDENT** departs KTVQ TV Station via motorcade en route
Logan International Airport
[drive time: 5 minutes]

8:40 pm	THE PRESIDENT arrives Logan International Airport
8:55 pm	THE PRESIDENT departs Logan International Airport, Billings, Montana via Air Force One en route Andrews Air Force Base [flight time: 3 hours, 20 minutes] [time change: +2 hours]
2:15 am	THE PRESIDENT arrives Andrews Air Force Base
2:30 am	THE PRESIDENT departs Andrews Air Force Base via Marine One en route Reflecting Pool [drive time: 15 minutes]
2:45 am	THE PRESIDENT arrives Reflecting Pool
2:50 am	THE PRESIDENT departs Reflecting Pool via motorcade en route White House [drive time: 5 minutes]
2:55 am	THE PRESIDENT arrives White House
BC RON HRC RON	WHITE HOUSE MACKINAC ISLAND, MICHIGAN

THE WHITE HOUSE
WASHINGTON

WHEAT FARM EVENT

DATE:	June 1, 1995
TIME:	12:00 - 2:00 PM
LOCATION:	Farm of Diane and Les Auer Broadview, Montana
CONTACT:	Mark Gearan

I. PURPOSE

To meet with Montana farmers and leaders in the agricultural community and discuss issues that concern them. To highlight your substantial accomplishments to help family farmers, particularly wheat farmers.

II. BACKGROUND

You will be visiting a small family farm in Broadview, Montana. Senator Baucus recommended that you visit a wheat farm because it allows you to showcase a strong suit, your record on helping small farmers by expanding trade opportunities. In fact, on Wednesday, the Agriculture Department will announce that U.S. agricultural exports have hit a record high.

The farm is owned by Les Auer, who will give you a short tour of the grounds before the discussion with the other farmers. Les and his wife own a 7,000-acre spread north of Billings, which they operate with the help of their 15-year-old son. According to local news reports, he hopes to talk to you about budget cuts in the national farm program.

III. PARTICIPANTS

Senator Max Baucus - will moderate discussion

Representative Pat Williams

Diane and Les Auer

The farm where they live was started by Les' grandfather in 1921. They have roughly 7,000 acres of deeded and leased land.

The Auers have a Conservation Reserve Program (CRP) research project on their

farm, which was approved by USDA in April 1994. This program, authorized as part of the 1985 Farm Bill to save soil, involves test plots designed to investigate different methods of preparing existing CRP grass stands for reestablishment of cropland when the 10-year contract expires. (Montana has 2.85 million acres of CRP, the fourth highest total in the country. Annual payments to producers on those contracts are about \$110 million.) The Auers have 1,908.1 acres set aside for the CRP project.

Jeanette and Steve Heiken

The Heikens farm 8500 acres of dry and irrigated land in wheat and hay. They have been farming on this land since 1959. Their three grown sons, Gary, Mark and Troy also work on the farm. Steve has served on the Board of Directors of the Montana Grain Growers Association.

Karen and Keith Schott

The Schotts run a 6,000-acre ranch 10 miles west of Broadview. They farm wheat, barley and run roughly 150 cow/calf pairs. Karen Schott grew up on the farm where they still live.

Chuck Merja, Montana Grain Growers Association

Mr. Merja is a native Montanan who graduated from Stanford University. He is a dry land wheat and barley farmer.

Bud Daniels, Montana Farmers Union

Mr. Daniels operates a 6500-acre wheat and barley farm, once run by his father. He is a veteran of the Korean War.

Mary Schuler, Women Involved in Farm Economics (WIFE)

Ms. Schuler became involved in WIFE to "keep the family farm for my sons." She and her husband produce wheat and barley, and graze roughly 100 cow/calf pairs.

Gary Ruff, MT Stockgrowers Association

Gary serves on the Board of Directors of the Montana Stockgrowers Association. Gary works on a 1400-acre farm with his father and two brothers. In addition to being a cattle producer, Gary also farms sugar beets, feed barley and corn.

Jason Noyes, Future Farmers of America

Jason is vice president of the Montana FFA Association. He is a freshman at Montana State University - Bozeman. This summer he will be installing irrigation systems.

Kelly Rath, 4-H (Head, Heart, Health and Hands) Club

Kelly will be a freshman at Carroll College in Helena, MT this fall. She is a member of the Montana Education Advisory Council.

IV. SEQUENCE OF EVENTS

- YOU are greeted by Les Auer and take a brief tour of the farm.
- YOU participate in a roundtable discussion with all of the above individuals. Senator Baucus will moderate the discussion.
- YOU join these individuals for a "Pitchfork Fondue" lunch prepared by Bill Brinkle, Karen Schott's father.

V. MEDIA

Pool press for tour.

Open press for discussion.

Closed press for lunch.

VI. REMARKS

Talking points for discussion are attached.

PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR ROUNDTABLE WITH WHEAT FARMERS
BROADVIEW, MONTANA
JUNE 1, 1995

LEGACY: America built on a rural tradition. My personal roots are in rural America. Have never forgotten the strength of my -- or America's -- heritage, its citizens, its values. That proud legacy continues today. Thanks to your hard work, we benefit from the least expensive and most abundant food supply in the world.

ECONOMY: My hopes for rural America are the same as those I hold for the rest of America. Our agenda -- to put our economic house in order -- will benefit all Americans. Deficit will be lowered by more than \$600 billion -- it will be cut for three years in a row for the first time since Harry Truman was President. We are scaling back government dramatically to the smallest it's been since President Kennedy. The result? We grew 6.1 million new jobs. The Misery Index -- combined measure of unemployment and inflation -- at lowest level in 25 years.

MONTANA ECONOMY: Unemployment dropped from 6.6 percent to 4.9 percent. New businesses up 18 percent. Home building up 16 percent. Private jobs up 71 percent. By 1998, the national debt will be reduced by about \$10,000 for each family of four in Montana. And we're just getting started.

SPECIAL RURAL NEEDS: Farm families have special needs and problems. My administration has focused on these issues for two years now. We are carrying out a strategy to make rural America stronger economically, to reward the good values that reside there, to help make it an important part of America's life in the 21st century, to make it a place people want to return to. National Rural Conference in Ames, Iowa in April demonstrated our commitment.

TRADE: Historic breakthroughs in trade -- GATT, NAFTA. Getting close to being on an even footing with our trading partners. Tough on countries with unfair trade practices: Japan and luxury cars; trade complaint against **Korea** for arbitrary regulations that block **U.S. beef**. **Canadian wheat** trade of great concern. Negotiated a one-year settlement last fall to set limits on the amount of Canadian grain that can come into the U.S. Joint Commission on Grains to come up with a settlement. Report due later this month. Pact expires in September. **China** has promised to address our concerns. Strongly support Export Enhancement Programs to pursue new markets -- Congress wants to cut these. We are working for you around the world.

FARM BILL: We are doing everything in our power to help small, family farmers. "Yes" we need to reduce government spending. "No" we should not gut farm subsidies. Subsidies cut in 1985, 1990. Modest reduction in 1993. Those subsidies help give us \$20 billion surplus in agricultural trade. Yesterday, USDA announced export projections for U.S. agriculture hit historic high. Big trade deficit elsewhere. **We can modify and improve -- but there's a right way and a wrong way.** The subsidy cuts proposed by the House (\$9 billion over five years) and the Senate (\$8 billion over five years) are too drastic. We propose \$1.5 billion over five years. Guiding rule: Do no harm. We're fighting for you abroad -- and here at home.

RESEARCH: Need more research, not less. Research key to the future of agriculture. Research for pesticides, alternative uses of agricultural commodities [i.e. ethanol, the golf tee they gave you in Iowa]. Congress wants to cut research from Farm Bill. Gambles away our future. Also want to cut the Conservation Reserve Program. This is crazy. The Auers, who participate in CRP, know this more than anyone. Teaches us how to renew our land. This program should be expanded. [2.85 million acres of CRP in Montana -- fourth highest in U.S.]

REGO: CRP is a model for what we want. Government working in partnership with people to advance our knowledge and move us forward. We're doing this in other ways. Targeting small farmers. Allowing crop flexibility. We're also making it easier for you to do what you need to do: farm, not fill out forms. Changes streamlining USDA expected to save an estimated 2.5 million hours of farmers' time annually. Scrapping red-tape, stopping excessive regulation will save us all money, too: \$4.1 billion by 1999. Cut staff by 13,000, reduced agencies from 43 to 29, planning to consolidate 1,170 field offices.

RURAL DEVELOPMENT: Spent 10 years on this issue. Headed Lower Mississippi Development Commission. Brought jobs through Empowerment Zone/Enterprise Community program. Improving technological infrastructure to connect us all -- give a farmer in Montana access to the information he needs to do his job. Rural Americans deserve same opportunities as urban Americans. We need a broad-based economic strategy new opportunities to America's small towns.

CONCLUSION: Most farmers are hardworking, law-abiding, honest stewards of the land -- not greedy, scheming con-artists trying to live off the federal government. You have a responsibility to do your best. We have a responsibility to do our best. But make no mistake: political fashions notwithstanding, we will not abandon rural American families at the policy table because they have never abandoned America or the world at our kitchen tables.

THE WHITE HOUSE

WASHINGTON

May 30, 1995

TOWN HALL MEETING WITH KTVQ

DATE: June 1, 1995
LOCATION: KTVQ Studio
TIME: 7:00 - 8:00 p.m. MST
FROM: Mark Gearan, Mike McCurry

I. PURPOSE:

This town hall meeting will provide you with the opportunity to talk directly to the people of Montana about issues of concern to the West. You will be asked questions by a studio audience on issues ranging from the militia and gun control to grazing fees, Indian health care, education and agriculture.

II. BACKGROUND:

* KTVQ is by far the largest station in Billings. They will carry the town hall meeting live as will the other four CBS affiliates in Montana, the Montana Radio Network, the NPR affiliate in Billings and two other radio stations in Billings. C-Span will also carry it live.

* The station asked the people of Billings to fax or send questions to them. They are choosing the studio audience based on the questions. This will be a small audience - under 75 people - which will allow you to really interact with them.

* KTVQ's anchor Gus Koernig will moderate the town hall. Koernig has been in the market since 1986. Senator Baucus' and Congressman Williams' staffs say that he is fair and balanced. He moderated the last statewide governor's debate.

* The station has indicated that it has a strong preference to have tough questions from the NRA and possible militia members. They will not, however, have Red Beckman from the Montana Militia in the audience. The station has been breaking militia stories for the last couple of months. They know the members well and recognize that you are comfortable engaging in a conversation on militias.

* While most of the questions will come from adults, you may be asked a question on education by an elementary school student.

* The station is still designing the set to accommodate the audience. There will be a stool for you to sit on and water available. You will use a wireless lavalier.

III. PARTICIPANTS:

1. The President
2. Gus Koernig, KTVQ anchor
3. Studio audience

IV. PRESS PLAN:

The town hall meeting will be broadcast live. The station will put up a clean satellite feed and all stations are welcome to carry it with standard excerpt rights. The station will rebroadcast it on June 4.

V. REMARKS:

Talking points for closing remarks will be provided by Speechwriting.

VI. SEQUENCE OF EVENTS:

* Upon arrival at the station, you will be greeted by the news director, Jon Stepanek, and the General Manager, Kelly Saguri. The station will film the arrival, but there will not be a reporter present asking questions.

* The show will begin with a brief taped opening.

* Gus Koernig will introduce you.

* You will walk onto the set.

* Gus Koernig will ask the first questions.

* Studio audience will ask questions.

* Gus Koernig asks last question.

* You may deliver brief closing remarks.

As of Tuesday, May 30, the plan was for one :60 second break at half past the hour. This could change depending on whether there is a show sponsor or whether the station wants to add one more break into the program.

VII. ATTACHMENTS:

- * See attached town hall Qs and As from Communications

THE WHITE HOUSE

WASHINGTON

May 30, 1995

Memorandum for the President

From: Mark Gearan

Subject: Montana Trip

To supplement the material we sent you over the weekend, we have prepared some more material that may be helpful in preparing for your public events in Montana:

- A memo on messages that resonate well in Montana from Celinda Lake, who has frequently worked in that state;
- A short summary of Q & A for use during the town hall in Billings and media interviews there;
- Background on the state of the economy in the Rocky Mountain region and Montana specifically.

Lake Research

MEMO

To: Mark Gearan, Communications Director

From: Celinda Lake, Lake Research

Re: Message for Montana

The mood in Montana, like much of the Rocky Mountain West is more upbeat than the nation. The economy has been slowly recovering for some time and the biggest economic issue is what jobs pay not whether you have them. Voters here want more lean-industry high tech jobs and fewer service jobs based in tourism. Pay and income have also become bigger issues as natives compete with new arrivals from out of state and housing prices, etc. go up. The Democratic and Independent vote in these states is overwhelmingly dual income and worried about the pressures on young families, but with less desperation than other regions. This is also the region where white collar voters who vote Democratic or ticket-split sincerely worry about the deficit. These voters think it doesn't make sense and worry about politically irresponsible decision making which leaves a huge debt to their children. Deficits are the top issue in a number of these states.

Finally, these voters welcome change much more than voters in other regions. The decision to live in the West was inherently a decision about change and voters here see economic change more benignly than voters elsewhere. They want to be sure, however, that they have some control over change and that it is change on their terms. The "urban West" vote--now 50% of the vote in the region and 75% of our vote worries very much about balancing quality of life issues and economic issues. Voters here know they pay an economic price for living in the region. As one focus group respondent put it, "any fool can make more in L.A. but you would be a fool to live there." Voters seek balance and local involvement in decision-making. They pay a price to live here but want to make sure that price is not too high.

Small business is the Westerners' dream. Ninety-per cent of working Westerners would like their own small business which embodies Western values of control, freedom and individuality. To our great loss, the Republicans have dominated this issue. This is also the region with the second highest NFIB membership. Putting ourselves on the side of small business is important in this region as elsewhere and also helps put us on the side of private property owners. Increasing small business loans, technical assistance including incubator programs, and regulatory reform for small businesses are all very popular.

Education is Democrats' issue in this region. This is a region which invests in education, believes everyone should have a chance at college, and prides itself on a quality

public school system. Montana was 4th in the nation again in SAT scores. Even with their dislike of the federal government, voters in this region oppose the cuts in public school funding that doing away with the Department of Education would mean. Voters here also strongly support college loans for middle-class families--an idea Pat Williams has championed. Our strongest attack in this populist region is that the Republicans would cut education funding and college loans to provide a tax break for the wealthy. Voters here also resent the cuts in Social Security. They believe here that your handshake is your word and people believe all generations have made a commitment to seniors.

The toughest issue in this region will be guns and the militia. First it is critical to understand that voters in this region distinguish between the two. The militia have had a long and high profile in Montana as people who foster hate. Local communities have successfully taken them on. Billings has been active against an anti-semitic effort there. The militia are easily associated with skinheads, Nazis, and right wing hate mongers. Voters here will respond to a message about communities uniting to oppose this kind of hate. This is a region which has long prided itself on combining individualism and community.

The majority of voters in this region own guns. Democrats have lost this debate in part because of our agenda has seemed expansive, not limited. There is a real opportunity for the President as a hunter to say, "Joe, we are not talking about your .22 rifle or your 12 gauge shotgun or what you use for target practice. We are not talking about responsible gun owners. We are talking about drug gangs that are better armed than our police...Joe, you and I know if someone needs an AK-47 to hunt ducks--they need hunting lessons." The President needs to distinguish broad support for gun control from the specific, responsible measures he has taken. His agenda has been defined as expansive by the NRA and opposed even by some law enforcement in the state. While gun owners are popular, voters believe that the NRA has become another shrill special interest group. Now is a real opportunity to establish some shared values with Westerners on these issues.

Finally, the Interior Department's land policies have been very controversial here. It is extremely unfortunate that we took on cowboys first instead of foreign-owned out-of-state mining companies. Still our vote here is largely environmentally oriented, non-natives (over 40% of these states.) We should emphasize that we can balance a quality environment with a sound economy. Voters here, contrary to conventional wisdom, worry more about private property rights and what environmental regulations will cost them in taxes than in jobs. Clinton's recent timber language was perfect. He should also emphasize that protecting the environment means protecting water quality. Water is sacred and precious here. As we say, "Whiskey is for drinking, water for fighting." Voters here also worry about pollution from sewage due to over-development and mining toxic dumping as threats to water. Voters in these states worry about the quality of ground water and "preserving their pristine rivers and lakes." Conservation is a much more popular word than the environment in this region because it suggests "balance" and "protecting while using," rather than "locking up."

TRADE & AGRICULTURAL ISSUES

Q. What is your Administration doing to solve the wheat dispute with Canada?

A. I understand the importance of the Canadian wheat trade issues to farmers here in Montana. That is why we negotiated a one-year settlement with Canada last fall that helps American farmers. As you all know, that agreement set limits on the amount of Canadian grain that can be exported to the U.S. and established a Joint Commission on Grains to look at all aspects of marketing and support systems for grain in both of our countries. We hope that the Commission finds a solution that is acceptable to both sides before the settlement expires in September. We should know a little more about where we stand when the Commission issues its report later this month.

Q. What if the Commission doesn't come up with a solution that fixes the problems here in Montana?

A. I have confidence that Ambassador Kantor will do his best to get a deal with Canada that helps American consumers and wheat farmers. If we can't come up with an acceptable solution, we will explore our options. We will cross that bridge when we come to it.

Q. What about the wheat problem with China? They are using exaggerated concerns about TCK, a mold found on some Pacific Northwest wheat, as an excuse for keeping wheat from Montana out of their country?

A. My negotiators have been pushing China pretty hard over the last few months on agricultural issues. We have made some real progress. Among other things, we got commitments from the Chinese to allow imports of cherries from Washington State, and apples from Oregon and your neighbor Idaho. On wheat, Ambassador Kantor got the Chinese to agree to address concerns we have had for a long time over TCK, a mold that grows on wheat. We have asked them to produce a plan by the end of this month, and we are continuing to press this issue. There's still more to do, but I think China knows we are serious about resolving this issue.

TRADE & AGRICULTURAL ISSUES
PAGE 2

Q. What are you doing to get Koreans to import more U.S. beef? They have unreasonable shelf-life rules that keep them from importing our beef and pork. We lose about \$240 million worth of red meat exports last year and that hurts ranchers here in Montana.

A. I know this is a serious concern of cattlemen throughout the West and also for pork producers in the Midwest and the South. We are doing our best to work this out. The cattle producers and others filed a trade complaint -- what's known as a Section 301 petition against Korea -- last November. My trade office has investigated their complaint and found that the Koreans have no scientific basis for their regulations.

So their arbitrary regulations unfairly block our exports and violate international agreements. The Koreans didn't resolve this issue to our satisfaction in trade talks this April, so we initiated a trade complaint against them last month. Now, they have agreed to sit down with us, and the Canadians and Australians to resolve this. We hope two work this out soon, because American red-meat producers could almost double their exports to Korea -- they're already worth \$254 million a year. Those talks will start next week.

Q. Why did the trade talks with Korea in April break down?

A. They failed, because there was little progress across the board. The Koreans could not or would not give us adequate assurances that their government's arbitrary regulations would not inhibit our agricultural exports.

Q. How far apart are the sides?

A. We made some concessions to resolve our differences with Korea. We thought we had secured a deal, but there were still unacceptable gaps on frozen meats.

TRADE & AGRICULTURAL ISSUES
PAGE 3

- Q. Ranchers in Montana and all across the country have a serious problem with the prices consumers are paying for beef in the supermarket. Ranchers are getting much less money for their calves and slaughter cattle. Prices are down as much as 15-20 percent from last year, but prices at the supermarket haven't gone down at all. A lot of us think that the meat packers are unfairly keeping the prices too high.
- A. I haven't really heard of this problem before. I will ask the Agriculture Secretary Dan Glickman and the Department of Justice to look into this when I get back to Washington.

TERM LIMITS

Q. Our Republican Senator Conrad Burns says he supports term limits, but now that the Supreme Court stuck them down, he won't promise not to run for a third term. First of all, do you feel the recent Supreme Court decision about term limits in your home state puts an end to the term limits movement, or will the debate over career politicians become a major campaign issue next year?

A. I think the debate will continue, and it should continue. I've had my own reservations about term limits because I don't necessarily think that voters in one state ought to tell voters in another how long they ought to be able to vote for people of their choice. But in the case of Montana and Arkansas, my home state, there was a vote among the people. So I'm having this Supreme Court decision analyzed, and I'm going to get some advice about it. And we're going to look at it and see what happens from here.

I would like to say that there are other things that voters who are for term limits and don't want career politicians controlled by special interest to run this government -- there are other things they can do right now.

- o Congress can pass the line-item veto. Both Houses passed it, the Republicans have said they were for it for years and they won't even appoint a committee to agree on the line-item veto that they can send me. I could get rid of a lot of pork and a lot of special interest politics if I had the line-item veto.
- o Last year, the Democrats waited too long to pass the lobbying bill requiring lobby disclosure and a gift ban, and the Republicans filibustered it. Now, for the first time in my adult lifetime, you actually have lobbyists up there in the Capitol writing the bills and telling the congressmen what's in it. So we ought to pass this lobby reform bill and have lobby disclosure. That would help promote the kind of political reform that people who are for the term limits are also supporting.

THE FEDERAL COURTS -- NEW CIRCUIT

Q. A lot of our federal court appeals get bogged down in San Francisco, where the 9th Circuit seems to have more cases than it can handle. Senator Burns has proposed that the 9th Circuit be divided up so that our appeals get handled by a court that only had to deal with Montana, Alaska, Idaho, Oregon, and Washington. What does your Administration think of that plan?

A. This suggestion has been made before and it clearly has some merit since the 9th Circuit has experienced problems because of its immense size. On a judicial administration issue such as this, however, before expressing any kind of official position, I would like to hear the views of the Chief Justice of the United States, the Chief Judge and the other judges of the 9th Circuit, the Attorney General, and the key members of Congress. I will pose this matter to them so that we can together determine the best way to address the issue you raise.

[You should know that Senator Burns, who introduced this bill last week, has vowed to block consideration of any appointments to the circuit court until this bill is passed.]

ANTI-GOVERNMENT SENTIMENT

Q. I'm a park ranger and I am scared to death. I get a lot of death threats just for doing my job. I work for your government. What can you do to help protect me?

A. This is a serious problem. Just yesterday, I spoke with a group of park rangers and federal workers who have been threatened as they go about their day-to-day business. I understand that a lot of people are fed up with a government in Washington that is too big and too out of touch. Since I came to Washington, I have been working to make the government smaller and more responsive, to move more decisions back to the people that have to live with them, and to cut down on inefficient regulations.

I know that there are too many overly intrusive and just-plain stupid regulations. And I know that these rules can be absolutely maddening to people who are just trying to run a business and stay on the right side of the law. But that frustration is no excuse for lawlessness. No one should lift a finger against good people like you who are just trying to do their job and make sure the law is obeyed.

I am absolutely committed to protecting park rangers and other good people. If the tragedy in Oklahoma City taught us anything, it taught America that there is no such thing as a "government bureaucrat." The people who died in that building wake up and go to work just like everyone else. They have the same hopes and fears as all Americans, and there is simply no excuse for the mindless evil that ended their lives.

Q. I own a ranch and I am just trying to do my job, raise my kids and make a good living. I take care of the land my cattle graze on -- even if it "belongs" to the federal government. So, I am sick and tired of all these government bureaucrats telling me how to do my job, how to treat my cattle and how to take care of the "government's land." We have been taking care of this land for years. Why can't the government leave us alone or at least stop regulating us to death?

A. I understand that a lot of people are fed up with a government in Washington that is too big and too out of touch. Since I came to Washington, I have been working to make the government smaller, to move more decisions back to the people that have to live with them, and to cut down on inefficient regulations.

I know that there are too many overly intrusive and just-plain stupid regulations. And I know that these rules can be absolutely maddening to people who are just trying to run their ranches or businesses and stay on the right side of the law. But that frustration is no excuse for lawlessness or violence. No one should lift a finger against the good people who are just trying to do their job, earn a living, and make

sure the law is obeyed. But unfortunately, as we all know from the tragedy in Oklahoma City, they already have:

- o Someone set off a bomb at the U.S. Forest Service office in Carson City, Nevada. Luckily, no one was hurt, but life isn't the same for the people who work there.
- o Earlier this spring, armed members of a militia threatened the marshal of Darby, a town right here in Montana.
- o [add anecdotes from meetings in Colorado.]

I am absolutely committed to protecting park rangers, Forest Service employees and other good people who work for the federal government. And we will hunt down, prosecute, and put behind bars jail anyone who threatens to hurt any federal employee.

If the tragedy in Oklahoma City taught us anything, it taught America that there is no such thing as a "government bureaucrat." The people who died in that building wake up and go to work just like everyone else. They have the same hopes and fears as all Americans, and there is simply no excuse for the mindless evil that ended their lives.

EDUCATION - GOALS 2000

Q. Mr. President, do you have any comments regarding the decision of the Montana legislature to officially opt out of Goals 2000?

A. Montana has a strong tradition of excellence in education and strong support for public education. Goals 2000 provided another opportunity for this tradition to be continued and expanded upon. Governor Racicot and Superintendent Keenan, in conjunction with local education agencies, have begun working on a comprehensive reform strategy that will enable all children to meet high standards.

Continued participation in Goals 2000 would allow those reform measures to proceed. It is hard to understand that a program with virtually no strings attached, like Goals 2000, would not be welcomed in a state where education is obviously a priority. I want to make it very clear to Governor Racicot, Superintendent Keenan, parents, teachers, administrators, and school boards that, while we accept the decision of the legislature, we remain committed to education reform and Goals 2000 and would be happy to work with you in any way that would be helpful.

CRIME BILL

- Q. A lot of people here are strongly opposed to the assault weapons ban that was in the crime bill. But I also have a concerns about the crime bill's provisions on community policing. I have heard that all the money goes to big cities like New York . Why should we in Montana help pay for police for the big cities on the coasts -- especially when we have crime right here in Billings?
- A. Actually, a lot of the crime bill's money goes straight to smaller cities and town in states without big cities. In Montana alone, forty-nine different communities (including Billings, Bozeman, Helena and Missoula) have received federal money [\$4.6 million] to hire 71 new police officers. And smaller cities and towns without a lot of support staff benefit from the reduced paperwork; you only have to fill out a one-page application.

"WAR ON THE WEST"

Q. For more than two years, Republicans in Congress have been saying that your administration is waging a "War on the West" through environmental and federal land use policies. How do you respond to that, and more broadly, how would you assess your administration's sensitivity to the inner mountain West region's needs thus far?

A. The Republicans have done a brilliant job of selling this "War on the West," but it's just not true. If I had waged war on the West, as dependent as the West is on the way the federal government treats it, then the economy would have reflected it. And instead, the inner mountain West is one of the most successful parts of the country.

Our overall economic strategy to bring down the deficit and increase investment in education and expand trade has been a very good thing for the West. It has helped the economy enormously. And it has focused on solving a lot of the thorny problems that other Administrations have just ignored.

Under the previous administration, they talked a lot about how terrible the federal government was, even though they were running it. But the timberlands in Washington and Oregon, to take one example, were tied up in court. We got them out of court. In Idaho we just had the National Forest Service approve a very large salvage timber sale, one of the largest in a very long time. We have resolved a particularly thorny conflict between agriculture and environmental interests in the farming areas of California.

On grazing issue, I have tried to follow the Colorado model, which turns over decision-making to community-based groups. That approach allows local people to make sure that over the long run we could preserve both the rights of people to graze and their ability to do it in an affordable way, and preserve the lands themselves.

Right now, Congress is making some pretty radical departures from present environmental laws that do not bode well for the mountain West. It is not in Billings's interest for the Clean Water Act that the House of Representatives passed to become law. That rewrite would permit improperly treated sewage to be released in the waterways. It will permit something less than the best technology to be used in purifying the water. That is not in the interest of the inner mountain West.

"WAR ON THE WEST"

PAGE 2

People are moving to the inner mountain West, because it is a wonderful place to live and it is beautiful. And so what we have to do is to try to find a balanced way to permit growth and economic activity and preserve the environment.

My whole goal has been to prove that you could do both. And if you look at the record of the last two years instead of the Republican rhetoric, there's pretty good evidence that we've made progress on the environment and a lot of progress on economic growth.

MONTANA ECONOMY

Office of Economic Policy

May 26, 1995

SUMMARY:

The economy of Montana is expanding rapidly, with job growth currently running above 4 percent. The economy has typically relied on natural resources, tourism, and in-migration (particularly of retirees) to generate growth, but high-tech operations are becoming an important component of the economy.

Key Industries:

- The State is highly dependent on agriculture and natural resource extraction, and is thus vulnerable to fluctuations in crop conditions and commodity prices. The Minneapolis Federal Reserve Bank for the ninth district (covering Montana) reports that low cattle prices have hit the State hard, with 73 percent of surveyed bankers reporting that farm income is below usual levels.
- While agriculture will remain important to Montana, its contribution could be diminished, both relatively and absolutely. Farmers and ranchers will be affected by likely reductions in agricultural price supports and increased pressure from Canadian producers resulting from NAFTA.
- The Federal Reserve Bank expects that mining activity will accelerate in 1995. Montana's gold and copper mines, which are already running at capacity, should have a big year.
- Tourism in Montana continues to expand, although sparse snow cover hampered winter tourism this past season. With an 11 percent increase in foreign visitors to Glacier National Park between 1990 and 1993, travel employment is expanding.

Population and Income:

- In-migration continues to boost population growth above the average for the U.S. Population rose by 1.4 percent in Montana between 1989 and 1994, compared with 1.1 percent nationally. Housing has not kept pace with population growth, though, and construction activity should be strong this year as housing developers rush to catch up to rising demand.
- Faster population growth and economic activity boosted the State's total personal income by 6.7 percent a year between 1990 and 1994, compared with 5.7 percent for the Nation as a whole. Per capita personal income also advanced at a higher pace than nationally.

Employment and Unemployment:

- Employment in the nonfarm sector grew at a 4.2 percent annual rate in Montana since January 1993, much faster than the 2.7 percent rate for the Nation as a whole. There were 349,000 nonfarm payroll jobs in the State in March, 14,000 higher than a year earlier. The unemployment rate fell to 4.9 percent in March of this year from 5.2 percent a year ago, and is below the national unemployment rate.

THE ECONOMY OF THE WESTERN REGION

Office of Economic Policy

May 30, 1995

SUMMARY: The Western Region includes Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Utah, and Wyoming. This broad region has diverse economic trends, but as a whole, the region has been growing faster during the recent economic expansion than the nation as a whole. The outlook is for growth in the region (and nationally) to slow from its rapid 1994 pace, but the regional economy should continue to benefit from gains in population, tourism, and high-tech manufacturing.

Employment and Unemployment:

- Employment growth in the Western region was far higher than in the Nation as a whole during the past two years. Growth of nonfarm payroll jobs averaged 4.7 percent at an annual rate between January 1993 and this past February in the West, compared with 2.7 percent nationally. Among the larger States in the region, job growth averaged 4.6 in Colorado and 6.5 percent in Arizona. Only Oklahoma posted somewhat slower growth than the national average.
- The unemployment rate in the region averaged 4.3 percent recently compared with 5.7 percent nationally. The lowest rates among the states in the region were 2.2 percent in Nebraska, 2.9 percent in South Dakota, and 3.1 percent in Colorado.

Population:

- The region's population continues to expand at a faster pace than the country as a whole due to a rapid stream of immigration and somewhat higher birth rates in some of the states. Population growth in Nevada jumped at a 5.1 percent annual rate in the past five years, mainly due to the explosion of growth in the Las Vegas area. Arizona, Colorado, Idaho, Montana, and Utah all had annual population growth above 2 percent between 1989 and 1994. For the nation as a whole, population growth averaged just 1.1 percent a year over that period.
- A burgeoning population has brought with it a surge in new residential and retail construction. Large public-sector building projects and industrial expansion have also contributed to a construction boom in the region. Increased construction has fed other areas of the regional economy as well, as construction workers are typically paid relatively high wages.

Outlook:

- Economic growth in the Western region should continue to outpace the national average, although growth is expected to slow. Among specific Western states, analysts expect output growth to exceed the national average in Nevada, Idaho, Utah, Colorado, Arizona, South Dakota, and Oklahoma. High-tech manufacturing activities will especially benefit the economies of Colorado, Arizona, New Mexico, and Utah.

The Economics of the West

	I. SIZE			II. ECONOMIC STATUS OF THE POPULATION							Net Migration (000) (11)
	Population		Gross State Product (Pct. of US) (3)	Median Household Income		Poverty Rate (6)	Median Value Owner-Occupied Homes (7)	Ratio Home Value to Income (8)	Education		
	(000's) (1)	(Pct. of US) (2)		Dollars (4)	(Pct. of US) (5)				High School (Pct. of Pop. 25+) (9)	Bachelor's (10)	
United States	260,341	100.0	100.0	31,241	100.0	15.1	79,100	2.5	75.2	20.3	3,721
Arizona	4,075	1.6	1.2	30,510	97.7	15.4	80,100	2.6	78.7	20.3	242
Colorado	3,656	1.4	1.4	34,488	110.4	9.9	82,700	2.4	84.4	27.0	235
Idaho	1,133	0.4	0.3	31,010	99.3	13.1	58,200	1.9	79.7	17.7	87
Kansas	2,554	1.0	0.9	29,770	95.3	13.1	52,200	1.8	81.3	21.1	13
Montana	858	0.3	0.3	28,470	84.7	14.9	66,600	2.1	81.0	19.8	36
Nebraska	1,623	0.6	0.6	31,008	99.3	10.3	50,400	1.6	81.8	18.9	5
Nevada	1,457	0.6	0.6	35,814	114.6	9.8	95,700	2.7	78.8	15.3	204
New Mexico	1,654	0.6	0.5	26,758	85.7	17.4	70,100	2.6	75.1	20.4	67
North Dakota	638	0.2	0.2	28,118	90.0	11.2	50,800	1.8	76.7	18.1	-14
Oklahoma	3,258	1.3	1.0	26,260	84.1	19.9	48,100	1.8	74.6	17.8	46
South Dakota	721	0.3	0.2	27,737	88.8	14.2	45,200	1.6	77.1	17.2	10
Utah	1,908	0.7	0.6	35,788	114.5	10.7	68,900	1.9	85.1	22.3	73
Wyoming	476	0.2	0.2	29,442	94.2	13.3	61,600	2.1	83.0	18.8	10
Total Region	24,009	9.2	8.1	30,640	98.1	13.7	65,449	2.1	79.8	20.5	1,014

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The Economics of the West

III. THE ECONOMY										IV. RECENT GROWTH			V. FISCAL STATUS
Unemploy- ment (Pct.)* (12)	Payroll Employment (000's)* (13)	Percent in:				Avg. Hourly Wage in Manufctg. (Dollars) (18)	Exports		Popu- lation (1989-94) (21) (—Percent, annual rate—)	Real Median Income (1988-93) (22)	Employ- ment* (Jan. 93-Feb. 95) (23)	Revenue Growth (24)	
		Manu- facturing (14)	Trade, FIRE & Services (15)	Govern- ment (16)	Other (17)		Billions of Dollars (19)	Five-Year Growth (Pct. a.r.) (20)					
United States	5.7	113,429	15.9	57.3	16.8	10.0	12.06	512.7	7.1	1.1	-1.2	2.7	6.8
Arizona	4.5	1,685	11.4	59.4	16.9	12.3	11.17	7.6	12.5	2.4	-1.1	6.5	16.4
Colorado	3.1	1,750	10.9	59.4	17.1	12.6	12.27	4.3	10.0	2.2	1.5	4.6	10.6
Idaho	5.8	463	15.6	52.7	20.1	11.6	11.88	1.7	14.6	2.7	1.6	5.4	12.7
Kansas	4.4	1,166	16.2	53.0	20.0	10.8	12.14	3.6	11.0	0.6	-1.0	3.0	2.3
Montana	5.6	340	6.8	58.8	22.3	12.1	12.50	0.4	1.3	1.4	-0.5	4.2	n.a.
Nebraska	2.2	795	13.7	56.9	19.0	10.4	10.94	1.9	16.6	0.6	0.2	3.5	-0.1
Nevada	5.8	737	4.6	68.7	12.5	14.2	11.83	0.7	16.8	5.1	0.9	8.0	10.0
New Mexico	5.7	658	6.8	55.1	24.8	13.3	10.14	0.6	22.7	1.9	2.6	5.2	9.5
North Dakota	3.4	295	7.2	58.1	22.8	11.9	10.19	0.5	6.2	-0.2	-0.9	2.9	3.0
Oklahoma	5.1	1,279	13.4	53.4	21.1	12.1	11.41	2.5	7.8	0.7	-1.9	2.4	4.3
South Dakota	2.9	333	13.1	57.0	20.3	9.6	9.19	0.3	16.0	0.7	0.4	4.6	n.a.
Utah	3.9	861	13.5	55.4	18.7	12.4	11.26	2.8	16.4	2.3	2.2	6.0	n.a.
Wyoming	4.2	217	4.6	47.6	26.8	21.0	11.81	0.4	10.5	0.6	-1.8	2.8	n.a.
Total Region	4.3	10,579	11.5	57.2	19.1	12.3	11.48	27.4	12.0	1.7	0.1	4.7	8.6

^a National figures for unemployment and payroll employment derived independently from state data.

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The Economics of the Regions

	I. SIZE			II. ECONOMIC STATUS OF THE POPULATION							
	Population		Gross	Median Household Income		Poverty	Median Value	Ratio Home	Education		Net
	(000's)	(Pct. of US)	State Product	Dollars	(Pct. of US)	Rate	Owner-Occupied	Value to Income	High School	Bachelor's	Migration
	(1)	(2)	(Pct. of US)	(4)	(5)	(6)	Homes	(8)	(Pct. of Pop. 25+)	(10)	(000)
			(3)				(7)		(9)	(11)	
United States	260,341	100.0	100.0	31,241	100.0	15.1	79,100	2.5	75.2	20.3	3,721
Pacific Rim	41,645	16.0	17.3	34,562	110.6	16.5	165,498	4.8	77.8	23.1	509
West*	24,009	9.2	8.2	30,763	98.5	13.7	65,621	2.1	79.8	20.5	1,014
Midwest	69,732	26.8	25.9	31,200	99.9	13.7	64,260	2.1	76.2	18.1	268
South	79,330	30.5	27.9	27,993	89.6	17.4	64,864	2.3	70.7	18.3	2,487
Northeast	45,625	17.5	20.8	35,335	113.1	13.0	143,622	4.1	76.8	24.6	-557

*Includes Montana

U.S. Department of Treasury
Office of Economic Policy
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The Economics of the Regions

	III. THE ECONOMY									IV. RECENT GROWTH			V. FISCAL STATUS
	Unemploy- ment (Pct.)* (12)	Payroll Employment (000's)* (13)	Percent in:				Avg. Hourly Wage in Manufctg. (Dollars) (18)	Exports		Popu- lation (1969-94) (21) (—Percent, annual rate—)	Median Income (1968-93) (22) (—Percent, annual rate—)	Employ- ment* (Jan. 93-Mar. 95) (23)	Revenue Growth (24)
			Manu- facturing (14)	Trade, FIRE & Services (15)	Govern- ment (16)	Other (17)		Billions of Dollars (19)	Five-Year Growth (Pct. a.r.) (20)				
United States**	5.5	113,429	15.9	57.3	16.8	10.0	12.06	512.7	7.1	1.1	-1.2	2.6	6.8
Pacific Rim	7.1	16,605	14.2	58.3	17.8	9.7	12.70	116.8	5.4	1.6	-1.5	1.1	3.5
West*	4.3	10,579	11.5	57.2	19.1	12.3	11.48	27.4	12.0	1.7	0.2	4.7	8.6
Midwest	4.7	31,842	19.8	55.9	14.9	9.3	13.39	125.9	8.8	0.6	-1.4	2.6	11.6
South	4.9	34,363	16.4	54.7	17.6	11.2	10.61	161.4	7.1	1.5	-1.0	3.5	7.6
Northeast	5.7	20,706	13.4	60.5	17.5	8.6	12.68	75.7	4.1	0.3	-1.9	1.1	1.4

*Includes Montana

* National figures for unemployment and payroll employment derived independently from state data.
 ** Unemployment rate for April was 5.8% for the United States.

U.S. Department of Treasury
 Office of Economic Policy
 26-May-95

Key to the Data Sheets

Column

- 1 & 2 **Population:** Estimated as of July 1, 1994. Source: U.S. Bureau of the Census.
- 3 **Gross State Product:** Calendar year 1992 data. Source: U.S. Bureau of Economic Analysis.
- 4 to 6 **Median Household Income and Poverty Rate:** Reflects money income of households in calendar year 1993. Source: U.S. Bureau of the Census.
- 7 & 8 **Median Value of Owner-Occupied Homes:** As of April 1990. Source: U.S. Bureau of the Census. Ratios are of home value in 1990 to median household income in 1993.
- 9 & 10 **Education:** As of April 1990. Percent of population 25 years and older with high school education or more or bachelor's degree or more. Source: U.S. Bureau of the Census.
- 11 **Net Migration:** Estimates of net international migration and domestic migration between states from 1990 to 1994. Source: U.S. Bureau of the Census.
- 12 **Unemployment Rate:** March 1995. Source: U.S. Bureau of Labor Statistics.
- 13 to 18 **Payroll Employment and Average Hourly Wage in Manufacturing:** 1994 annual averages. Source: U.S. Bureau of Labor Statistics. Payroll employment covers nonfarm wage and salary workers. Under the industry breakdown of employment, trade includes both retail and wholesale trade. The acronym, FIRE, stands for finance, insurance, and real estate. Other industries include mining, construction, and transportation and public utilities.
- 19 & 20 **Merchandise Exports:** Levels are calendar year 1994 totals. U.S. total reflects some exports from the territories not included in the regions. Portions have been estimated. Growth rate shown in nominal terms from 1989. Source: U.S. Bureau of the Census.
- 21 to 23 **Recent Growth:** Population measured from calendar year 1989 to 1994; real median income from 1988 to 1993; establishment employment from January 1993 to March 1995, using seasonally adjusted data.
- 24 **Fiscal Status:** Revenue growth in nominal terms from calendar year fourth quarter 1993 to fourth quarter 1994. Source: Center for the Study of the States in the Nelson A. Rockefeller Institute of Government at the State University of New York.

May 26, 1995

THE WHITE HOUSE
WASHINGTON

May 30, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TOM EPSTEIN 
SUBJECT: MONTANA POLITICS

1992 ELECTION RESULTS

	<u>Montana</u>	<u>Billings (Yellowstone County)</u>
Clinton	38%	35%
Bush	35%	40%
Perot	26%	22%

You were the first Democratic Presidential candidate to carry Montana since LBJ in 1964.

CONGRESSIONAL DELEGATION

Senator Conrad Burns (R) Senator Max Baucus (D)
Congressman Pat Williams (D)

STATE ELECTED OFFICIALS

Governor Marc Racicot (R)
Lieutenant Governor Dennis Rheberg (R)
Superintendent of Public Inst. Nancy Keenan (D)
Auditor Mark O'Keefe (D)
Attorney General Joe Mazurek (D)
Secretary of State Mike Cooney (D)

The Democrats hold all statewide offices except governor and lieutenant governor, and each faces re-election in 1996. Your approval rating in early May was 40%, with 52% disapproving.

In 1994, the Democrats lost 14 seats in the State House and 11 seats in the State Senate, ushering in a virtual veto-proof Republican majority.

A recent newspaper poll showed that 73% of Montanans approved of Governor Racicot's job performance, with the accompanying headline: "He Could Run For King."

A moderate with Democratic roots, he is well-liked by people of all political stripes. He is anti-choice.

Racicot has encountered some minor glitches lately, mostly because the emboldened Republican legislature has gotten ahead of their more moderate Governor. The governor reluctantly signed a bill weakening the state's clean water laws, and was forced to threaten to veto a bill which passed the state senate requiring gays and lesbians to register with the state as sex offenders.

1994 ELECTIONS

Although Jack Mudd mounted a spirited challenge to Senator Conrad Burns in 1994, he ultimately could not compete with the Senator's record spending levels and lost by 24 points. Burns spent \$12 per vote, or \$4 million to Mudd's \$900,000. This spending disparity helped to gloss over Burns' racist comments during the campaign and the 65 lobbyist-paid junkets he took during his first term.

At-Large Congressman Pat Williams stands out as an anomaly in the 1994 elections. He ran for re-election as a liberal Democrat who ardently supports labor and the environment, in a state where the Republican Senator was resoundingly reelected and the President had an election day job approval rating of 36%. Even though he faced a strong Green challenge from the left, Williams defeated former Bush BLM Director Cy Jamison by 7 points.

1996 ELECTIONS

Senator Max Baucus faces a tough reelection battle, but is considered the favorite if popular Governor Marc Racicot does not challenge him. Senator Baucus, whose approval rating is 51%, is vulnerable in part because of his vote in favor of the assault weapons ban. In a hypothetical match up with Governor Mark Racicot, Baucus loses by 27 points, but he leads all other potential challengers by double digit margins. Racicot will face intense pressure from the national Republican Party to challenge Baucus, but he is ultimately expected to choose the easy path to reelection instead. Lieutenant Governor Dennis Rheberg, who has a lower profile than Baucus or Racicot but has conservative credentials and a strong fundraising network, will likely step in if Racicot does not. Cy Jamison, who took 42% in his 1994 challenge to Congressman Pat Williams, is also eying the race. In an effort to project an image of independence, Baucus endorsed the Balanced Budget Amendment, as well as the President's minimum wage proposal. He has moved quickly to put together his campaign operation, already raising over \$300,000 and retaining Jim Margolis for his media and Geoff Garin for his polling. Recently, he has waged a high-profile rhetorical battle with the right-wing militia movement.

Although Representative Pat Williams voted against the crime bill (because he opposes gun control), he has strongly supported the President and never waffled or qualified his public support of the administration. His internal polling shows his approval rating at 48%. Burns staffer and former Yellowstone County Commissioner Dwight MacKay leads the list of potential challengers to Williams. He has publicly mused about the race and has the potential to tap Burns' expansive fundraising network. MacKay, and another

potential rival in former State Republican Chair Rick Hill, both have low statewide name identification.

BILLINGS MAYORAL RACE

Billings leans slightly Republican and is considered a political barometer for the state. Mayor Richard Larson has declared that he will not seek reelection. Although the position is technically nonpartisan, Larson is a Republican who has a poor record of working with local unions. Chuck Tooley, a Democratic City Councilman with ties to both Baucus and Williams, recently announced his candidacy. Right-wing City Councilman Dan Farmer is also considering the race. The primary election will be September 12, 1995, with the general election following on November 11.

MONTANA ISSUES

Militia/Hate Groups. A string of anti-semitic and racist incidents in 1993 united the local community against intolerance. When Billings-based hate groups vandalized Jewish homes and cemeteries, thousands of citizens attended an anti-bigotry rally, helped repair the vandalized property, and displayed a Jewish symbol in their windows as a sign of solidarity. The Militia of Montana (MOM), the most prominent of three main militia groups in the state, recently endured criticism for distributing a video tape of Idaho Representative Helen Chenoweth.

Green Party. Steve Kelly mounted an underfinanced challenge to Pat Williams in 1994 and garnered a respectable 9%. He ran without the backing of mainstream environmental groups, and was forced to run as an Independent because Green is not an official party in Montana. The Greens are currently collecting signatures to register as an official party for the 1996 state ballot, which could draw sharper ideological lines and siphon a greater proportion of votes from Democratic candidates. Although Williams has a close working relationship with the state environmental community, Kelly could take a significant number of hard-core environmental votes from Baucus.

Environmental/Land Use. As with other Rocky Mountain states, many Montana leaders are firmly opposed to Secretary Babbitt's grazing fee and land use reform proposals. Although Montanans are receptive to environmental concerns as evidenced by Williams' high profile struggle to expand federally protected acres of Montana wilderness and Baucus' high profile on the Clean Water Act, voters are generally wary big government solutions. Accordingly, Babbitt's recent reintroduction of wolves into Yellowstone Park has met staunch opposition.

Native Americans. Montana Native Americans have voted overwhelmingly Democratic in past elections, with Williams garnering over 70% of the reservation vote. The Flathead is a progressive tribe strongly supportive of the administration, and has worked to boost its voting participation from 60% to nearly 90%. Most other tribes, especially the Northern Cheyenne, have also worked closely with Montana Democratic leaders. The notable exception is the Crow tribe, whose leadership endorsed Burns over challenger Jack Mudd, even after Burns' infamous racial slur. The Crow reservation is adjacent to the city of Billings. Native Americans are currently locked in a lawsuit over state regulation of reservation gambling, which has temporarily shut down gambling and adversely impacted local economies.

ECONOMIC PROGRESS IN MONTANA 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 Montana after the first 28 months of the Clinton Administration:

Improved Economic Conditions in Montana:

- The unemployment rate has dropped from 6.6% to 4.9%.
- 70% more new jobs **per year** -- 13,892 vs. 8,150 average during the previous 4 years. In 26 months, Montana has added 30,100 total jobs, after adding 32,600 during the previous 4 years combined.
- 72% more new private sector jobs **per year** -- 12,369 vs. 7,175 average during the previous 4 years. In 26 months, Montana has added 26,800 private sector jobs, after adding 28,700 during the previous 4 years combined.
- 85% more new manufacturing jobs **per year** -- 462 vs. 250 average during the previous 4 years. In 26 months, Montana has added 1,000 manufacturing jobs, after adding 1,000 during the previous 4 years combined.
- New business incorporations have increased 16%.
- The Help Wanted Index has increased 68%.
- Bankruptcy filings have dropped 7% **per year** -- after increasing 6% **per year** during the previous 12 years.
- Business failures have dropped 14%.
- Home building has increased 14%.

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

\$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN MONTANA: By 1998, the national debt will be **over \$600 billion** lower than was projected before the passage of the President's economic plan. That's about \$10,000 of reduced federal debt for each family of four in Montana.

23 TIMES MORE MONTANA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 47,638 working families in Montana will receive a tax cut. This compares to an increase in the income tax rate for only the 2,096 wealthiest taxpayers in Montana.

TAX CUT FOR 5,550 SMALL BUSINESSES IN MONTANA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 5,550 small businesses in Montana are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

76,000 MONTANA 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 76,342 workers in Montana, and protects the jobs of 4,586 workers in Montana who are likely to use unpaid leave this year alone.

71,400 STUDENTS AND FORMER STUDENTS IN MONTANA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 71,400 Montana borrowers -- 50,000 current borrowers and 21,400 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.

THE WHITE HOUSE.
WASHINGTON

May 30, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Julia Chamovitz
National Economic Council

SUBJECT: Background on Recent Developments in the Montana Economy

This memorandum presents information about current economic conditions in Montana.

- ***The Canadian Wheat Dispute*** -- The U.S. dispute with Canada over wheat trade is highly contentious in Montana. There have been localized efforts in Montana to block Canadian wheat trucks at the border. The wheat dispute with Canada was temporarily settled on September 26, 1994 through a Memorandum of Understanding establishing limits on the amount of Canadian grain exported to the U.S. for a 12 month period ending September 11, 1995. The agreement also established a Joint Commission on Grains to examine all aspects of our respective marketing and support systems for grain. The Commission will submit initial findings to both governments on June 12. (Source: USTR)
- ***Mining in Montana Looks Good*** -- Long-range prospects for the mining industry look good, given the apparent economic boom in many parts of the globe. Accelerated worldwide growth will put upward pressure on commodity prices, including minerals. As world prices rise, Montana's resources become more valuable, and new projects will be started. (Source: Montana Business Quarterly/Spring 1995)
- ***Frozen-Food Plant Planned For Butte*** -- Frozen pizza king Jeno Paulucci announced he would open a new plant in Butte by the end of 1995. The facility will employ 600 people. Evan Barrett of the Butte Local Development Corporation said another 400 spinoff jobs would be created in the community. (Source: Billings Gazette, 3/95)
- ***Burlington Northern To Purchase Santa Fe Railway*** -- Stockholders of the two railroad companies recently approved a \$4 billion merger which must still be reviewed by the ICC. The merger would allow Montana shippers to start using Santa Fe tracks that lead to Arizona and into California. Although the merger will streamline shipping and lower rates and transit times, 60-70 jobs will be lost in the Glendive and Havre, Montana areas. (Source: Missoulian, 2/9/95)
- ***Livingston Rebuild Center (LRC) Creates Jobs With Grant Money*** -- LRC, a modern facility known as the "Mayo Clinic" of the railroad repair industry, will create 30 new jobs with money borrowed from the City of Livingston. The money was given to the city in April 1995, in the form of an Economic Development Block Grant from the state Commerce Department. The 55-acre LRC facility currently employs 215 people and repairs locomotives from the U.S., Canada and Mexico. The First Lady has met with company president Randy Peterson. (Source: LRC)

- **Billings First Privately-Owned Internet Provider Service Goes Online** -- Internet Montana, a spin off company of Computers Unlimited will be the state's first privately-owned online provider, bringing local Internet services to Billings-area businesses and individuals. Statewide services are expected soon. Currently, businesses and individuals must make a long distance call and pay the surcharges of a nationwide service to go online. Internet Montana will provide restriction-free access to many network services such as World Wide Web, Groper services, news services, e-mail for a monthly fee of \$35. (Computers Unlimited)
- **Sen. Conrad Burns Held Meetings on Agriculture** -- Sen. Conrad Burns, R-MT, scheduled nine meetings during the week of April 9 around the state to gather the thoughts of Montana farmers on what needs to be in the farm bill. The discussion in Billings focused on the volatile livestock market. Issues raised included the concern that major meatpacking companies are paying producers less and less for cattle, while their profits are rising and the retail cost of meat remains steady. Many ranchers attributed the unstable cattle prices to NAFTA. They said NAFTA has introduced Canadian and Mexican cattle into American markets and resulted in a surplus. (Source: Billings Gazette, 4/9/95)
- **Malmstrom Base's Refueling Tanks Recommended to be Moved** -- Malmstrom Air Force Base in Great Falls, Montana, is on the Base Realignment and Closure Commission's (BRAC) list to be realigned this year. Malmstrom contains both a missile and tanker mission. In March, the Department of the Air Force recommended that Malmstrom transfer its fuel tankers to MacDill Air Force Base in Tampa Bay, Florida. BRAC will make its final decision on June 22. (Source: Senator Baucus's Staff)
- **Uruguay Round is Good for Montana** -- Montana recorded merchandise exports of \$243 million in 1993, up nearly 64% from the 1987 level of \$148 million. The state's exports of manufactured goods increased by 224% over the 1987-93 period. Major growth categories included primary metal products and industrial machinery. (Source: DoC)
- **EITC Benefits Over 47,600 Families** -- This information comes from 1993 Treasury estimates.

Expanded EITC (fully phased in)

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$ (Millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
Williams	47,638 families	77.9	22.3	2,096 taxpayers

- **Federal Reserve of the Ninth District (Minneapolis)** -- The District economy continues to grow at a healthy pace, in spite of consumer reluctance to purchase new homes and vehicles. Manufacturing, however, is strong. Mines and paper mills are running at capacity. Commercial construction is also robust. General merchandise sales are good. Tourism is solid, but not spectacular. Labor markets remain tight, and many employers find it difficult to hire new workers. Weather, rather than interest rates, is the problem for agriculture, where cold, wet weather has delayed planting and harmed beef producers. (Source: Federal Reserve Beige Book, 05/10/95)

THE WHITE HOUSE
WASHINGTON

May 30, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: ANN WALKER
RUSSELL HORWITZ

RE: Local Issues Briefing -- Montana

Anti-Government Activity

In the past six months, a growing number of major anti-government incidents have occurred throughout Montana.

In the remote town of Roundup, five heavily armed anti-government fugitives are currently occupying a log house surrounded by an electric fence and signs warning that attacks on their "sovereign" property will be forcibly resisted. The five men, part of a 500-strong group called the "freemen," are wanted on state and federal criminal charges. They have set up their own "supreme court" and have issued a "citizen's declaration of war" against government officials.

Since February 1995, in Darby (near the Idaho border) a paramilitary group leader has thwarted seizure of his ranch. He is charged with tax evasion and conspiracy. When a National Guard helicopter circled his 250 acre farm in February, 20 armed associates arrived within 30 minutes to defend his property. The man continues to barricade himself in his ranch.

In another separate incident, in the town of Jordan, 150 miles northeast of Roundup, the sheriff and county prosecutor formed an 85-person citizens' posse last year after 36 men, who refused to recognize any form of government, occupied the city's court and offered \$1 million bounties for the arrest of local officials. The group stated they would then "try" the officials for treason and hang them if found guilty.

In Missoula, Gordon Selner remains free a year after wounding a police officer because the authorities fear a shootout if they storm his cabin.

Montana Militia

After the State recently charged four members of various Militia groups with "criminal syndicalism" Helena's *Independent Record* wrote, in a recent editorial, that "It was high time state officials took action against some of the more overtly outrageous militia members.." "We believe the state, as well as local law enforcement and the courts, is taking a prudent course, one that bends over backwards to protect militia members' rights. But state officials can hardly sit on their hands, doing nothing when the danger of violence becomes all too real." (May 7, 1995)

State prosecutor John Connor Jr. called Militia of Montana leader, John Trochmann, to assure him the filing of the charges against the four people wasn't the start of an anti-militia campaign by the government. "Everyone is entitled to believe what they want to believe. It's just when they become a threat to others" that something needs to be done, Connor stated.

Hate Crimes

Since September, Billings has seen a substantial increase in hate crimes. The Jewish cemetery was vandalized, the local synagogue was spraypainted and received bomb threats, a local Native-American household was vandalized, and the AME Wayman Chapel had peculiar and frightening visits by three white men during church services.

In November 1993, a group of skinheads threw a bottle and a brick into the homes of two Jewish families. Both houses displayed menorahs. The Billings Gazette printed a full-page drawing of a menorah, and an estimated 10,000 homes, pasted these drawings in their windows as a show of support for the Jewish community.

Economy

Montana is among the top five states in the nation for economic performance, business vitality and development capacity, according to the Corporation for Enterprise Development. (May 24, 1995) In its ninth annual report, the CED said Montana and four other states earned a place on its honor roll for economic development. The state ranks 4th in fastest growth in average annual pay (up 9% since last year) and 13th in short-term employment growth (up 5%). The report cited a relatively narrow gap between rich and poor residents in Montana, as well as one of the most equitable tax systems in the country.

Tax Cuts

Governor Racicot signed the last of a package of tax cuts worth \$45.6 million over the next two years. House bill 497 will give an estimated 52,000 homeowners tax rebates worth \$7.5 million annually. The average rebate will be \$145. The bill also expands the existing property tax reduction for poor Montanans to include another 20,200 homeowners. Elderly homeowners will receive a maximum tax credit increase from \$400 to \$1000. The impact of these tax cuts will materialize beginning with November 1996 property tax bills. Opponents of the measures argue that they benefit homeowners who live in more desirable areas because in order to qualify, one must have lived in their home for at least seven months of the year since 1993 and the value of the home must have increased by 15 percent between 1992-1993.

Health Care

Medicare Cuts

Montana hospitals would be hit especially hard if the proposed federal budget cuts fall on Medicare, according to State health care providers. Care of the elderly is a large portion of all health care in the state and represents well over half the care provided by some Montana hospitals. At Deaconess Medical Center in Billings, nearly 49 percent of all patients are Medicare patients, but those patients account for more than half the hospital's charges because they are older and tend to be sicker than the rest of the patient population. According to the Montana Hospital Association, Medicare accounted for 45.6 percent of all hospital charges in Montana in 1993.

Health Insurance

The Montana Health Care Authority, the 2-year old group charged with developing plans to remodel the State's health care system, convened its last meeting on Thursday. The group's plans were never seriously considered by lawmakers or the public. The five-member group presented two plans: The single-payer version guaranteed coverage to all Montanans from one source and the multi-player plan provided a government subsidy for those unable to afford insurance. Yet, the expense of the proposals and public fear of government-run health care precluded any serious action. The Health Care Authority did manage to enact bills that allow people to claim tax deductions for half of their insurance premiums, restrict insurers from denying coverage for some pre-existing conditions, and ensuring portability.

Wolf Reintroduction

Wolf Killing

A 42-year-old unemployed carpenter from Red Lodge, pleaded innocent to three federal charges of killing a gray wolf that was released in Yellowstone National Park earlier this year. If convicted, Chad McKittrick faces up to two years in prison and a \$200,000 fine. The wolf reintroduction program released three wolf packs into the park and is one of the most visible and controversial program ever undertaken by the federal government in the region. Ranchers contend the wolves will attack their livestock, while Republican lawmakers argue the program is a waste of money.

State Legislature

During this year's 90-day session, the new Republican majority that controls both legislative houses has considered bills that would require federal agents to give a county sheriff 24-hour written notice of a pending raid; urge all Montanans to own firearms and ammunition for service in a state militia; terminate tribal hunting and fishing agreements with the state; and float a constitutional amendment declaring Montana's right to reject any federal mandate that the Legislature considers a violation of the U.S. Constitution. The militia bill, Indian hunting and fishing bill, and the constitutional amendment all failed. The sheriff's notification bill was vetoed by Governor Racicot.

Agriculture

Beef Prices

The ranching community in Montana is increasingly concerned that prices paid by consumers do not reflect the dramatic reductions in prices they are receiving for their cattle. Prices of calves and slaughter cattle are 15-20% lower than a year ago while supermarket prices for beef remain virtually unchanged. Both the concentration in the meat packing industry and the industry's practice of forward contracting are suspects.

Environment

Mining

A Canadian company has proposed a gold/copper mine about two miles from the border of Yellowstone Park. The mine's proximity to the Park has stimulated concerns over its environmental effects. The USDA is monitoring the situation, while the State completes an environmental impact statement on the site. Over objections from his advisors, Gov. Racicot has indicated that he will consider releasing a preliminary environmental review of the "New World Mine" to the public. Sen. Baucus is against mining on that location citing residual pollution.

Water Rights

Although the Supreme Court almost 87 years ago ruled that Native-American tribes on the Fort Belknap Reservation have the right to use water from the Milk River that flow through their land, the tribes are still fighting for water autonomy. The Montana Reserved Water Compact Commission is actively involved in negotiations with the tribes. The tribes also have the option of litigation through the State water court, although negotiation has proved more fruitful for all the parties. Officials expect an agreement with Fort Belknap in two years after public hearings.