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U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

DIRECTOR OF PUBLIC AFFAIRS/PRESS SECRETARY

FAX COVER SHEET

NUMBER OF PAGES SENT: 3
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DATE: October 26, 1990

TO: CHRIS WINSTON

RECIPIENT'S TELEPHONE NUMBER:
456-2930

RECIPIENT'S FAX NUMBER:
456-6218

FROM: *Kelly Ship*
CAMERON WOODS
Deputy Director
Office of Public Affairs

SENDER'S TELEPHONE NUMBER:
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(202) 382-6191

SPECIAL INSTRUCTIONS: This is to transmit a suggested text for a Presidential Statement at a Farm Bill Signing Ceremony. If you have any questions, please let us know.

FARM BILL SIGNING STATEMENT

I'm pleased to be able to sign this piece of legislation, The Food, Agriculture, Conservation, and Trade Act of 1990, into law today. Because agriculture is important to all of us, it's critical that we have a farm bill that keeps our farmers competitive, environmentally sound, and places a floor under farm income. I think this bill meets that standard. It's a market oriented bill that permits farmers to make more of their own production decisions based on the market rather than on government support prices.

America's farmers are the best. Period. They out-produce every other nation in the world, by far. They even out-produce entire continents. Although our farmers account for only three-tenths of one percent of the world's agricultural labor force, the United States produces 10 percent of the world's food grains, one-quarter of the world's feed grains and beef, and almost a third of the world's poultry. America's farmers are world champion producers, and this legislation will help them to continue to lead as they face increasing global competition. It will improve their international competitiveness by continuing a market-oriented approach, and giving them greater production flexibility to meet changing market conditions.

While American agriculture has never been more productive, demands on agriculture have never been greater. Farmers have always been stewards of the environment, and now they are called upon to be leaders in the effort for a cleaner environment. This bill will help farmers protect water quality and wildlife habitat, and its greater flexibility will boost crop rotation, which will in turn help control weeds, pests, and erosion.

-2-

And there is more in this legislation to protect our environment: the creation of wetlands reserve; improvement of the Conservation Reserve Program; and encouraging urban forestry activities.

I am particularly pleased with the 5-year continuation of the Food Stamp Program. It is the foundation for food assistance for low income Americans. Congress and the Administration worked together to develop a program that is easier for its recipients to use and reauthorizes the Commodity Supplemental Food Program and the Emergency Food Assistance Program.

Research is also essential to help our farmers maintain their global lead in agriculture. We're grateful that the bill endorses the expansion of agriculture research under my National Research Initiative.

America's farmers and agricultural industry are responsible for much of the economic well-being of our nation. Agriculture is America's largest enterprise. Our food and fiber system accounts for 16 percent of the total gross national product. Agriculture is the nation's largest employer. There are about 20 million people working in some phase of agriculture -- from the fields to the supermarkets. That is about one out of every six jobs in America, and 90 percent of these jobs are off-the-farm, helping to expand wealth across our nation. America grew to greatness on a bedrock of agriculture; and for that, we'll always be proud of, and thankful for, our farmers.

Farmers have experienced the burden huge federal deficits place on their ability to borrow money, limiting their ability to grow with the marketplace and survive slow times. Part of the success of this farm bill is how the budget conferees found a way to

cut the deficit while creating new opportunities for farmers to earn income through increased flexibility and competitiveness in the marketplace.

Now, the onus is on the trade negotiators in Geneva to achieve substantial ag reform among the GATT nations.

So, to our farmers, for their unselfish cooperation in helping this bill to pass, I say again: "Thank you."

To the members of Congress who worked so hard to get this bill passed -- Senator Patrick Leahy, Chairman of the Senate Agriculture Committee; Chairman of the House Agriculture Committee Kika de la Garza; and their Republican counterparts, Senator Richard Lugar and Congressman Ed Madigan -- to them I say: "Well done."

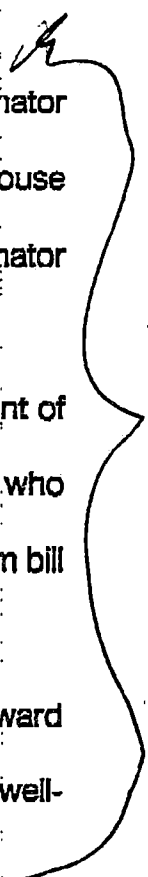
To Secretary Yeutter, and the dedicated and tireless people at the Department of Agriculture who care so much about America's farmers and farm industries, and who worked so tirelessly to help craft this farm bill: "You've given this Administration a farm bill of which we can all be very proud."

To the American people, who trust their government to work together to forward the common interest of all Americans, I'm proud to report to you today: "Your faith is well-founded. The system did, indeed work."

Now, before I put pen to paper to sign this legislation into law, I ask God to bless this farm bill; may He bless the members of our government who put this bill together and who are charged with governing this great land; and, above all, may God bless the United States of America.

* * *

*encouraging program
- thank to the - for the
billion farmers*



Statement

News Division, Office of Public Affairs, Room 404-A, U.S. Department of Agriculture, Washington, D.C. 20250

STATEMENT BY

SECRETARY OF AGRICULTURE CLAYTON YEUTTER

October 16, 1990

Early this morning Congressional conferees secured agreement on a comprehensive farm bill. Agreement was accomplished through the fine work and persistence of Congressman Kika de la Garza, Chairman of the House Agriculture Committee, Senator Patrick Leahy, Chairman of the Senate Agriculture Committee, and their two Republican counterparts, Congressman Ed Madigan and Senator Richard Lugar, along with the excellent input from Senate Minority Leader Bob Dole and other conferees.

No farm bill in memory has been written under circumstances as complex as this one. Not only did the conferees have to visualize the needs of American agriculture over the next five years, but they had to do so in the context of demanding budget realities, increasing global competition, heightened trade disputes, and the necessity for American farmers to expand their role as stewards of our environment.

The new farm bill is about the future, and the future means change. The new farm bill will help American farmers adjust to a rapidly changing world, and hopefully make those changes work to their advantage. Faced with difficult choices brought about by budgetary constraints, the conferees took the preferred course in selecting a "triple base" program over cuts in target prices, thus increasing production flexibility which provides an additional opportunity to earn income.

The dairy provisions are a vast improvement over the versions which initially emerged from the two Houses of Congress. They are much less likely to provide additional government intrusion in the dairy business.

The new bill strengthens the ambitious and constructive environmental goals of the 1985 Farm Bill. It gives increased emphasis to programs involving water quality and tree planting, while also taking steps to improve the fairness of existing programs such as swampbuster and sodbuster.

The initial versions of the legislation strayed from the successful policies that were enacted in the Food Security Act of 1985. But at the end of the Congressional process, the basic precepts of that Act were retained. They will continue to be solid building blocks for the future.

-more-

In particular, the 1985 Act enhanced the international competitiveness of American agriculture, and the new bill will fundamentally continue that market-oriented approach through aggressive export assistance programs, increased research efforts, and added production flexibility.

This is enormously important because of the tremendous productivity of American farmers, and their export potential. Each U.S. farmer already produces enough food and fiber for 112 people, but our farmers can do even better in the future. About one of every six jobs in America is generated by agriculture, our largest industry.

It was not easy for the Agriculture Committees to plan for the next half-decade, but they approached their task with diligence. Legislation is the art of compromise. We assuredly do not like everything in this bill and would have written a different bill on our own. But, in the end, it is a respectable work product that balances well innumerable sensitive, often divergent interests.

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	Ed McNally to Chriss Winston, All Speechwriters, All Researchers, Re: Slamming the Democrats for Gutting the Crime Bill. (1 pp.)	10/29/90	P-5	

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- (b)(9) Release would disclose geological or geophysical information

October 29, 1990

MEMORANDUM FOR CHRISS WINSTON
ALL SPEECHWRITERS
ALL RESEARCHERS

FROM: ED McNALLY

SUBJECT: SLAMMING THE DEMOCRATS FOR GUTTING THE CRIME BILL

In one of the most cowardly legislative acts on record, liberal Democrats in the conference committee mugged the President's Crime Bill in the last hours of the Congress. Run down by a mob of desparate Democrats fleeing home to their campaigns, it was a true hit and run.

It also marks the first time in almost a decade that a Congress has gone home without producing a serious crime bill.

The injuries proved fatal. The Crime Bill came in D.O.A. -- "Dead On Arrival" -- and missing most of its vital parts.

- o Gone are the President's habeas corpus reforms aimed at stopping convicted criminals from endlessly abusing the appeals process.
- o Gone are the President's reforms of the exclusionary rule -- a judge-made law that lets the guilty go free.
- o Most outrageous of all -- they cut the President's proposal for a real federal death penalty -- striking out even the death penalty for drug kingpins and terrorists.

For almost 10 years, Republican Presidents have been calling for the Congress to pass workable federal death penalty laws. The American people overwhelmingly support it. Both Houses overwhelmingly passed it. But once again, the Democrats choked -- and failed to send a federal death penalty law to the President's desk. It's bad news for America, and bad news for law enforcement -- and good news only for violent criminals.

This gives us an attack issue the President can and should use in every race. (And, unlike the budget, we can attack without apology or explanation.) The Democrats should be hit, and hit hard, on this in every remaining campaign speech. ("This was a strong anti-crime bill when it left this House," said Henry Hyde. "It left here as Arnold Schwarzenegger and came back as Woody Allen.")

Attached are some materials from Justice -- including language drafted for POTUS that we can use.

DRAFT

**PRESIDENTIAL STATEMENT ON CONGRESS'S FAILURE TO
ADOPT SERIOUS CRIMINAL LAW REFORMS IN THE CRIME BILL**

Almost a year and a half ago, I sent tough anti-crime legislation to the Congress -- legislation designed to give police and prosecutors the tools they need to take violent criminals off our streets and put them away for good.

My proposals included a federal death penalty for serious federal crimes, reform of the exclusionary rule to allow courts to consider all evidence gathered by the police while doing their jobs in good faith, and reform of a habeas corpus system that has made a travesty of state death penalty laws through repetitive hearings and endless delay.

For almost ten years Republican Presidents have been calling upon the Congress to pass workable federal death penalty laws. Congress has failed to act, and as the law now stands, the federal government is powerless to impose the death penalty even for the most coldblooded acts of murder, such as terrorist bombings of civilian airplanes or the use of mailbombs against federal judges. We need a workable federal death penalty to send a message to drug-dealers and terrorists that America will not stand by while these violent criminals prey on her citizens or her public officers.

Despite the fact that the American people overwhelmingly support the death penalty, and despite the fact that this year both House of Congress overwhelmingly passed federal death penalty bills, the Congress has again failed to send a federal death penalty law to the President's desk.

In one of the most cowardly legislative acts on record, liberal Democrats in the conference committee nugged the crime bill in the last hours of the Congress. They cut the federal death penalty passed by both Houses -- They lifted habeas corpus and exclusionary rule reform -- They heisted the death penalty for drug kingpins -- and, in a time of budgetary crisis, they larded the bill with half-baked spending measures. There is no beef left in this so-called crime bill, only pork.

There has been alot of rhetoric about civil rights in the last few weeks, but this Congress has done very little to protect what I regard as every American's first civil right -- the right to be free from fear in our homes, in our streets, and in our neighborhoods. The American people deserve better than a cynical pork barrel measure dressed up as a crime bill, and I intended to seek better next year.

DATE: 12/29/90

PAGE: 6A

The Philadelphia Inquirer

KNIGHT-RIDDER NEWSPAPERS

'Congress passes weak crime bill

By David Hess
Inquirer Washington Bureau

WASHINGTON — Worried about a voter backlash if it failed to produce a crime bill, a homeward-bound Congress passed an eviscerated version that dropped every contentious item in the bill — including expanding the death penalty to cover more than 30 federal crimes.

"It was either that or no bill at all," said Sen. Joseph R. Biden Jr. (D., Del.), chairman of the Judiciary Committee, acknowledging that the original bill had been "emasculated."

To make the legislation more acceptable all around, conferees had erased the last traces of provisions sought by President Bush. Liberals took a dim view of the expanded death penalty; conservatives were cool to restrictions on assault weapons.

The compromise measure, approved earlier by the Senate by voice vote, was passed by the House late Saturday by 313-1. The lone dissenter was Rep. George W. Gekas (R., Pa.), who objected to the removal of the death-penalty provisions.

The heart of the substitute was a section cracking down on savings-and-loan villains, including imposing life imprisonment for S&L officials who conspire to steal millions.

The S&L section increases the power to seize the fruits of illegal profits amassed by thrift managers, including homes. It provides for hundreds of new federal prosecutors, FBI and Secret Service agents.

Congress approved new protections to make it easier for child-abuse victims to testify, banned trafficking in steroids, made child pornography a federal crime and increased funding for drug-education programs in schools.

It authorized \$220 million for new types of prison programs, including boot camps for nonviolent first offenders. And it bolstered procedures for cooperating with foreign governments in cracking down on international money-laundering operations.

Items dropped included:

- A provision permitting a "good faith" exception to the rule that prohibits prosecutors from using evidence seized illegally.

- A "racial justice" provision enabling minority defendants to avoid the death penalty by producing valid statistics showing that a disproportionate number of minorities had been sentenced to death in their state judicial districts.

- A provision restricting the number of appeals a death-row inmate could make and imposed a six-month deadline on the time for filing appeals.

- A ban on the manufacture and sale of assault weapons.

Republicans expressed disappointment about the loss of tough provisions.

"This was a strong anti-crime bill when it left this House," said Rep. Henry J. Hyde (R., Ill.). "It left here as Arnold Schwarzenegger and came back as Woody Allen."



Department of Justice

FOR IMMEDIATE RELEASE
SATURDAY, OCTOBER 27, 1990

CONTACT (202) 514-2007

Attorney General Dick Thornburgh issued the following statement in response to Congressional conference deletion of key provisions from the Comprehensive Crime Control Act of 1990:

"The conferees' decision to drop use of the death penalty for federal crimes is welcome news only to violent criminals.

"To deny use of the ultimate sanction for such crimes as mail bombings, terrorism and assassination of the President would thwart the will of the American people, state and local prosecutors and the overwhelming membership of the House and the Senate.

"Striking the death penalty from this bill would be an enormous step backwards in the fight against violent crime and would leave the federal government without the authority to impose the death penalty which 36 states now have.

"Rejection of the death penalty along with the stripping of proposals which would control endless appeals by death row inmates and which would assist police in the gathering of evidence now takes the teeth out of this legislation.

"It is hard to comprehend at a time when citizen concern about crime is so high why some on Capitol Hill have such difficulty in passing a crime bill which is pro-law enforcement instead of pro-criminal. I will repeat that the first civil right of all Americans is the right to be safe in our homes, on our streets and in our communities."

Anti-Crime Proposals Excluded From The 1990 Crime Bill

1. All Death Penalty Provisions

Including the death penalty for assassinating the President, treason and drug kingpins who traffick in extremely large quantities of drugs, murdering judges, witnesses, jurors, federal law enforcement officers, diplomats, hostages, victims of kidnapping, and killing by genocide, bank robbery acts of terrorism and mail bombing.

2. Habeas Corpus Reform

3. Exclusionary Rule Reform

4. Anti-Public Corruption Provisions

5. Drug Testing of Federal Offenders

6. Penalty for Firearm Possession by Juveniles Who Are Convicted of Three Serious Drug Offenses

7. Increased Firearms and Explosives Penalties

8. Several Anti-Drug Trafficking Provisions

9. Expanded Asset Forfeiture Authority

10. Drug User Accountability Provisions



U.S. Department of Justice

Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

October 27, 1990

Honorable Thomas S. Foley
Speaker
House of Representatives
1201 LHOB
Washington, D.C. 20515-4705

Dear Mr. Speaker:

The Department of Justice and the Nation's law enforcement community are shocked and dismayed at the evisceration of the crime bill since it left the House of Representatives three weeks ago.

Almost a year and a half ago, President Bush and Attorney General Thornburgh, with the support of state and local police and prosecutors, sent a comprehensive legislative proposal to the Congress to take violent criminals off our Nation's streets and put them away for good. This package contained a federal death penalty, exclusionary rule reform and habeas corpus reform. Subsequently, the Administration added a proposal providing for the death penalty for drug kingpins.

The House of Representatives, reflecting the will of the American people, passed each of these tough anti-crime measures by lopsided majorities. In addition, just this week, by a vote of almost three to one, this House instructed its conferees not to recede from the tough positions adopted by the House on federal death penalty, habeas corpus reform, the death penalty for drug kingpins, and exclusionary rule reform.


Unfortunately, the Conference Committee ignored the instructions of this body, and deleted the death penalty, habeas corpus and exclusionary rule provisions from the bill. No conference report was issued and a free standing measure was introduced in the Senate -- a measure containing none of the critical criminal law reforms proposed by the President and

passed by the House. In a word, there is little beef left in this crime bill, some pork, and a lot of bun.

Because of Congress's persistent failure to act, the United States is powerless to impose the death penalty against the most violent criminals who threaten American citizens and public officers. Particularly at a time when the world's most vicious terrorists are poised to strike at American citizens, Congress's failure to provide a death penalty for terrorist murder is inexcusable.

The Department of Justice urges the House of Representatives to pass and send to the Senate the President's federal death penalty proposal which passed the House as the Gekas Amendment by a wide margin less than a month ago.

Sincerely,



William P. Barr
Deputy Attorney General



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 29, 1990

(TDD)

AG
202-514-2007
202-514-1888

In assessing the impact of law enforcement legislation passed by Congress on the Department of Justice Attorney General Dick Thornburgh issued the following statement:

"The work of the 101st Congress in the area of anti-crime legislation is a considerable disappointment. Beginning with the President's announcement of his anti-violent crime initiative on May 15, 1989, the Administration had high hopes that this was the Congress which would finally respond to the nation's need for a workable death penalty, and an end to continuous death row appeals and criminals going free on legal technicalities. These hopes were dashed with passage of the so-called 'comprehensive crime bill'.

"The best that can be said about this anti-crime package is in the area of white collar crime. It includes measures which will allow us to step up our efforts at prosecuting and punishing white collar criminals. Dishonest savings and loan president executives, corporations which defy anti-trust laws or dirty our air and those who think they can cheat the taxpayers out of debts owed to the government will feel the pain of these new arrows in our law enforcement quiver."

-more-

-2-

WHITE COLLAR CRIME PROVISIONS

Highlights of these new enforcement measures include possible life sentences for savings and loans kingpins along with fines up to \$10 million. The federal government will also be better able to protect assets from being transferred or lost through pre-judgment attachments procedures. Moreover, a permanent Office of Special Counsel for savings and loans prosecutions has also been authorized at the Department of Justice. Wire tap regulations have also been extended to include bank fraud violations.

Anti-trust fines and penalties have also been enhanced. Sherman Act maximum fines for corporations have been increased from \$1 million to \$10 million. The government will also now be able to collect triple damages for anti-trust violations. Treble damages will serve as an important deterrent to bid-rigging and price-fixing.

Under new federal laws sought for years by United States Attorneys and passed by Congress last weekend, the Department will now have uniform procedures for collecting the estimated \$90 billion owed to the taxpayers. Previously, our efforts were hampered by the requirement that we utilize often inconsistent state law to collect federal debts, allowing debtors to seek legal sanctuary in different states.

###

90-457

10/17 FARM BILL

- leads in word (would be main Emergency -)
- Uruguay -
- ? Pres. in carry? ; ? focus to further discuss negotiation of Uruguay Round -
example to confront special interests groups as we have -
- GB has been out in front on this -
- don't forget rough side signs, into statement & challenge to other Uruguay
& Round negot on the work -
- (should phrase as challenge to them to do likewise -)
↳ & but we're not going to do it
- Disarmament only - call for multilateral disarmament of harmful
subsidies - don't put to more power forward - Round contingent
upon an adequate response -
- Ag groups need to hear all that's opportunity been cleared out -
powerful consistency - not convinced that levels the playing
field in what we're really doing - (if we disarmament
analysis - logic behind that - so don't it up a little -)
- (move Ag from fast track - continue adjustment, etc.?)
- ~~emphasize~~ - thank everyone; now we turn to rest of the world -
we've laid on table an imp. & dynamic program - get what C
pt. where substantial reform of agriculture - we're made of the steel
important down payment of that effort - we're now pinning it on
expect you to make contrib. to imp. mult. effort - without the
Round will not be successful - & it's better here way around the
bad agreement - But why I've invited you here today - first with the
Carls, there are your instructions, go get them - per Woods -
- bill won't run the risk - will make signif. contribution
- have Ambassadorative the morning - (community road note to
Be Summit? & open door others, of abstract - say the

Step

- (bill may pass as early as Fri. -

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1st - pro est. - 2m. - 100gr?

Regis. home members)

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2 FARM	M/R 6 ² ?	SA

- Dead Cat - (Tangin - powder)
OK - 4 p.m.

MR. FITZWATER: Let me just do a couple -- well, okay,
civil rights.

10/22/80

The President, of course, sent up a civil rights bill on Saturday that we believe is important and significant in terms of protecting civil rights of our citizens. And it is very much in agreement with the civil rights legislation that was passed by the Congress last week.

And I would like to remind people that both bills -- our bill and the congressional bill -- shift the burden of proof to the employer on the issue of business necessity and desperate impact cases. Both create expanded protections against on-the-job racial discrimination. Both expand the right to challenge discriminatory seniority systems. Both have provisions ensuring that employers can be held liable. Both extend the antidiscrimination prohibitions. Both provide for plaintiffs in civil rights cases to receive expert witness fees. And both provide for the federal government to pay the same interest to compensate for delay in payment, as in cases involving nonpublic parties. Both contain a provision encouraging the use of alternative dispute resolution mechanisms. The only difference is that our bill does not include the language that we believe has the effect of forcing quotas.

The congressional bill, we believe, rigs the rules of litigation against employers, leaving them little choice except to adopt quotas to avoid costly litigation that they cannot expect to win, even if they have done nothing wrong. The administration bill allows employers a fair chance to defend their legitimate employment practices.

MORE

CIVIL RIGHTS

#265-10/22

We have asked the Congress to consider our legislation as one that carries out all the major provision of the congressionally-passed civil rights bill, but without the quotas in it. And that is essentially where it stands.

The President will veto the congressional bill later today. And we will have a veto message for release at that time.

Q When?

Q What time?

MR. FITZWATER: I would guess -- well, there's no way of knowing. I would guess mid-to-late-afternoon.

Q Marlin, do you know if in the bill the President wants to see passed he would allow employers to defend against numeric discrimination by claiming it is in the interest of customer relations?

MR. FITZWATER: That is not in the bill. Shows you how much Ralph Neas knows about it. Tell him to read the bill.

Q What is the President doing to explain his position to civil rights advocates who've asked him to sign this one? Is he making calls or anything?

MR. FITZWATER: He is, of course, willing to talk and has talked with civil rights leaders extensively in the last several days. And he makes essentially the same points that I make here: that we want a civil rights bill, we want these protections, we simply want a bill that's not a quota bill.

Q My understanding is that one of the main concerns by the administration in the language in S2104 is that, even though the burden initially is shifted on the employee to identify the specific practices, that a court can -- unless a court finds that the employer has either not revealed records or has destroyed records. And my question is, why do you object to a protection like that for employees if they have to identify a specific practice? If that language isn't in there, then there's no protection against them if an employer were to destroy evidence.

MR. FITZWATER: Once again, Paula, you've asked a very incisive question. Frankly, I don't have the interpretation to know whether the way you're saying it is correct or not. But I'll be glad to get together with our attorneys to go through that with you in terms of legal interpretation.

Q Marlin, have any civil rights leaders lent their support in the conversations that the President has had with them to his proposal? And if not, do you think they're being unfair in their criticism of his veto?

MR. FITZWATER: Yes, I think they are being unfair. That we have had many discussions with civil rights leaders. They give us credit for wanting a civil rights bill. But many of them don't know what's in the bill. Many of them have taken a position that the other bill is the only correct one. And they continue to say to us they don't want a quotas bill. And we kept referring to the legal language that has that effect. In the end, I suppose that you could say it's a legitimate disagreement over the interpretation of the legal language; but, nevertheless, an important one. And we want a good bill, but we want one that meets their objectives as well as ours which is that it's not a quota bill.

Q Have any lent their support to your proposal?

MR. FITZWATER: I don't know who's lined up for and against, no.

Q Marlin, maybe you handed this out last week -- I wasn't here -- I just want to know, what's the precise legal language that you're objecting to? Could you read that if it's not too long? Or have you handed it out?

MR. FITZWATER: Yes, I could hand it out. I have a piece of paper that explains all the differences. If you want to stipulate that, I'll be glad to give it out after the briefing.

Q Okay.

MR. FITZWATER: Okay.

Q Does it also include the new language that you referred to?

MR. FITZWATER: Yes.

Q Is it the business necessity --

MR. FITZWATER: Pardon?

Q Is it the business necessity language or is there --

MR. FITZWATER: Well, for example, in the provision related to the Ward's Cove case, we would take out the words, "intended by" and replace them with the words, "defended as." We might have to get a lawyer to explain the difference, but the difference to us means that that is a legal requirement that would result in quotas if you had to meet that in all of its ramifications.

Q And with the language that nothing in this bill is intended to stipulate quota, order quotas, or whatever the language says, is it the White House position that this would not provide for you know a defense?

MR. FITZWATER: I doesn't provide any legal assurances. Yes, it sounds nice --

Q Legal assurances --

MR. FITZWATER: It sounds nice and expresses the will of both sides, but it doesn't provide the legal protection, because as long as you have a provision in the bill that requires a course of action by somebody that has the effect of creating a quota, it doesn't matter whether you've got another provision somewhere else that says that's not what we wanted to do. The fact is it's done.

Q Do you have evidence that this would lead to a quota? I had understood from your Civil Rights Commission Chairman that there is not emperical evidence -- there's no data that shows that these practices under the -- now, let's see if I get this right -- the civil rights bills before 1989, the ones that were -- that the rulings overturned --

MR. FITZWATER: But this bill is different than the one before these rulings. That's our point, too. This is not just going back to pre-'89, it's going back to a different law that has not been tested, and there is a legal principle at stake here.

Q Fairly or not, do you think that there's going to be some political repercussions for the President once he vetoes this bill?

MR. FITZWATER: I think people are fair. I think they see that the President has sent up a civil rights bill that's very similar to the one that the Congress sent him. They understands his feelings about the need for civil rights protections. And I think the American public understand that we've got a legal difference here

that is an important one, but it does not diminish the President's deep concern on this issue.

Q Well, specifically, do you think it might hurt the President's effort to expand Republican support among black Americans?

MR. FITZWATER: No, I don't think so. I think they understand that we want a good civil rights bill, and they don't want a quota bill, either.

Q From what you just said to Jessica it sounds like what you're saying is there is no evidence that you can rely on that this would be a quota bill; that it is only Boyden Gray and Dick Thornburgh's opinion that it would be a quota bill.

MR. FITZWATER: There, of course, are many past practices that you use as a basis for deciding and interpreting law. But that's the way that all laws are interpreted in all cases. And in this case, the White House Counsel and the Attorney General of the United States believe that that's the appropriate legal interpretation.

Q But you can't point to any --

Q Will have the effect of causing --

MR. FITZWATER: Because it's a new law. It's a new law. Hasn't had any experience. This does not just go back to prelaw days. That's our point. The people who say that are throwing up a smokescreen at you to make you think it's just gone back to the way it was before the Supreme Court -- wrong.

Q But you say it will have the effect of causing quotas.

Q Going back to Susan's question for a moment. A number of political analysts, both Republicans and Democrats, argue that the act of vetoing the bill will probably hurt the President among black voters, but will probably help him among a number of white voters, particularly in the South. Do you want to take this opportunity to deny that political considerations had any bearing on the President's decision? (Laughter.)

MR. FITZWATER: I would argue that this would be helpful with black voters who want a responsible civil rights bill, who appreciate the protections that the President has proposed and worked for and fought for, who know his positions throughout the campaign and as President for the last two years. And it's a position that is based on principle and one we'll stand on.

Q Marlin, about a year ago, around this time a year ago, the administration saw no need for civil rights legislation. On what basis did the administration decide that civil rights legislation was needed and necessary?

MR. FITZWATER: A review of the legislation. I'll have to -- I don't have this with me, but at the time we sent up a bill, we also sent up a presidential statement that went into great detail about why this legislation was needed and about the review that took place and the President decided that it should be done. And we've got that here in the files; I'll be glad to provide it for you.

Q Marlin, the head of the Civil Rights Commission says this won't create quotas. Would you like to take this opportunity to, a, say whether the President has confidence in the head of the Civil Rights Commission and, if so, why he's not listening to him on what presumably is the most important civil rights matter before him?

MR. FITZWATER: The head of the Civil Rights Commission

is Art Fletcher. We have full confidence in him. We disagree with him on this issue.

Q Are you confident you could have the veto sustained on the Hill, and why?

MR. FITZWATER: We believe it will be sustained. The votes on the bill indicate that it will be sustained, and there are a lot of members of Congress who believe as we do that there can be a better bill. I think everybody wants a good civil rights bill. We just think there could be a better one, and the President's bill represents that.

Q Can he still get one while Congress is here before the election?

MR. FITZWATER: Well, we hope so. That's why we sent it up on Saturday; to give them as much time as possible.

Q Can we talk about clean air, if everybody has exhausted their questions about that?

Q No.

Q Can I just ask, Marlin, what time did it get sent up Saturday, since it wasn't up there by 9:50 p.m.?

MR. FITZWATER: I don't know, actually, what time it went. We released the statement as soon as possible, which was still late. I was here at noon waiting for it. We finally got the President's statement around 6:00 p.m. or 7:00 p.m. -- something like that. They were still typing the actual bill. I waited and put that out, but I think it was about 8:30 p.m., 9:00 p.m. before it was actually done. Actually, I don't know, but I guarantee you we put it out as soon as we could. I was taking it at my desk a page at a time.

Q I just wanted to be sure it actually got out of the machine and up there Saturday and it wasn't like Sunday.

MR. FITZWATER: It did, yes. We put 35 copies in the bins and called people and told them it was here.

Q Marlin, what do you say to people who say that the administration is coming up with new objections to the bill that's been passed as old ones have been resolved? That they've solved so many of these things in the negotiating progress, and every time it looks like they're all solved, you keep coming up with new objections.

MR. FITZWATER: It's not true. We thought we had a deal with Senator Kennedy last July, and a week later he backed out of it. We thought we had this wrapped up mid-summer.

Q Marlin, you said that many of the civil rights leaders don't know what's in the bill. I assume you mean they're not lawyers. But who is then behind these objectionable provisions that -- who's foisting these quotas, from your point of view?

MR. FITZWATER: This is the bill that came out of the Congress. I don't -- there's no way I can pick out individuals.

Q Is that what you meant when you said they don't know what's in the bill?

MR. FITZWATER: No, I'm saying a lot of them don't understand the legal implications of the bill. And there are probably some members of the Democratic Party who wouldn't mind seeing us vote against this because they think it gives them political advantage. I don't happen to agree.

Q Could we move over to the Clean Air bill?

MR. FITZWATER: I'm ready. Whoops, I've got some more here.

Q You said that the President's veto would be helpful with black voters, and you made a reference to people knowing the President's position in the campaign. Were you referring to the '88 presidential campaign?

MR. FITZWATER: Yes, and the '84 campaign, and the '80 campaign, and the '76 campaign, and the '72 campaign, and the '64 campaign when George Bush came out for fair housing. He's been a fighter for civil rights and equal protection under the law all his political career.

Q How about the '92 campaign?

MR. FITZWATER: And the '92 campaign.

Q Why isn't the administration willing to err on the side of civil rights advocates in an instance like this when there are people equally knowledgeable on the other side that say this will not resort to a quota? And, in fact, if it does then the Supreme Court could rule against this law as well. I mean, wouldn't it be better for the President to sign into law civil rights -- the President to sign into law a major piece of civil rights legislation and then let the chips fall where they may?

MR. FITZWATER: Well, we think it would be better to send up a bill that's a good bill and pass it and see what happens.

Q There are many who say this is a good bill.

MR. FITZWATER: We know what a good bill is. We showed it to the Congress, to the American people, to you on Saturday. There's no sense in passing a bad law and hoping for a good interpretation when you know what a good law is.

Q You don't know that it's a bad law until, in fact, it's enacted and then --

MR. FITZWATER: We think we do. We think we know it's a bad law. Why pass a bad law and hope for a good interpretation when you know what a good law is?

Q Then how do you know that until it's enacted and the litigation results?

MR. FITZWATER: Our best legal minds have judged that. That's what they do.

Q Based on what?

MR. FITZWATER: On their legal experience. That's what they do.

Q On case history?

MR. FITZWATER: On case history and precedent and legal judgment. Why do lawyers make all decisions?

Q God only knows.

Q You're basing this on case histories --

MR. FITZWATER: Who else?

Q What happened to the President's plan to let this

set for a while. I mean, why has he made the decision to go ahead and veto it today? To set up a confrontation before Congress leaves?

MR. FITZWATER: No. We wanted to give as much time to act on it as possible. Hopefully, they would pass our bill.

Q Since you sent up the alternate bill on Saturday, what's the point of vetoing it? They could act on the alternate bill or they could not act on it and say --

MR. FITZWATER: Well, we've said all along we'd veto it. What do you mean?

Q Well, last week you were talking about possibly waiting the full 10 days to see what happens with the alternate bill. Why are you not giving that a chance?

MR. FITZWATER: Because we decided the best way was to send it back and give them a chance to act on a new bill.

Q Are we ready to move?

Q It's okay with me.

Q Yes.

MR. FITZWATER: All right.

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October 19, 1990

MEMORANDUM TO MY FELLOW MODELS OF COLLEGIALLY

FROM: MARY KATE *MKG*

RE: A FASCINATING MEETING ON TAKING THE OFFENSIVE IN CIVIL RIGHTS
or: NOTES FROM POLICY BRIEFING WITH BOB WOODSON (President
of the National Center for Neighborhood Enterprise and adjunct
fellow at A.E.I.)

INTRODUCTION:

Bob Woodson broke with the civil rights movement 25 years ago, because he felt that the opposite of segregation is desegregation, not integration. He believes that poor blacks have not benefitted from the civil rights movement economically, even though it was in their name that many of the movement's leaders acted.

Woodson says that economic solutions are the answer to the current restlessness in the black community. He feels the civil rights leaders have displayed an "arrogant disregard" for the views of low-income blacks -- leading him to oppose the 1990 Civil Rights bill on behalf of low income people, black and white. **We must re-think civil rights in terms of low-income and high-income, not in terms of black and white. We want to empower low-income people of all colors!**

Twenty-five years ago, 70 cents of every dollar in aid to low-income Americans went to the poor people. Now, 70 cents of every dollar goes to industries that serve the poor people. Woodson calls this the "Poverty Pentagon," created by the top levels of the civil rights establishment with the help of white liberals.

Low-income people are practical, nonideological, and remember who their friends are. **If we help those shut out of the economic system to gain the right to own their own property, they will stick with us in return, says Woodson.** He says we must find a way to create an environment for low income Americans to create wealth. **Strategies to do so:**

1. **TENANT OWNERSHIP OF PUBLIC HOUSING:** Woodson pointed to examples such as Kenilworth-Parkside in St. Louis, Kimi Gray, etc., and he'll send more anecdotes to us. **Tenant management and ownership is not a housing program it is an economic strategy!**

2. **AWARDING GOVERNMENT SERVICES CONTRACTS TO LOW-INCOME PEOPLE:** We should encourage grass-roots government programs like Meals-on-Wheels to allow low-income people to deliver the meals in their own neighborhoods -- promotes involvement and keeps the money in those those neighborhoods.

3. **TRANSPORTING LOW-INCOME PEOPLE TO WHERE THE JOBS ARE:** Some cities use public transportation to bus low-income people from high-unemployment neighborhoods to malls or factories on the other side of town (or even in other towns) to make it that much easier to get a job.

4. **REFORMING WELFARE RULES AND REGULATIONS:** Woodson gave an example of a woman who began saving her pocket change when her daughter was five years old, in order to put the child through college. When the day finally came, they had \$5000. However, the woman was arrested for welfare fraud -- for holding assets in excess of \$1000. We must create incentives for people to get off welfare, save money and become independent.

5. **ENCOURAGING PRIVATE COMPANIES TO HELP FLEDGLING BUSINESSES IN LOW-INCOME AREAS:** Rather than CPA's serving soup in kitchens, let's encourage yuppies to help with micro-business formation in the inner cities. While the venture capital return may be only 3%, the social payback is very high. Young people willing to help in their spare time can act to broker technical assistance and seed capital, while fostering neighborhood leadership as well. We should cite these models of cooperation between American companies and grass-roots organizations in the inner cities (Goldman Sachs has been big on this.)

Woodson said the SBA minority set-aside program is of no use to low-income businessmen; SBA usually only gives loans to a small percentage of black businesses that are not lower-income and do not hire low-income workers.

6. **RETHINKING FAMILY POLICY:** There are civil rights ramifications to adoption policy. Low-income blacks basically cannot adopt children. Many want to take in boarder babies (there is a sense of wanting to look out for their own) but cannot adopt unless they are under forty and have a high enough income. Problem is they often don't get a high income until they are over forty. Grandmothers, for instance, cannot take in orphans in the black community. Woodson says blacks are mad about this, because they see plenty of white babies going to white families. Every child taken out of the foster care system saves the U.S. Government \$125,000 over the life of the child. This is a double win: save government money and promote family.

Finally, Woodson made the point that we in the White House, as mostly WASPs, cannot appear to be the genesis of these policies. (If Heritage wrote a tenant management proposal, it would be DOA on Capitol Hill, he said.) Instead, we must frame our ideas as a response to the demands of low-income Americans. He has a lot more success when he has public housing residents testifying on the Hill about what works and what doesn't -- in fact, one group commissioned their own Coopers and Lybrand study on how much they were saving the government. But if we say how much it's saving, no one listens. He's going to send in ideas for events and places the POTUS/VP could visit in response to the low-income community. I think it would be great.

Civil Rights and Economic Power

Developing minority entrepreneurs and a skilled workforce should be high priorities for U.S. business.

by Robert L. Woodson

■ The recent incident of racial violence against blacks in the Howard Beach section of Queens, N.Y., and the stoning of civil rights marchers in Forsyth County, Ga., have placed the civil rights issue, once again, prominently in the news. At recent protest demonstrations in New York and Georgia, civil rights leaders warned the nation that these upsurges of racism will bring about a repeat of the 1960s agenda—marching in the streets.

Can the myriad of social and economic problems faced by many blacks be attributed to racism? Would eradicating racism in the United States improve conditions for all blacks, especially the poor? What constructive role can business play in addressing racial tensions in society? Can the true character of a U.S. corporation be determined by its willingness or unwillingness to support economic development programs? Should business get involved?

These are difficult and disturbing questions for a society to grapple with—let alone American business whose principal job is to provide the engine for the country's economic prosperity. It is clear, however, that if U.S. business is to remain competitive in domestic and world markets, it is imperative that the problems and prospects of its future workforce be fully understood.

A recent report by the National Alliance of Business offers a glimpse of the domestic workforce in the year 2000:

"Over the next 10 to 15 years, the workforce is expected to undergo major changes in composition. Most striking will be the growth of less well-educated segments of the population that have typically been the least prepared for work. The number of minority youths will increase while the total number of youths of working age will decline. The number of high school dropouts will rise as will the number of teen mothers. At the same time, entry level jobs will increasingly require basic, analytical, and interpersonal skills.

"From five to 15 million manufacturing jobs will be restructured and an equal number of service jobs will become obsolete. While it is expected that new jobs will replace those that are lost, the disruption from these changes will be great and the need for training and retraining



Robert L. Woodson is president of the National Center for Neighborhood Enterprise and a member of the President's Board of Advisors on Private Sector Initiatives. He is also chairman of the Council for a Black Economic Agenda and an adjunct fellow at the American Enterprise Institute.

Woodson has directed national and local community development programs among a broad cross section of people, from blacks in Chicago to farm workers in California. In addition, Woodson is a frequent lecturer at colleges and universities. Among his honors are the Outstanding Public Service Award of The Georgia Coalition of Black Women, Inc., and the Freedom Foundation at Valley Forge 1985 George Washington Honor Medal.

will be more significant than ever."

These changes will occur at a time when the federal government is reducing overall expenditures. In response to this shift, the private sector will need to assume a greater responsibility in preparing tomorrow's workforce.

One can foresee dramatic economic upheavals with the mismatching of business and industry workforce needs with an unprepared, unskilled and untrained minority labor pool. If, in frustration, these youngsters turn to crime and drugs, while also becoming teenage parents, they will further drain the national treasury and, even more critically, waste their own human potential.

As a nation, we cannot afford to repeat the social upheaval of two decades ago. Not at a time when we are concerned about foreign competition and attempting to reassert U.S. leadership in world markets.

For these reasons, U.S. businesses must become more involved in major policy debates on issues such as welfare reform. The future course of race relations in this country will hinge on a concerted private and public sector commitment to break the cycle of dependency, despair and poverty by promoting self-sufficiency and productivity. It is important for U.S. business and IBM, in particular as a leader, to understand the issues.

While, in the past, masses of blacks were strong supporters of civil rights marches and demonstrations, many now question the wisdom of such tactics to address the challenges of the 1980s.

In the 1960s the civil rights movement was directed against institutional racism as manifested in laws, policies and community-wide attitudes that resulted in blacks being denied public accommodation, voting rights and political representation in government. Along with a host of other obvious gains today, blacks have free access to public places and seven of the 12 major cities in the country have black mayors. Ironically, while black America has enjoyed increased political power far greater than any minority group—since 1970, the number of black Congressmen has more than doubled to more than 20, and the number of black mayors is approaching 300—this power has not translated into economic power and influence.

What distinguishes recent acts of racial violence from those of the 1960s is that today the actions are committed by a small group of Ku Klux Klan members and youthful zealots who have no community-wide support. In Georgia, white Forsyth County residents were the ones who extended the invitation to the marchers. The county police protected the marchers, in contrast with the past when police unleashed dogs and turned fire hoses on civil rights demonstrators. In Howard Beach, white community residents cooperated with the police in identifying the young attackers. In the 1960s, the assailants probably would have been protected

"The emphasis for the future must be on creating wealth . . ."

and considered heroes. It is, therefore, incorrect to imply that these isolated incidents of racial animosity express a resurgence of racism throughout the white community. In reality, national polls indicate a more tolerant attitude toward minorities.

The challenge of the 1980s is to develop strategies that are appropriate for the times. New voices in the black community are speaking out in a candid and straightforward manner against the old rhetoric that blamed racism for all social ills. Innovative solutions are being discussed and implemented to help end the debilitating poverty that stalks our communities.

According to MIT researcher David Birch, 80 percent of all new jobs are created by small and medium-sized businesses. Many of these small businesses provide products and services to large corporations. Compared with other minority groups, blacks are way behind in creating jobs.

The key to improvement

The emphasis for the future must be on creating wealth through increased enterprise formation in low-income communities. Economic development is the key to improving the quality of life in those neighborhoods.

Over the past two decades, for example, public housing resident management corporations run by small, grassroots groups living in the housing they manage have sprung up in Boston, Jersey City, St. Louis, New Orleans and other areas. They have successfully transformed blighted and impoverished developments into safe communities with new jobs and community-run social services.

The Kenilworth-Parkside Resident Management Corp. run by Kimi Gray in Washington, D.C., will save the District of Columbia government \$4.5 million over a 10-year period. And the social and economic impact is awesome. Within two years, teenage pregnancy in the development was reduced by 50 percent, welfare dependency declined by 50 percent, the crime rate fell 75 percent and rent collections increased 130 percent.

In St. Louis, the Cochran Tenant Management Corp. refurbished 400 vacant units in its first year of operation, using hard-

core unemployed youth for renovation crews. They have since become involved in developing an inner-city shopping mall. In addition, 270 people are employed in small businesses established by Cochran's public housing resident corporation.

There are hundreds of such fledgling entrepreneurs in low-income neighborhoods across the country. What is critical to their success is information and training and other forms of hands-on help. They are not looking for handouts, but for a helping hand.

What is desperately needed by all who seek to improve the plight of the nation's poor is to join hands with black Americans in spearheading a self-help renaissance—the next battle-front in the struggle for equal rights. Information flowing to these groups is critical. How does a business price its products and services, study markets, manage expansion? Since many low-income people lack business experience, they need sound business information.

Many low-income entrepreneurs face regulatory and administrative barriers that keep them from entering the market. Several female welfare recipients in Baltimore, for example, started a maintenance business that hired other welfare recipients. When they informed the city's welfare department of their venture, their business income was deducted dollar-for-dollar from their welfare benefits, but they were not allowed to deduct their costs. Another example involves a woman on welfare who received a gift of a typewriter that would allow her to earn extra money while preparing for a new career. Her welfare benefits were immediately stopped because welfare recipients may not have assets over \$1,000. Many welfare policies do not distinguish between commercial and personal assets. These are examples of the barriers to self-help imposed by government that must be struck down through welfare reform.

Several European countries have developed innovative programs that allow public assistance payments to be used to invest in small businesses. In France, for example, any citizen who is entitled to unemployment compensation can collect six months of benefits in a lump sum to

invest in a business. Great Britain's "enterprise allowance" program allocates eligible working people an allowance of \$60 per week in exchange for working at least 35 hours per week to establish a business. After three years, thousands of new businesses have been established with an extraordinary success rate of over 70 percent. Technically, transfer of welfare payments for starting new businesses in the United States is illegal. Instead of penalizing entrepreneurship and self-sufficiency, we should look at ways to encourage it.

IBM has been at the forefront of public/private partnerships, by providing direct assistance to groups that help low-income people learn the skills they need to participate in the marketplace. More than seven years ago, 11 IBM employees were detailed to the Washington Urban League to establish a word processing training center. To date, more than 700 low-income people have graduated from the program with a 100 percent job placement rate for those who have completed the program. After three years, 70 percent retained their jobs. When calculating the personnel contribution in dollar amounts, IBM's contribution is worth more than \$250,000. When you consider the taxes paid by these workers and other cost factors, the return rate of this program is \$5 for every \$1 invested. The program is now staffed completely with Washington Urban League employees.

The poor have needs beyond food, shelter and clothing. They must overcome their crisis of the spirit. They must be helped to reinvest in their futures by believing development is possible. Rebuilding the black community must occur from within based on the experiences of those suffering the debilitating social and economic problems.

Just as business uses its political and economic energies to increase investment in new technologies and expand world markets, it should employ the same zeal to increase the employability of blacks and other minorities who represent the work force of the future. Developing a labor market that reflects America's cultural diversity and energy should be at the top of every corporate agenda. The stakes are too high to ignore. ■