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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Transcript	[Transcript] [48 PAGES RELEASED IN WHOLE ON PRA RE-REVIEW 09/16/2025 JLS]	48	12/04/1993	
002	Handwritten Note	[Handwritten Note] [1 PAGE RELEASED IN WHOLE ON PRA RE-REVIEW 09/16/2025 JLS]	1	08/25/1995	
003	Cover Sheet	[Cover Sheet] [1 PAGE RELEASED IN PART FOR (b)(6) ON PRA RE-REVIEW 09/16/2025 JLS]	1	N.D.	b6;
004	Report	[Report] [3 PAGES RELEASED IN WHOLE ON PRA RE-REVIEW 09/16/2025 JLS]	3	N.D.	
005	Resume	[Resume] [8 PAGES RELEASED IN PART FOR (b)(6) ON PRA RE-REVIEW 09/16/2025 JLS]	8	N.D.	b6;

COLLECTION TITLE:
Counsel's Office, White House

SERIES:
Kavanaugh, Brett - Subject Files

FOLDER TITLE:
[FOIA Request - 1999 Trade Missions] [4]

FRC ID:
9692

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THE WHITE HOUSE

Office of the Press Secretary
(Los Angeles, California)

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INTERNAL TRANSCRIPT December 4, 1993

REMARKS BY THE PRESIDENT
IN DISCUSSION ON THE CALIFORNIA ECONOMY
WITH CALIFORNIA BUSINESS AND POLITICAL LEADERS

Space Shuttle Main Engine Final Assembly Area
Rockwell International/Rocketdyne Division
Canoga Park, California

(*Names are spelled phonetically)

10:10 A.M. PST

SECRETARY BROWN: Good morning. We are awfully pleased to be here in Southern California. A very, very important -- today we have a number of distinguished people with us around the table and in the audience; members of the state legislature, local officials, members of the Congress -- let's give a round of applause to all the elected officials who have joined us today. (Applause.)

As I think most of you know, I'm Ron Brown, I'm the United States Secretary of Commerce. (Applause.) In March of this year, the President of the United States came to me and he said he wanted me to take on a special assignment that he thought fit with my commerce portfolio. And that was to be the point person to assist in coordinating federal efforts to help in the economic recovery of California. Some days, Mr. President, I don't whether to thank you for that assignment or not to thank you for that assignment. It is certainly challenging, I think and clearly the President thinks, extraordinarily important.

It became clear to us from January 20th on, that there was no possible way that we could declare economic recovery in America until we had real economic recovery in California. And we make no apologies for giving special attention to California; a state where one-eighth of our people live, that represents one-seventh of our Gross Domestic Product.

These are difficult economic times in this state. It is a state that in the past has been full of hope and optimism and growth. We also know that some of the same factors and some of the same resources that enable this unsurpassed growth to take place in the past still exists in California -- the nations most advanced high-tech sector, a extraordinary educational system that operates a state-wide, a vast supply of skilled workers, and a strategic location on the Pacific Rim but also with opportunities in South and Central America through Mexico.

Mr. President, we've done a lot of listening since March. I've made 14 trips to California, I think the President is running a close second, I think this is his eighth or ninth trip to the state. Other members of the Cabinet have been here, senior officials of the administration trying to make a determination of how we can coordinate federal efforts and federal resources, how we can work with state, county and local leaders to really make a difference. We've talked to business leaders from both small and large businesses. We've talked to community leaders; I see John Mack sitting across the table, from the Urban League. We've talked to activists in communities, we've talked to ordinary citizens, we've talked to educators, we've reached out and listened because we thought that was what we had to do, that's what it made sense to do. It's clear that the federal government cannot solve the problems of

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California but we can certainly be a better partner. We can certainly be a more effective partner in working with you to attempt to solve those problems.

We have taken some significant actions, and I hope you in California understand that we have been able to move the ship of federal government in a way that we think has been beneficial over the short term and will be ever more beneficial over the long term.

One of the things we've done is to look at what the biggest impact on our economy can be in the future. It's seems clear to us that our economy is more and more dependant on exports. That, in fact, American exports equal American jobs. And if you look at economic performance over the last several years, of recession and stagnation, about the only bright spot has been exports. And California is more export dependant than almost any other state in the Union.

So we came forward with the national export strategy that the President pushed us to develop. And that export strategy I think is going to mean jobs in California and economic growth in California. It meant changing the whole regime for export controls and the export licensing process, which basically freed up $37 billion in exports, about $10 billion of those directly related to California business and industry. We focused on defense conversion, understanding that California has paid a disproportionately large price for the scaleback in defense spending. We focused on mass transportation. We focused on building on our technology base. The fact is that through our TRP program and our advanced technology program and our manufacturing technologies program, all of which we're going to talk about later, we think all of those can have a real impact on the California economy. We've looked at new manufacturing opportunities -- I see Mike *Gage there from CalStar -- electric transportation and how we can use the base that exists there and the skilled workers and workers who are unemployed from the aerospace industry and other industries to put them to work building a manufacturing base, a high value-added, large employment potential. We tried to target our investments, things like the bee factory, for example. Things like helping to train unemployed workers through some of our labor department programs. Export Mexico -- how we build on the promise of NAFTA and make it a reality. Just on Tuesday, I'm going to be leading a group of exporters, 40 exporters to Mexico to talk about how we can send more products to Mexico. Seventeen of those 40 executives are going to be from California-based companies.

We also recognize that although there is a theory that a rising tide lifts all votes, there are a lot of Californians who don't have any votes, and a lot of Californians who have votes who are taking on water and are mired in the silt and slush at the bottom of the sea which means we have to target our efforts. We need to make sure that we focus on small businesses. Make sure we focus on minority businesses. Make sure we focus on displaced workers, so when economic recovery does come, it lifts all Californians and not just those at the top of the economic pyramid.

One thing we've learned in this outreach effort is the extraordinary opportunity that the beautiful diversity that California possesses gives to this state. And that we need to stop wringing our hands and whining and moaning about how hard diversity is to manage. And understand that it gives us a tremendous competitive advantage in this global marketplace. It's what makes us a dynamic as a nation. It's what makes us capable of transition and change -- the kinds of transition and change that we're going through now. And no state represents the diversity of America more than California does. And no city represents that diversity more than the City of Los Angeles does. And I'm pleased now to introduce a great man, who's gotten off to a strong start, who has been working very

closely with us from the day of his election, and that is Mayor Riordan, the Mayor of Los Angeles. Mr. Mayor -- (Applause.)

MAYOR RIORDAN: Thank you, Mr. Secretary. You've been a great friend of Los Angeles and California. Mr. President, I remember jogging with you a few days after I was elected, and I'm formally now inviting you to go biking with me on your next trip, so I can get revenge. But, seriously though, it's a great honor to have you in L.A., and on behalf of all of our residents, I welcome you to the City of the Angels.

I also welcome the other leaders who are here today from the private and public sector, who are going to help us analyze the various economic issues affecting our city. Mr. President, we in Los Angeles are committed to turning our city around. The first priority, as in all big cities, is safety. Tourists and business do not want to be in an unsafe city. Our great Chief of Police Willie Williams came up with Project Safety Los Angeles two months ago, which will add approximately five times as many police on the streets and in community-based policing as we have today over a five-year period.

We also have to make our government friendly to business, particularly small business. But most of all, L.A. has been re-energized. There's a new will to make our city healthier, safer. The public-private sector has been working closely together. We've had much help, such as Food For Less and Ron Burkell's* $10 million gift for athletics in our city. Volunteerism is coming all over the place, such as three students from Poly High, one of our public high schools, who came up to me yesterday and gave me their names and telephone numbers, and they wanted to help on projects in the inner city of L.A. Mr. President,though, we want to be your partner, but we need your leadership. We need the kind of leadership that you've demonstrated in getting through the Omnibus Crime bill, the Family Preservation bill, the empowerment zones, and, of course, NAFTA. We need your leadership in bringing unions, local government and management together to make the most out of NAFTA. We also thank you for your executive order in restricting unfunded mandates and allowing cities to set their own priorities.

L.A. particularly needs your help, Mr. President. We are the most underpoliced city in the country. Eighteen percent -- it's hard to believe -- but 18% of the jobs lost the last few years in the whole United States have been in L.A. County alone. Mr. President, as you've said many times, as L.A. and the other big cities go, so go the nation. So, Los Angeles thanks you for your concerns and with great respect and with the hopes and aspirations of all our citizens, I turn this meeting over to you. (Applause.)

THE PRESIDENT: Thank you very much. Thank you very much, Mayor and thank you Secretary Brown. I want to say a few words and then introduce your state's two senators, after which we will begin the program. First, let me thank all of you who are here today, those of you around the table and those of you who are out in the audience.

I wanted to do this is California, this meeting, as a necessary follow-up to what many of us have been doing here in the last year; and also because I thought it would be useful to do this in light of the economic conference we had in Little Rock one year ago this month, that some of you here in this room attended. I held that conference in an attempt to get the best ideas I could from all kinds of people all over the country about how to implement the economic strategy that I had run for President to put into effect. I wanted to get our country moving again. I wanted to try to restore jobs and incomes to make us more competitive as we move toward the 21st century; and to give people who were outside the mainstream of economic life a chance to get in it.

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As Secretary Brown has said, we have been convinced all along just looking at the numbers that we couldn't restore the American economy without restoring the California economy. Most of this year, the unemployment rate here has been roughly three percent above the national average; and has been aggravated into two areas, which are causing us the most trouble nationwide -- that is, the huge numbers of poor people in inner cities who can't get jobs at all, and the very large number of middle class workers who have lost jobs who can't get new jobs or can't get jobs as good as the ones that they lost. Those two problems together are bearing down on the nation and are certainly a big problem here.

We've learned some things in the last year. We've learned that there is no silver bullet, that the problems are complex and require a broadbase approach. We've learned that you can make real progress, especially if you're willing to be disciplined and pay the price of time. We've learned that national action is not sufficient, that there has to be a partnership that is public and private and that is state and local and sometimes community-based as well as a national effort. And we've learned that you can't really leave any stone unturned. I want to refer in a minute to a point the Mayor made.

I'd like to briefly summarize what's happened in the last year that's affected California in terms of our national policies and some California-specific efforts. First of all, the deficit reduction part of our economic plan that went into effect on October the 1st, actually has real reductions in spending in 356 separate accounts in the federal budget. That's not lesser increases, that's actual reductions this year over what we spent last year.

We did raise income taxes on something less than two percent of the American people, but we also lowered taxes for 90 percent of the small businesses in the country; passed the venture capital gains tax that the venture capitalists heavily concentrated in California have been asking for for years; passed some passive loss rules that the real estate folks in California have been pleading for for years; expanded the research and development tax credit, which is very important to this state.

Over the last ten and a half months, you see a remarkable thing in a world economy that's in recession. In America, interest rates have stayed down at historic levels; inflation has been at historically low levels; investment is up; personal income is up; more private sector jobs -- almost 50 percent more private sector jobs now in the first ten and a half months of this year than in the previous four years; over 5 million Americans have refinanced their homes. And we see the beginning of a national economic recovery that is quite impressive. So that part of the economic strategy -- keep inflation down, keep interest rates down, get investment up -- is working.

The second part of our strategy was to have more sales, more markets and more products. We sought more sales through removing controls on exports that had previously been controlled during the Cold War -- $37 billion in computers and telecommunications equipment alone. About one-third of that market comes out of the State of California. So in the years ahead that will create tens of thousands of new jobs in this state just by a national economic policy that was clearly in the interests of our country. Now the Secretary has already mentioned the national export strategy.

With regard to markets, we pursued NAFTA, we pursued a new relationship with Japan, we have reached out to the other countries in Asia. We are doing best in the remaining 11 days to

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So, having said that, we will have more investments as we can. Let me just leave you with the problems from my perspective at the national level, if I might. Number one, we've got to have the -- we've got to be willing to pay the price of time. Middle class wages have been stagnant or declining for 20 years under the pressure of the global economy. We have huge increases in productivity now in the manufacturing and in the service sector. That's the good news. But what that means is fewer people can produce more things. So we've got to have a lot more customers. We've got to have a lot more customers around the world. That's why trade's so important.

We've had social decline in this country for 30 years. A lot of the problems that we're dealing with now are the tail end of a 30-year downward spiral that all of us bear some responsibility for not addressing earlier and more vigorously. We can turn it around. We absolutely can, but it's going to take some time.

Number two is the changing nature of jobless people. It used to be people would lose their jobs, they'd be called back to their old jobs after a certain period of unemployment. Now, it's much more structural and people are not likely to get their same old job back. We have to revolutionize our approach to unemployed people. We need to scrap the present unemployment system and convert it into a reemployment system to move people through this economy more quickly. It's very, very important, especially when you go through the same kind of restructuring you're going through here.

Number three is, we're still not making, in my judgment, enough investment in the areas -- and this is not just California -- but enough investment in the areas that have been disproportionately hurt by either defense cuts or by disinvestment in our urban areas.

And finally, our problem is at the national level we have a real conflict that the American people have imposed on the Congress and on me that can't -- we don't need to glaze it over. We know we need to invest more money all across the country -- pure investments, things that create jobs. At the same time, the American people are telling the Congress to adopt a balanced budget amendment. And we have already adopted a five-year budget which cuts defense, holds domestic spending flat and is increasing only in retirement and health care costs. So every time I spend more money as the President, or the Congress appropriates more money, to invest in defense conversion we have to cut something else out of the domestic budget right now. And all those people who said we haven't made any cuts -- you just wait until we show up in January and I put that new budget on.

So we are asking for -- all I'm saying is we have to keep bringing this deficit down. But we need the support of thoughtful people in the business community, in the labor community and community leaders to work through these things with us. We also have to keep investing. This mayor and this city need the police officers on the street. We need investment; and we need partnerships in areas hit by defense conversion and in areas of the inner cities where there's been total disinvestment.

So we can do these things together, but not if the political pressures force us to overlook the economic realities. And we're going to have to have really thoughtful support from the private sector if we're going to make the right kind of decisions; and it needs to be as non-partisan or bipartisan as possible. We need to try to make our economic policies a matter of our national security.

Those are the problems from my perspective. I'd like to now call on Senator Feinstein and Senator Boxer to talk. Thank you. (Applause.)

SENATOR FEINSTEIN: Mr. President, may I begin by saying thank you for once again coming to our state and listening to us. I think at this table you're going to hear some very interesting

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things. I suspect that, sitting right across from me, Mike Armstrong is going to tell you about how we need to change some law with respect to some of our sanctions which, when it involves China and a communication satellite doesn't disadvantage China at all, but disadvantages California and the production of that communication satellite, and I think will affect about 3,000 jobs, or up to 3,000 jobs.

Now, that's one thing. I think Eli Brode* here might tell you that HUD can change some of the underwriting standards to facilitate the kind of housing that needs to be built more in the state of California, and I would like to suggest to you a program which is a commitment of a targeted $100 million of small business loans which could leverage $4 billion of new business and 400,000 jobs. I'd like to hand you some legislation that I will introduce with the help of Senator Boxer, which presents that targeted small business job program which I believe could be useful.

And I'd like to also suggest to you that one of the best defense conversion programs, as we wind down defense, is aerospace, is the need to continue with the space station and continue to see that aerospace in California remains strong. Both Senator Boxer and I were helpful in maintaining the B-2 program, removing the fencing so that program can go forward. Those are tens of thousands of jobs. The FA 18 CD, the EF, the C17 program -- these are big programs, and these are tens of thousands of jobs, and they're good jobs. They're jobs that people can maintain a home and school a family and all of the rest of it.

I am very concerned because there's still $11 billion of Clinton defense cuts and $5 billion of Bush cuts yet to be realized, in the next three years, and we know California is going to do about 40 percent of those. And that's the rationale for this additional small business loan program.

As industries convert, I would like to submit to you that one of the major areas that we should take a look at is transportation. California should become the transportation manufacturing center of the future -- for the software, the hardware, the magnetic levitation, the bullet train technology. And in conjunction with the state, we should build that rail spine now, down the center of the state. Link Sacramento, Fresno, Southern California, begin some creative infrastructure using transportation.

I think what Mike Gage (ph.) is doing in Cal-Start -- and I know there wasn't enough money appropriated this time for the electric automobiles, but there's so much software and hardware that can be developed in this state, I think it's really extraordinarily important that we center a major transportation initiative around this state. The brains are here, the infrastructure is here, and the ability to build it is important.

And then I just leave with one last thing, and that is two areas of California are in competition as you know, I've hounded you about this, for the defense facility accounting center. It's 4,000 jobs that could go right into San Bernardino County. They've lost 10,000 with base closures, and 4,000 jobs that could go into Mayor Island (ph.) Naval Shipyard when we've had almost 70,000 job loss with every single military base in the San Francisco Bay Area closed.

I think those are some of the specific things, and I know you have gathered around this table very substantial people representing a number of different enterprises. And I want to just end by again saying thank you so much for being here. (Applause.)

THE PRESIDENT: I don't want to delay the onset of the program anymore, but I would like to make just two brief remarks.

First of all, I appreciate Senator Feinstein raising the space station, because I forgot to mention it in my remarks. We fought very hard to save the space station. You may know that it survived the House -- (applause) -- it survived the House vote by only one or two votes. A couple of friends of mine, as a personal favor, waited until the end to see if we needed their votes, and they changed and voted for it. But it's very important that we preserve that, especially now that we have a partnership with the Russians as well as the Europeans and the Japanese. This is an incredibly important thing for our objectives in world peace and global diplomacy, as well as for our own economy. So I hope that we can maintain a strong bipartisan base of support in California for the space station.

On the DFAS thing, the defense accounting systems, let me say the White House will not pick those, and shouldn't, but California should be advantaged in the sense that we ask that the whole process be reconfigured to take into account one thing that the previous administration didn't take into account, which is, how bad are the areas that are applying for the centers hurt by defense cutbacks. It seems to me that we ought to give some consideration to people who are hurt by defense decisions when making defense decisions that will help economically. So that was the sole reason for the recalibration of the applications and, therefore, I would expect that that would be a plus for the state in these processes.

Senator Boxer.

SENATOR BOXER: Thank you very much, Mr. President. It's a pleasure to be here with my friend and colleague, Diane Feinstein, with the members of Congress and the other leaders from the state and private sector.

Mr. President, as a member of the Senate Budget Committee, I know how tough it was to move your budget through, because it was a tough budget, it asked people to sacrifice -- especially people at the top -- never pleasant to do that. I know Howard Berman, who is sitting around this table, had to lift that heavy water in the House budget.

But I think all of that is paying off, and I have to say in the nation today, you are seeing the fruits of that work in terms of the lower interest rates, the consumer confidence, and lower unemployment in most places, although I have to say statistics today for us was wonderful, but when you look behind it, we've got a long way to go, Mr. President. And I know you know that.

So the point is, though, we're moving forward, and I think it's very important that people know that there have been more jobs created since you've been President than in all the years of the prior administration, four years. So we are going in the right direction.

Now, California is a special challenge. And as you know, we're the one-two punch of the Senate, Senator Feinstein and I, and there's not a day that goes by that we're not talking to you about this. And I wanted to just put in the record that since 1990, California's lost more than 260,000 manufacturing jobs, almost half of the roughly 560,000 jobs lost during the recession. And a June, '93 study by UCLA professor Paul Ong* found that California aerospace workers who had been laid off were having a difficult time finding new jobs. And most of those were here in Los Angeles. And when they did find them, many of them took a cut in pay of a third.

So we are in some distress. Your being here is very important to us. In the next two minutes, I'm going to conclude and tell you there are three things I'd like to impress on you today. Number one, the fact that there are opportunities to help California underway. You're aware of them. You talked about DFAS after Senator

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Feinstein. Wind tunnel construction. Environmental cleanup on the closed bases where we can retain the laid off workers and retrain them to clean up the bases. That's a $3-billion job. Enterprise zones. Getting them here -- right here -- in Los Angeles. Consolidating the DOE weapons lab at Lawrence Livermore. A megaport status for San Diego so that we can really make that a special place. There are others; I will hand you a list.

Second, as you look ahead at the new round of base closures, please, Mr. President, tell your Pentagon to consider regional fairness. I don't know that we can absorb any more losses right now. And I just hope you will really look at it. The last one was put forward by the former administration; I don't think there was any consideration for California. I think your administration will have a different eye. Please look at that.

My last point is this. Business needs are helped, too, and you detailed some of the things that you were able to do in the reconciliation bill. I would say that we look at depreciation of certain computer equipment, high-tech equipment. The write-off now is five years; with technology the way it is, three years would be far better. Let's keep moving to lift those export controls where it makes sense. There's much we can do in partnership with the private sector to move forward.

I want to close with this. Mr. President, during the campaign I know what you wanted to do very much was to transfer investment dollars from the military side to the civilian side, for infrastructure projects, the kinds of things my colleague talked about. But we've got a horrific deficit. We know that. And we can't make that transfer because we have to worry about bringing the deficit down.

I'd like you to consider a new idea which I discussed with John Kenneth Galbraith* and he has endorsed this idea. I've also discussed it with Felix Rojan* And the idea is this -- to use the pension funds that are out there, Mr. President, $4 trillion strong, moving to $6 trillion in the next 10 years, they are sitting out there, and we could put those dollars to work, we could rebuild our infrastructure, we could issue economic growth bonds, they'd be zero coupon bonds, they would be repaid from the revenues of these projects, would not affect the deficit, and I hope we can do something exciting like that, because as I look out, you and I know the deficit is the stone around our neck, and we've got to find creative ways to move forward.

Thank you again, Mr. President, for being with us.
(Applause.)

THE PRESIDENT: Thank you very much. Let me just say with regard to the pension issue, I think that idea deserves a lot of very careful study. There is argument for, argument against. People are always nervous about any different investment of pension funds, and a lot of pensions today are in some trouble, as you probably know -- more the private than the public ones.

On the other hand, the flip side of very low interest rates is to make the unfunded liabilities of some pension funds larger than they otherwise would be. So if you could work out the right sort of guaranteed return on the pension funds, it actually -- if we're looking at a few years where we can keep inflation down, it actually might be a better return for far more job growth to have a modest -- and we're only talking about a modest -- reinvestment away from traditional investments into these kinds of job-generating activities. So I think it deserves some very serious thought.

We're going to now have a couple of presentations on the present state of the California economy -- two people very well

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qualified to do so. The first is Professor Larry Kimball* who is the director of the UCLA business forecasting project, and the Professor of Business Economics at the Anderson Graduate School of Management at UCLA.

Professor Kimball.

PROFESSOR KIMBALL: Thank you. Mr. President, it's a privilege to be here today with you and Secretary Brown, Senator Feinstein, Senator Boxer, other community business and government leaders, to share with the UCLA forecast for the California economy. The U.S. economy sets the stage for the California economy. Next year, there will be real GDP growth of 3.7 percent, inflation of 1.5 percent, unemployment less than 6 percent, double-digit growth in producers durable equipment and over 1.5 million housing starts.

The economy is being led by your pro-investment emphasis. We have very strong investment basics. Low interest rates, rising profits, a good stock market. Confidence is clearly being expressed in this sector. Job growth in the U.S. is expected to be 2.4 percent next year. So the U.S. is going to accelerate its growth, and that's good for California.

California's recession started in 1990 about the same time as the U.S. recession, but our contraction has lasted four years, the longest California recession since the Great Depression of the 1930s. And we have lost a greater percentage of jobs than we did at the end of the Second World War. Home prices in high-priced areas of Los Angeles have dropped over 30 percent, more than any time since the speckly bubble* of the 1920s collapsed.

Why has it been so bad? There are five reasons. We're at the confluence of five strong negative forces. Two are permanent. Two are cyclic. And recovery will come next year. One is uncertain. First, defense cuts are permanent. Defense cuts, base closings have been reinforced by defense moves out of California. The aerospace industry has lost 150,000 jobs since 1986. We expect to see 80,000 more people lose their jobs in this industry in the next six years.

Most of these people who lose high-paying jobs will not get reemployed in aircraft or space employment. To find employment, they will surely be forced to leave the aerospace industry in this region and may have to leave the state.

California's net migration will drop to nearly zero for the next three years, far below the 400,000 that we saw in 1990. A second force is working here, as it is in the U.S. -- reengineering, downsizing, emphasis on efficient staffing. Non-aerospace high-tech industries, such as computers and electronics are booming, measured by sales or output. But they're not adding jobs because they have phenomenal productivity growth. That keeps them competitive internationally, but it limits the job opportunities. We've lost 60,000 jobs in the last decade in these industries because of the emphasis on productivity. The management of non-manufacturing companies also face intense competition, pressure to reduce costs.

It was amazing at the end of the Second World War, we lost 500,000 jobs in California and never slowed down in nonmanufacturing jobs. Awesome. Conversion was very real. We had other places for people to go. When Vietnam peaked, we still expanded every single year in the service sector -- 60,000 jobs at the worst. We have lost 150,000 jobs in the traditional sectors that support conversion. And this emphasis on efficiency will remain. These sectors will start growing again as we accelerate, but the efficiency is a permanent feature. New home building is cyclic. It'll start recovering very soon. Low interest rates will be a factor as soon as we get the price bubble behind us. We expect units to increase by over 100 percent in two years.

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Japan's recession will be over soon, Far East will accelerate, trade with Mexico, thanks to NAFTA, will accelerate. We're going to have more jobs in this sector. Two industries in California have expanded throughout the four-year contraction, amusements and motion pictures. We have 80,000 more people in these industries. So trade is a strength of California and will remain so.

The last fifth element is more uncertain -- crime, safety -- both you and the Mayor have emphasized. Empowerment zones would be very useful. We need stable jobs in the inner city and a secure environment. If we get those, we believe Los Angeles could join California, the rest of California in recovery next year. Thank you. (Applause.)

THE PRESIDENT: Thank you, sir. That was very helpful. I'd like to now call on Mark Pissano*, the Executive Director of Southern California's Association of Governments. It's the nation's largest regional planning agency which provides an open forum for the discussion of region-wide problems. And I think Mark can provide us a regional perspective, and outline his organization's vision of the economic future of this region.

Mark.

MR. *PISSANO: Thank you very much, Mr. President and honorable guests. The strategy that I'll be discussing today is the product of two years of work effort. It was initiated by our board, which are the elected officials in the six counties in southern California. Mayor Riordan sits on our board and a number of other individuals in the audience today are also on that board.

They directed us to work with the private sector to develop an economic strategy for southern California, recognizing that the economy was the most significant issue facing our region; in fact, maybe one of the most significant issues facing the state and the nation as well. A good percentage of the job losses, 25 percent to be specific, in the nation in the last three years have come from our region. We've worked with the private organizations under the auspices of the L.A. Chamber of Commerce, the 2000 Partnership to convene the business interest throughout our region to develop such a game plan.

One of the fundamental lessons that we learned from that work is that those regions in the world today that are talking and working together are the successful economic regions. And that the notion of working together and collaborating is fundamental if we're going to be successful.

What are the elements of the strategy? Essentially, this region must turn around the decline in our primary industries if we're to be successful -- primary being defined as those industries that enable us to export product so that we can bring wealth into this region and increase the among of wealth in southern California, and this can also be done through tourism, where people come and spend money here. But we have to expand the size of the pie. How do we do that?

We came across work by your Secretary of Labor, Robert Reich, as well as other economists -- Michael Porter -- that noted that the concept of industry clusters -- that is, geographical areas where there are independent and internationally competitive firms working in a related area where you have the support activities necessary to grow and expand economic base would be the key to our future. Nine such clusters have been identified in our region, they were self-selected, they came forth from the business community, they are listed in the strategy, Mr. President, which we completed this week, and a copy is available to your staff.

I just want to speak to one of those clusters as an illustration -- that is advanced transportation. Identified by the Project California, which I hope others will speak to later today, but that project identifies that advanced transportation systems, electric fuel cells, automated vehicles, telecommunication can build an economic base.

Let me just say one other thing. We prepare the air quality and transportation plans for this region. We cannot meet federally mandated goals and standards if we don't move this industry. And if we move this industry -- and Cal Start is an embryo of that particular industry -- we solve two of our perplexing problems: our employment as well as our environmental problems in this region.

Secondly, how do we expand these bases? How do we create these new clusters, and how do we expand existing bases, such as entertainment and also aerospace? We must reduce cost and build economic foundations in our region.

Our state has taken a real running start at this through the leadership of R. Brown, Speaker Willie Brown, in his economic summit through the reforms that the state has initiated in workers' compensation, in Sequa* et cetera. But that's just the beginning and we need to go further. We need to streamline the permitting and entitlement process at the local level. We need to find out why our housing costs -- in fact, we know why, but we need to solve the problems that enable our housing costs, which are now the highest in the country to get down to the average in the country so that we can compete. Environmental, entitlement financing, a whole set of strategies identified.

Finally, if we're going to achieve the goals of our strategy, which are not only rising per capita income, but an opportunity for all to participate in the region, we must address the issues of community in need. We've used indicators such as unemployment overcrowding and social factors to identify the extent of communities of need in our region, and it's not just in one city and it's not just in one county, it's in all of our counties -- our suburban counties as well. We must be able to address those issues. The strategy calls out for a community-based focus, it relies heavily on the existing tools, of community development corporations, etc. But we've come to one observation: Those are necessary, but not sufficient. We need risk capital, investment capital for our communities in need.

There's two concepts that are proposed in this strategy. One is to carry forth the experiments of Community Build and Rebuild L.A. to bring capital from outside our region to those communities. Secondly, the 2000 Partnership develop a concept called an enterprise fund, which is based on a tax credit on mortgage security sold on the secondary money market which can identify an established and easily calculable premium which could then be deposited in the trust fund of those institutions and administered privately to strategies developed in those individual communities.

Mr. President, let me just conclude that those communities that work and talk together are successful. If we're going to turn this region around and solve our major problem, we need a game plan that we all believe and have confidence in. And, secondly, we need targeted and focused assistance on the key elements of that strategy so that we can make it work. And if we do, I'm convinced and this community is convinced we can turn it around. Thank you. (Applause.)

THE PRESIDENT: Let me thank both Professor Kimball and Mark Pissano for their very good an concise presentations, and note

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that the two things really work together very well. Professor Kimball said that defense downsizing and corporate restructuring are more or less permanent features, at least insofar as our ability to see the future. We think they are. The real estate cycle can correct itself and will, and we can follow some policies to help that; I think we are. The credit crunch -- we'll have an opportunity to talk more about later, and I think the economy can correct it; so can government policies, but we need your help on that.

Global demand, especially from the Pacific Rim, is something we are working very hard on to try to coordinate our economic strategies better with Japan, with Europe and with other fast-growing countries. But it's clear that you have to have a targeted strategy in this area and that -- and this is one thing I want to emphasize because it's one of my big problems that I close with -- you cannot build a transportation center here, you cannot have a strategy for long-term growth without having a very high level of investment, most of which will have to come from the private sector, some of which will have to be (inaudible) by either public sector incentives or public sector partnership investments. And we're really going to have to focus very closely and tightly on how we can achieve that.

Now, this panel has been organized in three topics to deal with from at least our perspective a lot of the issues that were raised here. One, technology and defense reinvestment, two, trade and economic growth and, three, community development. We're running about a half an hour behind, but I think if I call on our host first and if he'll tell me, maybe we can stay a little late and cut our transfer time to the floor of Rockwell for the next event, because I want to hear from everybody here who has got something to say.

I'd like to talk now a little bit about technology and defense reinvestment. You all know that our major initiatives have been the technology policy that Secretary Brown has already discussed -- support for research and development and basic scientists through the National Science Foundation, assistance to bringing new technologies to the market through the manufacturing extension programs, and the creation of a more favorable regulatory climate, including lifting export controls.

We are also working very hard on dual use technologies and this technology reinvestment project, extension programs and a creation of a more favorable regulatory climate, including lifting exports controls. We are also working very hard on dual-use technologies in this Technology Reinvestment Project, which in the last six months has provided matching funds, not all funds, but matching funds of $420 million to 162 projects nationwide.

Our host, Rockwell, has done very well in the TRP process because of well-conceived projects. And I'd like to ask Donald Beall, the CEO to talk a little bit about how Rockwell has wrestled with the changes in the California economy and the national shift away from defense industries and whether this TRP project in his view has the promise to really help us make the transition, keep more jobs alive, and what if anything we can do to make it better.

MR. BEALL. Thank you very much, Mr. President. On behalf of all the people of Rockwell, many of whom are here today -- many of whom are here today and you'll see later, we very much feel privileged that you chose this location to have this discussion and roundtable --

Q (inaudible)

MR. BEALL: All right. Can you hear me now?

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Rockwell has probably gone through earlier than most of the major aerospace companies a significant downsizing just because the nature of how programs affected this company. We, of course, built the space shuttle and built the B1B. And long before the changes in the geopolitical situation in the former Soviet Union and Eastern Europe, affected the DOD budgets we were seeing sharp reductions.

We've been working on being a diversified High technology company serving global markets for many, many years and have put a great deal of emphasis on converting where it was practicable defense technologies into commercial businesses. And we have numerous areas where I could go through -- I won't go through but a couple today -- and talk about success. And there's no question in my mind that this Technology Reinvestment Program will have an added positive effect on the high technology generation and its leading to quality jobs in this state and throughout the country for that matter.

Just nearby there's a city called *Newbury Park, and during the '80s the Defense Advance Research Projects Agency, it was ARPA in those days, provided a significant investment in a technology called *gallymarcenite. *Gallymarcenite will follow Silicone to supply people like AST with personal computer and wireless-type products. The reason I bring that up is because we have developed a business that has about 75 or 80 percent of the world market share for the modem function and personal computers and is now moving into wireless communications thanks to that partnership with ARPA. And there's very little question in my mind that similar things will come out of the global position system, navigation technologies, developed for the military and proliferating very quickly now into commercial, marketplaces worldwide. We're benefiting from that in our company and the state's benefiting from it.

Unfortunately, those by themselves are not large enough to take care of this massive change that we're seeing in the amount of money that's going into defense. And the one thing that I would say about the TRP program is I'd like to take it to a different level and comment on it, and that is your personal leadership and your whole technology policy is on the right track without question. That will really benefit this state. This state has a marvelous infrastructure -- Secretary Brown commented on it -- in terms of education and in terms of laboratories to support the development of entrepreneurial new businesses, particularly in small companies. These projects, the continued support of the National Science Foundation, the direct grants to the great research universities, and the things that you're supporting there will, without question, in the long run be the drivers for allowing competitive economic growth and the creation of good jobs here. And I wanted to make that comment.

THE PRESIDENT: I would like to compliment, in view of the comments you made, the efforts that the Congress has made just lately under the leadership of the Armed Services Committees in the House and the Senate -- Chairman Ron Dellums from Northern California and Sam Nunn Georgia -- to authorize us to spend even more money in this TRP program, which obviously would carry the promise of generating even more jobs over the long run.

I'd like to sort of talk about the prospects of technology-related jobs being created in areas that don't appear to be at first blush within the ambit of defense technologies, but are clearly areas in which California is strong; and maybe ask Kathleen Stafford to comment on that. She is the Treasurer of *Amgen, which is the largest independent biotech company in the United States. And I'd like to know whether your company has participated in any of the technology programs that Secretary Brown discussed earlier, and what

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you think the major technology issues facing biotechnology are and what the national government's policy ought to be.

MS. STAFFORD: We have sort of the opposition problem of everyone in the room here in that we are not an industry trying to pull ourselves up --

THE PRESIDENT: Just a minute. Can we fix the mike over there?

MS. STAFFORD: Can you hear me?

THE PRESIDENT: Pull it closer, but they need to make sure they've got it turned on. They're working on it over there.

MS. STAFFORD: Is that right? Okay. We are an industry that is not trying to pull itself up from failure, but rather an industry that is trying not to get fixed; because if fixed is that -- are being imposed on us might in the end render us a little less competitive. *Amgen, just for everybody in the room, is a biotechnology success story, an American success story. In just a little over a decade since our founding, we launched two breakthrough drugs that mean important health care needs for over 300,000 kidney dialysis and cancer patients each year. *Amgen today employs 3,000 people worldwide, 2,100 in the state of California. And we have added 1,500 jobs in Southern California alone in the last four years. We invest 20 cents of every sales dollar in research and development. And we are investing heavily to sell in foreign markets. We've established significant operations overseas over the last few years. We are selling products in China. We are investing millions of dollars in Japan on an annual basis, and we will not realizing revenues in Japan until lat this decade, if not next century.

We are a success story, and this kind of success is the reason so much capital is flowed into the industry in the past decade. *Amgen raised over $400 million prior to the launching of our first product. And the reason we were able to do that is people understood the promise of this industry. That's the Amgen story, just in brief.

But we are part of the health care technology industry, which employs about 143,000 people in the state of California. More than the aerospace equipment industry and more than the computer industry, we are growing in employment, in revenues, in construction spending and other capital spending. the growth of this industry is absolutely key to the economic well-being of California and to the nation.

Mr. President, we know you are deeply concerned about growing the economy and keeping our nation's technology competitive. Today the U.S. leader in biotechnology is -- we are the world leader in biotechnology. And as you know, several other countries, among them Japan, have targeted biotechnology as a top priority. Rather than create disincentives or barriers to breakthrough drugs, they in fact subsidize them. For the first two drugs that we created, we licensed those drugs to a partner in Japan. That partner is selling those drugs for three times the price in the U.S.

We are very concerned about the chilling effect on our industry of government oversight on new drug prices as well as the potential exclusion of new drugs from government programs due to price. There is already an enormous level of risk associated with drug discovery. Any perceived interference with pricing in launching a product, especially for breakthrough drugs, will divert capital. And I can tell you, since I'm the Treasurer of *Amgen and I watch the markets and I watch the capital for us, that that diversion is already happening now. The markets have shut down for biotech

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capital over the last, say, nine months or so. ANd I know that Senator Boxer and Feinstein have heard this story as has Ron Brown.

We urge you to reconsider your health care reform proposals to ensure that biotechnology has the access to capital necessary to develop breakthrough drugs, which will continue to improve the lives of millions of patients and provide cost-effective therapy to meet medical needs.

THE PRESIDENT: Let me say for the public record, I agree with you entirely. I think it's very important that something which needs to be done in this area not get in the way of something which doesn't need to be done. The legitimate issue out there in terms of the health care costs being paid by most of the companies around this table on the pharmaceuticals is whether American consumers should pay two and three times as much for established -- well-established drugs made in America by American companies than people in Europe and Asia pay for the same drugs because of the pricing policies in the companies, many of whom have had very favorable direct or indirect subsidies, like the Puerto Rican Section 936 subsidy. We cannot afford to let that problem interfere with the financing in the growth of the biotech industry. And I will make a personal commitment to you that I will review the provisions of the act to make sure that nothing we do in dealing with the real problem gets in the way of a real opportunity that you've created for America. And I thank you for that.

MS. STAFFORD: And I'd just like to clarify as well -- we're not asking for government support. We just -- everything that has worked for the last decade has worked very well for us. We just want to continue it. So thank you very much.

THE PRESIDENT: The only thing anybody in your business every asked me for was that venture capital gains tax. (Laughter.)

MS. STAFFORD: And it made sense.

THE PRESIDENT: That's right, and I -- that's right --

If I might, I want to call on -- and then we'll have a little open discussion. But I would like to call on a couple more people first. John *Bryson, the Chairman and CEO of Southern California Edison, came to our economic conference last year in Little Rock a year ago and spoke about emerging technologies, that we might have the leading position in in the United States. And I'd like to just ask John to comment on what we're doing now in the technology area nationally; and what you think the emerging technologies are that California and that Southern California have a chance to make the most of; and whether you think our present policies are adequate; and if not, what else we can do.

MR. *BRYSON: Thank you, Mr. President. This is unexpected. I'm pleased to have the opportunity -- are we having a mike problem? Is that better -- does this do it? I'm afraid I can't tell.

You ask about technologies. The technology area that I focus the most on in connection with Southern California and its health -- both its economic and environmental and social health -- is the subject of advanced transportation technologies. I've become persuaded that this area has both the potential to grow and lead the world with these technologies; and that by focusing on these technologies we take advantage both of some problems we have as well as some assets.

The problem that we have is, number one, a very difficult transportation situation -- too little mass transit, overcrowded freeways. The additional problem as you know is that Los

Angeles has a unique air quality problem. So that for all the businesses represented in this room, any expansion of our operations that has any environmental impact is limited to the extent that we can't control the emissions from automobiles. Two-thirds of the pollutants in the Los Angeles basin are from automobiles, so we need to do something about it. And there are various things that can be done. There have been several references to *CalStart. *CalStart is, I think, an imaginative public-private partnership of the sort you spoke about, Mr. President, private industry, public sector, state, local, and we hope federal -- there has been some federal support. Very importantly, Congressman Berman has led the way in that. We need to bring together both mass transit opportunities; we need to support electrification of vehicles in California. There is an opportunity for using the technologies that have been developed through aerospace and defense. So that's the area that I would focus on most intensely.

In that respect, it seems to me there's some immediately important projects that are worth special attention: One, Mayor Riordan has focused on this, many others have -- and that is the development immediately of a light rail corridor, a transportation corridor from the Los Angeles and Long Beach ports, which need to be expanded. They're a key to the trade potential of this area. The ports can't be usefully expanded without a transportation corridor, technology in transportation is part of that. We're not talking highly advanced technologies.

A second subject that I think is intensely important to the state is the maintenance of the current requirement in the state on zero emission and ultra-low emission vehicles. That is a special requirement that California, in my judgment, in a leadership role, has established. And we need to stay with that position. It is a mandate that ordinarily many of us would be cautious about. But I think it is beginning to pay off in competition among battery technology manufacturers and manufacturers of vehicles. And it is a competition that should take place here in California because of our special air quality requirements. So I would focus in the technology area, Mr. President, on advanced transportation. And I think we're taking some steps that are important; and additional federal support in that arena would be very helpful.

THE PRESIDENT: Mr. *Gage, would you like to follow up on that --

MR. *GAGE: Mr. President, *CalStart's been mentioned several times this morning, it's because it has captured the imagination of a number of people and a number of businesses. There are over 90 business entities involved in CalStart statewide. And it is an attempt through a consortium effort to create an advanced transportation industry in California. We sense -- and I, by the way, would like to laud the efforts of the administration in reinventing government. And we sense that, at this point, there's still -- when Washington looks to transportation, they look to Detroit. And we would like to put ourselves on the map and suggest the technological know-how of California defense and aerospace industries, utilities and others, can in fact provide focus, initiative and drive into the future for advanced transportation technologies. We also have, as Mr. *Bryson indicated, more commitment to it than anyone else, our kids in Southern California have a lung capacity 15 percent less than those of others throughout the nation because of the air pollution in this basin. So we are committed and dedicated to creating an advanced transportation industry that will clean the air, that will reemploy and redeploy unemployed aerospace and defense workers and that will in fact improve our global competitiveness. And we look forward to working with the federal government.

And we would hope that as you look to the Big Three, and you should, for transportation, you will also look at your reinventing government approach, a bottom-up approach, where a thousand flowers blooming, a thousand industry or a thousand businesses involved, will bring about a whole lot more innovation than just three big business entities.

THE PRESIDENT: If I might just comment on that and then I'd like to ask Franklin White to comment on this from the prospective of the Metropolitan Transit Authority.

This whole reinventing government initiative, if we can see it through, has enormous potential for not only saving the taxpayers money, but for growing the economy more quickly. And I've always believed that in the end there were more benefits in changing the way the federal government relates to local governments and the private sector, than even in reducing the deficit. If we can have procurement reform, personnel reform, budgeting reform, and then if we can change the way these programs work, I think they'll make a great deal of difference.

I'm going to call on my old friend, Bruce Lee, in a minute to talk a little bit about the job training aspects of that. But just for example, there are 150 different federal job training programs; if we can collapse them, have a continuous training fund and let people in Los Angeles County or Detroit or Chicago or you name it, design their own program and submit it to us for approval and then figure out how to do it, I think it'll be very important.

And in the area of transportation, let me just suggest that all of you who care about this -- and Senator Feinstein advocated it in her opening remarks -- you really have an opportunity to do something remarkable here in the reinventing government thing but you can only do it if you get the entire California congressional delegation together, and a lot of the folks in this delegation are far senior to me, and negotiate a way to have your congressional delegation as a whole make a presentation on this or carry this to the Congress for this reason: Historically, because of the way Congress is organized there has been a tendency to increasingly be very specific in what is authorized to be done with taxpayers money. And as the subcommittee system has grown and the specialization has become rampant in our entire society, it has also happened in the Congress. So that is a general trend that has been seen in society, when it's happened in the federal political system, in my judgement has been not so good. It's sort of undermined the ability of people locally to take initiatives and to do different things in different ways.

And that is at the very heart of this whole reinventing government idea. So, I think if you want to get this done, you not only need a commitment from the President and some notion about how it would be financed, you need a whole congressional strategy to analyze every single federal law and appropriation that would be affected by such an initiative, and how you can have the California delegation go to their colleagues in Congress, because enough of them do it and say, look, let's try to change the rules, not just for our state but for others if others have this sort of idea. But let's really try to let this country be run from the grass roots in terms of the kinds of economic decisions that are made.

And you've got a lot of support around this table from these members of Congress who are here. I think you ought to proceed with it. Mr. White.

MR. WHITE: Thank you, Mr. President. As we're hearing, transportation is one of the areas in which the two notions that we're stressing today -- new technology development and defense conversion, defense reinvestment -- transportation is uniquely one of

the areas in which both of those things are possible. And that's what exciting in California today with the immense responsibility we have to get a system for moving people that will allow us to meet the air quality objectives that we must meet as has been described today.

I want, Mr. President, however, to go back to the reference you made to the Red Line. The Red Line is one part of a regional rail network that we're building here that is one of the most important activities underway in the region. That regional rail network that we're creating, by itself is creating more jobs, good jobs by the way, doing more for training in this area, doing more for defense, new defense opportunities, both by way of new engineering jobs for engineers laid off in the defense industry -- than any other activity in the private sector or public sector. That is how important the construction of that regional rail network is to the Southern California economy.

I say it with that definiteness because we in the business have long know the Democrats have been more sensitive to the needs of urban areas, more sensitive to, therefore, the transit needs of urban areas, and we're pressing very hard in Washington to get continued support for that rail construction effort.

Now, one of the reasons we need it is the reason that Mark Passano* pointed to: We've been terribly hit by the recession. It's undermined our ability to put in the amount of local money that we have historically been able, and that's important. Most of the rest of the country build their transit system at 80/20. We in California have been doing it 50/50. That's been undermined by the recession, and so we're really looking to you to help us as much as you can. Keep that effort going. It is the single greatest thing underway to help this economy come back.

THE PRESIDENT: If I might just follow up on that to give you some perspective about the potential this whole transportation issue has to revive your economy in the near term and for a substantial number of years -- if we were serious about it and if we could figure out how to fund it. The largest project funded by our administration since I've been in office is this Red Line extension -- it's $1.3 billion. Now that sounds like a lot of money. Our nation, the last time I checked, which was two weeks ago, is roughly spending two percent of its gross domestic product less than all of our major competitors on basic infrastructure; that is, transportation networks at airports, and road networks, and rails, and other kinds of new technology-related transportation networks.

Two percent of our gross domestic product is $120 billion a year. And so the biggest project we have funded at the levels we are proceeding now is the extension of the Red Line in Southern California at $1.3 billion. So, we have -- by contrast we're spending five percent more of our GDP on health care than any other country in the world and if it were all going to biotechnology and creating new jobs for the future I wouldn't object, but about a dime on the dollar goes to administrative costs that no other country in the world is paying.

So, we have to think through these things and sort of really ask ourselves how are we going to get the investment capital to proceed. There's no question -- I mean, you've sold me on the transportation strategy.

I'd like to ask now Ruth *Lee to comment on a related aspect of this. One of the things we hear all the time about education and training for workers is that it's a chicken-and-egg problem. You've have great training programs, but if there are no jobs, you've trained people to do something that's not there. On the other hand, there are areas in which jobs are growing. And a lot of

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people who once had good jobs are not very well qualified to fill them.

We are attempting, as I said, and next there will be a lot of focus on this in the Congress, to redesign the unemployment system and to help states set up continuous lifetime systems of training. But next week, for example, the Department of Labor will announce two dislocated worker training projects for defense workers, primarily, totalling $14 million. One involves GTE, Westinghouse and Lockheed. The other involves Douglas -- McDonnel-Douglas and GM.

I'd just like for Bruce to comment on what he -- what is the experience with the existing labor training and especially the dislocated worker programs. If we can get a new investment strategy going, how can we make sure that we've got training programs that guarantee maximum labor mobility so that the people who have been hurt by the downturns are the ones who are in position to benefit from the upswing?

Q Thank you very much, Mr. President. Thank you for being here. Your commitment to our problem, I think, is going to bode well with our citizens, and we do appreciate it very much.

I applaud the statements of some of my good friends, Don Bealls* and John Bryson*, about what the specific industries might be doing with TRP money and other monies in the whole field of defense conversion. But I'd like to take a little different tact, if I might, something I think that could be done with existing programs that will not cost any more money. I think you might like that because I know dollars are hard to come by. But what we could be doing with the TRP and JTPA dollars that would make more sense as you address not only the problems of the dislocated worker in the aerospace and the defense industry, but others as well, which we have many in this basin.

What we need to do is get programs that don't just focus on training and retraining with little emphasis on job creation, but we've got to get a job creation piece in that. And we can do it with our exisiting dollars. In many cases, as you said, we train workers and they're unable to obtain job opportunities in that new field that we train them for. And one of the major reasons for that is that industry alone just doesn't have the capacity to create all the new jobs for the dislocated workers that we train.

So we've got to do something with our OJT program, which is currently the main vehicle used to involve the private sector in retraining and job placement. And I believe that OJT can be expanded and redesigned to become a nationwide, private sector job creation tool. And we've got to make it employer-friendly. Now that doesn't mean that we scrap the entire program, because there are some good features to the JTPA system -- the customized training, the wages that are paid to sustain the employee while they're in training -- those should stay in place, the commitment from the employer to get a non-subsidized job after they successfully complete is very important. There's a lot of good features.

But one of the things that we need to do is work on something that, after this training and this placement, results in a long-term job and a long-term commitment by the employer. And it should be noted that the amendments, unfortunately, of the Job Training and Partnership Act, the regulations have changed so that it makes it very difficult now to operate. And instead of being the vehicle that you use for job placement and job training, it's resulted in a decreased use.

Now, when I said this could be done without any cost or without any legislative changes, this is in really the hands of the Secretary of Labor. And I would hope -- and I'll give you this

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little proposal in a few minutes, that you and Secretary Brown might have a chat with the Secretary of Labor and urge him to seriously consider some of these changes. I think some of the ones that we really need to emphasize are the length of training -- which is far too short now for the high-tech jobs that are being created. Industry just needs more time to train the people in these fields. And the reimbursement to the employer, which now at the top can be 50 percent, in some cases needs to be 100 percent. Because the high-technology training, which can be extensive and expensive for the employers, precluded by the artificial limitations that are now set forth under the act. An OJT needs to be available wherever the employer can demonstrate a need to train a dislocated worker. Current programs prohibit workers from being retrained in occupations that are closely related to that that they were laid off in. We need to change that.

We need to allow OJT to include training in total quality management, and employee involvement, and the team concepts and the other training areas related to the new ways in which the work is being reorganized at the employer work site. That's very important because as we compete in the global economy, that's one of the ways that I think we level the playing field. We've got to do that. We have to insist. And in government programs, I think it should be part of the contracts that if you do not practice this, we don't do business with you.

Financial incentives need to be built in for our employees that create new unsubsidized jobs in which OJT retrainings are placed. And these incentives should be built into the OJT agreement as performance bonuses.

Now we believe that if you work on some of these, as I said, without any cost -- just redirect, really is what I'm talking about -- that this will be a progressive way to retrain people, create new jobs and help turn this economy around; one that if you come back to Los Angeles in six months, you'll be able to see measured results. And I think that's what you need. The mayor talked about safety and this can go to his problem also.

He wants to put more police in the street. That's a very costly proposition. Why can't we direct some JTPA dollars to offset the tremendous cost of training? That's one of the largest costs in the first year of putting police officers on the street. And we're going to be working with the mayor to see if we can't come up with a proposal that would do it.

Now, there's one other piece and then I'll get off this. The city of Long Beach is in the 25 finalists for a new Job Corps center. I've worked the Job Corps for 16 years and I know of no other vehicle that attacks the problem of the underprivileged youth the way this one does; in a meaningful way, a way that you can measure,and a way that is of very minimal cost to our country. And if you could urge the Secretary of Labor, also, to give full consideration -- I know Congressman Horn* is working on that one. And we need that center very badly because it will directly affect our youth in South Central and East Los Angeles.

And get the Democratic Convention here for '96 and -- (Laughter and applause.) And, Mr. President, let me finish one thing. The mayor mentioned that he wanted you to work with labor and other groups to try to see that NAFTA became a very useful tool. And I want you to know that I am prepared to give you 100 percent commitment to make that work to the good of all of our citizens.

THE PRESIDENT: Thank you very much, Bruce. Let me respond, first of all, we will have an initiative coming out soon on the NAFTA issue and working with labor to make sure that all the

commitments that were made are kept, and that we follow through to make sure it's a good thing for America.

Secondly, on the Job Corps center -- this is something I've raised to the senators here, present too. One of the most interesting thing in the BusinessWeek article on crime, which I urge all of you to read, is that they argued that the crime bill be amended to -- without spending more money, but to allocate some of the money to the Job Corps as an alternative for punishment for younger people, because it's so much cheaper than incarceration. And even though it's relatively -- it's expensive relative to other forms of job training, it's cheap relative to incarceration options. So, it's something that I'm going to ask the Attorney General to have a look at and we can follow up on.

If I might, I want to call on just a couple more people before we get off this. We've got to go on to the trade issue and the whole issue of what we can do to help you trade more. But I would like to ask two more people to comment before I get away from this subject. First of all, with regard to the comment Mr. Bryson* made about transportation and the importance of keeping California's strict emission law. I know you perceived assurances from that from my administration, but I -- let me publicly say, maybe for the first time, I support your law. I support the right of this state to do what it's trying to do. If you think it's good for your economy and you want it for your environment, I think you ought to have the right to do it. And I will stick with you on it. I do also want to say, however, that in all my negotiations with the Big Three auto makers over this clean car initiative -- and they have been extensive -- I have never had any indication that they would every use it to try to force a backdoor lifting of this standard, but I would not support it. I support -- I think that this state, and any other state for that matter, ought to have a right to go beyond what the federal standards are if they think it's good for the environment and good for the economy. And in that regard, I'd be remiss if I didn't give Congressman Berman, who's done so much work on this electric car initiative, the opportunity to make some comment on it before we move forward. Howard, would you like to say anything about it?

Q Thank you, Mr. President. I'll have plenty of chances to -- one of the great things about your administration is your accessibility and your accessibility of your Cabinet officials, so I don't want to take a lot of this time. Your last comment takes a great -- has met with me, at least, and I think with a number of other people at this table -- a great deal of relief, because we had this feeling of a drum beat coming out of Detroit to somehow work through some kind of arrangement which would, in effect, pre-empt and wipe out these standards which we hope will be one part of helping to drive the technologies that Southern California is so preeminent in.

There's so many different ways to deal with this environmental issue and with the technology issue. There are problems with the present state of batteries, but there's all kind of things going on with fuel cells that offer the potential for replacing the battery. Even with the limitations of the battery, companies like Lockheed and Norththrop have had incredible experience with composite materials, which offer lightweight substitutes for the present way cars are manufactured which allow these cars to go much further even with the limitations of batteries. And in all these cases, Southern California and California, generally, are leading the way in technology. And TRP and all these are designed to see if these things can be commercialized. And in the area of dual use, there are things going on in the private sector which can offer the military tremendous new benefits, being able to do things they can't now do. So it works both ways. And we appreciate your technology policy and your interest in conversion very, very much.

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THE PRESIDENT: You raised one point that I just want to ask everybody here to keep in mind. This dual-use technology thing runs both ways. We hope that we will see steadily reducing defense requirements. We hope we're going to live in a very -- at least a less threatening world, if not a more peaceful one. But it's very important to point out that we're getting a lot of military technologies now out of the companies' efforts to convert to commercial technologies. The whole thing is turning full circle in many places in ways that will make it more efficient and cost-effective for us to pursue our national security objectives. I've seen it in the Westinghouse plant in Baltimore -- near Baltimore -- and in several other places. That's encouraging.

Before we go on to the trade issue, I'd like to give Jack Kaisr*, the chief economist of the Economic Development Corporation, a chance to comment on this general area because I know he's been interested in the new technology approaches and the TRP issues. And so I just think if you've got anything you'd like to say about this to us, I'd like to hear it now.

Q Thank you very much, Mr. President. We would like to see a couple of adjustments to the TRP process in the next round because the current round seemed to focus on technology itself, and what we think you need to do is to focus more on the infrastructure that enables this technology to get out of the lab and onto the factory floor as quickly as possible. And what you find is that a lot of this technology conversion is going to be done by smaller firms. We're trying to create these industry clusters that Mark Piazano* has talked about. We already have a high-technology council up and running. But there were three proposals from around the state, the regional technology alliances, they did not get funded and we think the next round you should look very seriously at this. It's a little bit non-traditional. We were told by some people on the staff that they didn't know quite how to evaluate it. But I think it's something that they very definitely need to look at.

One thing I might say is that we do have a project on our own that will marry high-technology and health care services. We're working with Whittier* Corporation, King Drew Medical Center and the county hospital system to install a project. So the next time that you are coming to California, we ask that you please let us know because we'd like to give you a demonstration of this. I think that this is sort of a very innovative project that could have some immediate impact.

And one last comment, Alameda* corridor -- I echo that Alameda* corridor is very critical. It's not just transportation. It will have a significant impact on community development, especially in the distressed areas in our community. And any support that the federal government could give us, I would really encourage that. Thank you.

THE PRESIDENT: Thank you. On your first point, I agree that we really need to focus, since we're looking for short-term job creation that will have a long-term impact, we really need to focus on what smaller and medium-sized companies can do to move technologies to market.

Let me just make a comment. We've now finished the first three TRP announcements. We hope -- all of us in the Congress and the Executive Branch hope that we will be able to find even more money for this process next year and we'll do it again. I will be asked from some people from other states, California got 30 percent of this money, what can we do to do better? I would recommend, since California has the infrastructure, has 21 percent of the defense budget and has taken 45 percent of the defense cuts in the last two times, I don't -- I think all these things were done totally on a competitive basis. But let me recommend that since you have this

system set up here to work on this that you also see if you can learn anything from the others who got the grants.

Grants of the kind you described did go to system set ups in the states of New York and Ohio. And I would recommend that your group look at the networks they set up, see if they did anything different or better than you did and see if we can replicate it. Because this is something that needs to be done all over the country. There are literally thousands and thousands of these smaller manufacturers with enormous capacity, and they need a sort of facilitating system to get this done. So I think you made a very important point.

Let me suggest that we go on to the trade issue. I think we've already said about everything we need to say about trade. You know what we're trying to do. I think we have to -- we do have a big obligation as Bruce Lee said, to follow up on NAFTA to make sure its benefits are maximized for America's working people. And we will be doing that. We have worked to -- we are working now, as we sit here, on the GATT agreement. The APEC meeting with the Asian leaders in Washington State was at least a beginning with our trying to reconcile our two very different approaches to the global economy in hope that Asia will continue to be not only our fastest growing area of exports, but a more positive one in terms of a sense of mutuality. I'm also going to do what I can to move quickly to extend the benefits to America of the NAFTA agreement to other market-oriented democracies in Latin America. And you may know that the Vice President went to Mexico last week and called for a hemispheric summit, which will occur sometime next year.

I think it's important -- and also that we have tried, as Secretary Brown said, to make more of our technologies available for export. The United States restricted exports during the Cold War for obvious reasons, and it was sometimes frustrating when we were not selling technologies that our competitors were, even though they claimed to share all of our foreign policy objectives. That is still, unfortunately, sometimes the case when it comes to the proliferation of weapons of mass destruction and related and potential technologies. I do feel the United States has an obligation to set a standard that the rest of the world should be challenged to meet -- our allies -- challenged to meet in trying to restrain the proliferation of dangerous technologies because the post-Cold War world may be safer from the threat of total nuclear annihilation, but it's more vulnerable to chaotic misconduct from different sources; from sources that once maybe were more within a sphere of influence of either the United States or the Soviet Union. And the advances in technology which make so many new and different things possible on a micro-enterprise level in peaceful commercial societies also make new and different things possible that are just terrible and unpeaceful and mischievous in society. So this will be a very difficult thing for me to deal with as your President and for our nation to deal with for the foreseeable future. Nonetheless, I think we've got to do more to sell more and to try to give our people the benefit of technologies that we know in general promote more prosperity which leads to more democracy and more internationally law-abiding behavior among nations everywhere. So that is the real test that we face.

I'd like to call first, to discuss this whole technology and trade area on Sophie Karashi*, who is a naturalized citizen, originally from Pakistan and president and CEO of AST Research, a major developer and manufacturer of computers, to tell you what he thinks we can do to help the California economy and the national economy by facilitating more trade. And then we'll go on to a number of others.

Q Mr. President, I am honored to share AST's experience with you and the distinguished people around. But as we

heard earlier from Kathleen about Amgen* and biotechnology being a very important sector, American computer industry is going through tremendous change, but the good news is that the Big Five American computer companies -- and AST has joined the rank this year -- are dominating the world markets for computers.

Just to share with you the market size, this week Los Angeles Times had an article about computer penetration per 1,000 people. Of course, U.S. dominates with 265 computers, But if you look at many of the markets, especially the emerging market in Asia-Pacific, China and India at one computer per 1,000 people; countries like Indonesia had two computers per 1,000 people. So we, as industries, see a huge global market.

AST's history, started from three immigrant engineers -- we called ourselves the three musketeers -- today has 6,700 people worldwide; 4,500 of them in the U.S.; about 2,000 in California. We have grown from zero to over two billion -- in about 13 years. One of the markets that we dominate -- and the biggest market outside the U.S. for AST -- is China. We went there early, we made the investment. But as industry, we go through tremendous change. Our product lifecycles are six to nine months long. So as soon as we introduce a new product, we are working on developing a brand new product. We believe the government needs to change just like the companies are changing. The government needs to compete for business as we compete for customers around the world.

My suggestion -- and I may be a little bit radical -- is to create a single agency that business, small and large, could interact with. In Europe, we had to open a brand new facility. We chose Ireland. They were the single agency that we had to deal with to set up all the regulations, meet all the requirements. One-stop shopping is the approach that I would suggest; that the federal and the state agencies work together so businesses can deal with one entity.

I just want to share with you an interesting example of overlap. In 1990, the Americans With Disabilities Act was passed -- a law with a very good intention. We are in a brand new facility in California. We asked an expert consultant to look at our facility. We already have a violation of regulations, and the state regulations and the local regulations for fire code contradict these new regulations. We asked the consultant what is going to be the resolution. He said the court will decide it. We have to be aware because we are a high-growth company and there are people who are looking to target, for litigation, companies who are violating this law. Today we cannot decide how to resolve these conflicts.

People ask me, is it easier to start a company like AST now, or is it harder? And to tell you the truth -- 13 years later -- I have to tell young people that it is a little bit harder to start a company in California than what we did three years ago.

Some of the other things that you have already mentioned that we really appreciate is the export emphasis. Today AST gets 40 percent of her exports on international markets. Secretary Brown -- we spent some time earlier this year with changes that he is making and some of the people from his Commerce Department have been very helpful -- the U.S. companies to conform to the regulation. But we still believe that there are aspects of regulation, such as foreign availability act, that handicap American companies who are innovating. So first of all, we have to prove that the product is available in foreign markets designed by other companies before we can enter the markets.

GATT and NAFTA and APEC are all the right things that we are fully supporting that could be very crucial to not only companies

like AST, but many new companies in the small- to mid-size category.

THE PRESIDENT: Thank you. And a lot of what you said -- I think it might be worth while if Secretary Brown would take just one or two minutes and briefly describe the whole -- what we're trying to do with one-stop shopping and export services to try to facilitate more companies being able to export.

SECRETARY BROWN: Thank you, Mr. President. What we've been trying to do is really to create a confluence between trade and technology policy. In the past, never the 'twain shall meet. There was trade policy on one road and technology policy on the other. It's clear if we're going to be more productive and competitive in the future, we have to bring them together.

And what it really means is creating the kinds of partnerships that the President has been talking about. We've been engaged in a time warp in America. We've wasted three or four decades in this ideological, philosophical debate about the role of government, while our competitors around the world figured out that role a long time ago. And that's why they're beating us in too many places in the export marketplace.

What we have found is that we are not only reaching out to American business and industry now, they're reaching back to us because we understand that it's the private sector that fuels the engine that pulls the train of economic recovery and job growth; but that we in government could be better partners. We've tried to demonstrate that clearly in the technology area -- the ATP program, the manufacturing technology centers, TRP -- that's all bottom-up, private sector driven, peer review programs; programs that work. And that goes for the one-stop shopping question. I think the suggestion is absolutely on target. We've done that in Santa Clara. We're doing that in Long Beach. We're doing it in Los Angeles. We're doing it in San Francisco. Businessmen and women, small and large, ought to be able to go to one place to get export counselling, to get export licensing counselling, and we've pulled that together using California as a model. The same goes in minority business development. We're opening up a so-called "mega-center" for minority entrepreneurs in Los Angeles. Again, pulling all this together so you're not just sent from pillar to post trying to find out where to get information, but you know you can go to one place and get the kind of export counselling that you need.

There is absolutely no question that technology is the key to our economic growth potential in the future -- more so in California than any place else. But we've got to tie that to a thoughtful expanding trade policy which focuses on market access, creating markets for our products. And then -- as President Clinton has said so clearly -- we in government being strong and effective advocates for American business and industry, saying unequivocally that we are going to stand shoulder to shoulder with American business and industry to help them not only compete but to win in this very tough global economic environment.

THE PRESIDENT: Let me try to put some meat on that bone here a minute. One-stop shopping means we've put the Commerce Department, the Export-Import Bank, the Agency for International Development and the Small Business Administration in with the city and the state in one place. And a lot of people have wondered for years how they would get into export markets, and you just think about what it's like for somebody with 100 or 200 employees to figure out how to maneuver through all these different government agencies, and even figure out how to find them.

This is a huge deal because if we want to be an open exporting country -- that is, if we want to be a high-tech country

with high wages that's not basically open to exports but closed to imports -- if we want to have a genuinely open economy, the only way we can do it with all the big companies downsizing is to have more medium and small-sized companies involved in exports. And one of the things that really impressed me over the last 10 years that I've been fooling with all this is how well organized the Germans were for their medium and small-sized companies to move into the export markets that in America were typically dominated only by larger, more sophisticated countries.

So this -- what we're trying to do, again, on a grass roots basis is to set up an American version of a system that I have seen work stunningly in what is the most open economy in Europe and still the most successful one there. So I'm very hopeful.

MR. *CRUZ: Mr. President, thank you very much. I'd like to give you a grade, Mr. President. Do you recall last year at the Little Rock economic summit, I told you at the time that our state helped this country win the Cold War; and I think I pleaded at the time that now is the time for you to help us get out of the Cold War. The body is getting warmer, Mr. President. Thank you very much. We appreciate all the help that you're doing in that direction.

You did also call for a time of -- you said that the times call us to lead lives of vision, commitment, passion and action. Regarding the advanced technologies and the new systems and new technologies regarding advanced transportation systems, I'd like to tell you as the Chairman of the California Institute, and we have three members here -- Senator Feinstein and Senator Boxer and of course Carlos *Worhead from the Republican side - just to show you the commitment that we have. We will take that challenge of yours that you posed to Mr. White and Mr. *Bryson and Mr. Mike *Gage and to Mr. Lee in reference to try to do something to get the congressional delegation, 54 strong, the largest in the nation, backing up that. And we will duly act on that particular commitment. So we look forward to doing that and to helping you in that kind of a context.

One last area to let you know on entrepreneurship and minority involvement, because it's very very crucial here in the Southern California area, it is important to us because of the many small and midsized businesses that are involved, many of them women-owned, many of them minority-owned. Our company is really a shining example of taking advantage of entrepreneurship and also advantage of NAFTA. Our company so happens to be the nation's first ever Hispanic-owned life insurance company. We linked up with the eighth largest insurance company in the country, Transamerica. They said it's not enough just to pat a minority-owned company on that back. They said we're going to put you on an equal playing field, and we formed a joint venture partnership to not only sell insurance products across this country but, believe it or not, even before NAFTA passed -- and thank God that it did -- now we are moving into Mexico and to Latin America. We have already started conversations and we expect that Mexico probably will be like Spain 15 years ago when Spain decided to enter the European economic community. They grew in a 15-year span to about a $25 - 50 billion product when the other insurance companies of that hemisphere -- of that continent -- got into that country. We are planning to do the very same thing, and we are very, very supportive in that particular realm.

But here you have a major insurance company, TransAmerica, linking up with a private-owned -- minority-owned group, private sector health through private sector and with good government sponsorship, the NAFTA has opened the door for us in that contest.

THE PRESIDENT: Mr. Cruise* has raised an issue that hardly ever comes up in one of these discussions. And that -- at

least in explicit terms -- and that is the export of services from the American economy. While it is true that we have a $90 billion or so merchandise trade deficit -- manufacturing trade deficit -- which has been clearly aggravated by the recession in Europe and in Japan, we will run about almost a $60 billion services trade surplus this year. We never see the two together because the products deficit gets reported every month, the services surplus gets reported every quarter and the 'twain don't meet very often. And that's not an excuse for us not to try to keep selling more of our products. Indeed, that's what this whole thing is about. But I do think we shouldn't lose sight of the fact that we have the capacity to export services in ways that do create jobs and incomes for Americans.

Don --

Q Yes, Mr. President. With regard to small businesses and export, particularly here in Southern California, one of the major problems that they have is lack of accessibility to credit. Seventy percent of the community-owned banks in Southern California are under some kind of FDIC memorandum of intent, or in some other way have stopped the banks from providing credit to small companies, but have also stopped the banks from being able to raise capital. Most venture capitalists are not too interested in making loans to companies that can't get credit after the venture capital equity has been invested. It is a very serious problem. It's one that you could solve without spending any money at all by simply getting involved with the FDIC regulators in the area and ask them to follow the plea you made earlier in the year of not over-regulating.

THE PRESIDENT: I must say, when we get to the next section, I want to call on my friend Catherine Thompson* to make the same comment you just made about real estate investment. We will do that.

I have been extremely both heartened and frustrated to see the extent to which, in many areas of the country, the federal regulators in given areas have embraced our community credit crunch alleviation initiative with great gusto. And I was talking to three members of the Congress from the Southwest the other day who were just raving about how the climate had changed in the last six months. And then I go other places and they say, it's no better -- maybe worse. And so I do think that this is a very important issue. I appreciate your raising it in this context. I'd like to raise it again when we get to the whole community development issue, and maybe in the closing of this we could try to focus and you might chime in again. But we need to really think about how we might go about this.

Before we get off this topic, I want to ask one more -- at least one more person -- to talk. A few years ago, I met Mark Lee*, who is the president of General Aluminum Forging, which is a mid-size firm that produces precision parts to the aircraft industry. And I was very impressed by the conversation I had riding along in his car about his efforts to keep his manufacturing operations in California, keep hiring people here and compete in a global economy. That is very important issue for this state because you want to keep a manufacturing base here, not just vis a vis the rest of the world, but also other states as well. And that's something that was discussed when Willie Brown* and Governor Wilson had the economic summit, the first time I ever saw Mike Armstrong*, which was by television, when he was speaking there. But I think it would be interesting for a man who went through the whole 1980s and kept his plants in California to talk a little bit about how small firms get access to new markets and what we might do to help.

Mark.

Q Thank you. As a small manufacturer in aircraft parts, we've lost about 40 percent of our sales in the last three

years. But what it forced us to do is realize that we work in a global economy. So we opened a sales office in Europe two and a half years ago and, through that, lead to selling parts to the Airbus consortium, which lead through that to a contract to make parts to their Singapore suppliers. I think I can only echo is the comments Secretary Brown and you made about how hard it was for small business at that time to get any help from the government. And we did it mostly on our own. Just getting access to information would have been a big help to us.

The second thing that is important, I think, is your leadership in jus how important trade is to the country. I think we've grown up in the United States not being focused on trade. And as I go around the world, I see how much more the common citizens in other places are interested in trade. And your leadership and education in things like NAFTA is very important.

The last comment I'd like to make, just as a small business, is I'd certainly support your efforts to reform the procurement policies of both the Department of Defense and the GSA to make it easier for small businesses to also sell to the government with less red tape. That will help us grow our markets. Thank you very much for your leadership.

THE PRESIDENT: We don't really have time to go over the government procurement nightmares, but I appreciate you mentioning it. And I say that because I want to ask for my colleagues here from the Congress, that when the Congress comes back in session to really help me move that procurement reform legislation through the relevant committees. Because there will be various interests who won't want it changed. But overall, there's no question that the American business community in general will be advantaged if we have procurement reform, and that it will create more jobs because you'll have -- the dollars will go further. There's no question it's a net job winner for us to reform the procurement system.

I'd like to ask Mike Armstrong from Hughes to comment a little bit about this whole issue that I raise when I open this topic of the export controls, the efforts we've been making to relax them, the controls we still have, and from the point of view of a private corporation in a position to sell to countries which we haven't been able to sell to in the past, how we go about making the distinctions that we need to make in this whole area.

Mike.

MIKE: Thank you, Mr. President. Let me first say as a Californian who spends a lot of time in Washington because that's where a lot of my customers are, and I get the opportunity at times to be in an audience when the President is speaking, that I know that he walks the California talk, whether he's in Washington or California. Because I get "to-dos" and he issues challenges, and he doesn't stop thinking about us just when he's here.

Also, I would comment that the TRP program is a meaningful program, and it's a program that'll be meaningful beyond the horizon of politics. We have a number of program content we've earned with other firms throughout the United States, and most of the horizons on those programs of technology are five, six, seven, eight years before they come to fruition. And that's a lot of foresight, and thank you.

Until yesterday, I was very positive on the prospects of California, our ability to trade and export, particularly southern California. The reason I was positive, or maybe the reaffirmation of the three principles I have heard President Clinton articulate a number of times and again today -- one is that the wealth of all of

us -- our country, individually, our companies, is not going to improve unless we export or sell abroad.

Number two, we've got to bring the barriers down, and when we do that, the trade goes up. There's no theory to the opposite, there's no practice or results to the opposite, and whether it was the budget deficit coming down or NAFTA with trade barriers coming down, or Secretary Brown's leadership on export regulations coming down or Willie Brown and Pete Wilson finally getting together and collaborating and changing the local legislation coming down, it's all helping.

And, sitting here on the Pacific Rim as well as the South American Rim, that helps us a lot.

And, third, it's not going to work unless we invest, the country invests and companies invest. And we've been investing. We've been putting our money where our mouth is. Hughes is one of the largest industrial employers in California, and we've been investing in San Diego, taking our incryption and compaction and networking technology from the defense and putting in digital cellular telephony with a $75-million brand-new plant that's going to export more now because of these barriers coming down.

We've taken our defense electronics technology, and in Torrance a major electric car facility that we hope will be the propulsion system of all of the electric cars, whether they're in California or elsewhere, and a major investment in our satellite facility, our high bay facility, because the global market is where satellite sales are.

But the world's largest satellite market happens to be in China. And up until yesterday, we had secured an order from the Chinese for two data communications KU band satellites and a memorandum of understanding for 20 follow-on. That represented a $100-million order and 450 to 500 jobs. And the follow-on business that was a memorandum of understanding is probably a $1-billion to $2-billion opportunity and 4,000 to 5,000 jobs here in southern California.

I read as I was flying from Washington here for this conference that Helmut Kohl held a conference and announced with the Chinese that they now had secured the order from Hughes for the two data communications satellites and signed a memorandum of understanding for the 20 follow-ons. And the Germans and Helmut were most excited about that. I have a problem, California has a problem, I submit the country is going to have a problem in terms of key technology. If we cannot participate in the world's largest market in satellites. A satellite does not have anything to do with the missile technology that the sanctions apply to. I build missiles. We build satellites. They have nothing to do with each other. In a satellite that is built is like that assembly behind you; it goes in a shrouded box accompanied by an armed United States Services person, and he is with it, and it is under lock and key with television monitors on it 24 hours a day, seven days a week until it is launched. And then he watches it go up and he comes home.

I would appeal, sir, that the interpretation of the sanctions may be appropriate to the transgression of China -- that's not my business. But the interpretation of those sanctions to include a commercial communicating satellite that doesn't have anything to do with a missile, and primarily is meant to carry American cable television programs to the infrastructure of Asia and China -- the immediate employment in the next three to four years could be tremendously helped it you could consider exempting commercial communicating satellites from the China sanctions.

THE PRESIDENT: You want to explain what the problem is?

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Q Thank you, Mr. President.

THE PRESIDENT: Since we're selling the satellites that are under your jurisdiction.

Q We're trying to get them all under my jurisdiction, Mr. President. I think Mike Armstrong would like that a lot. As you know, there's been some disagreement on the application of the law. The application of the law was determined by the State Department -- their interpretation of the respective provisions. The President is aware of the problems and of the concerns that you've raised repeatedly, and as you know, I happen to agree with the position you've taken, Mike. I think we're reviewing it, we're reviewing what decisions are part of the Commerce Department's regime and what decisions are part of the State Department's regime and the President will be making a judgement about that in the next several weeks.

Q Secretary Brown, and Mr. President, let -- may I make a commitment back. Regardless of what Chancellor Kohl said, I spent a lot of time last night when I did arrive with my team. If that exemption can be, in a timely way, made we believe we have a 50/50 chance to win that business back. And that's thousand and thousands of jobs here in the short term.

THE PRESIDENT: Let me explain for the benefit of the press and the people who are here who might be confused about this: Basically under the law, depending on what the technology is on a given satellite and what other potential use it might have, it is either under the jurisdiction of the Commerce Department or the State Department. Our Commerce Department has worked hard to push to lift export barriers that ought to be lifted. The State Department, historically, has basically been in all close questions against increasing trade on the theory that the United States should always have a hard position against any kind of proliferation encouragement.

So the issue here is whether, not only are they right or wrong, but whether or not these satellites are wrongly characterized as being within the jurisdiction of the State Department because of the technologies at issue. The argument of -- that the Commerce Department accepts is as long as you've got an American official there monitoring the technology, looking at it, controlling access to it, in effect, until the thing goes up in the sky, it is a satellite which has no possibility of being diverted. Is that an accurate statement?

Q Well stated.

THE PRESIDENT: So, I try -- I'm trying to get on top of this and figure out what the heck to do, but this is one of the worst dilemmas that we have to deal with. Mr. Wong*, we need to close this section so that we can get on to community development, but I'd like to ask John Wong* to talk just a minute about -- since he is director of a major international bank, what the role of international banking is in facilitating trade and whether the things we are trying to do with the APEC meeting and with NAFTA and with other things will help international banking to help to facilitate more financing for trade deals because we've already heard that some of the smaller businesses are complaining about that. John --

Q Thank you, Mr. President. I did not expect to address this issue, but I'll take on this anyway. Trade components to our total economy has been increased dramatically. Thirty years ago probably only represent about 6 percent. Right now, we are probably approaching 30 percent. But, on the banking sectors, very few financial institutions have changed moving -- are adjusted towards that direction. Many of the commercial bankers, when they

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talk about international transactions, they will stay away from it. That is one side of the issue. I think we really need to change that atmosphere and change that direction. Hopefully, most of the financial people will understand how important a trade it is if we want to engage internationally.

As you said already, the number one fastest growing area is Asian Pacific. We are at the Asian Pacific Rim, and also the second largest growing area is Latin America. If we don't engage in trade being a very developing country, it is very hard for us to create more job if we don't sell more products overseas to occupy, to compete, and to grasp more market share for us. It is just very simple. This is a simple idea to why we are for NAFTA. In order to continue to have our laborers to enjoy the high wages, we cannot really say to these people to lower their wages in order to compete internationally. The only way to do that is to sell more overseas. In particular, right at this moment, we need to look into the developing economy which many people are talking about China, Indonesia, and coming Vietnam -- on those areas, we really need to get into. By going to that, we have a better chance to not only keep our labor forces enjoying better wages and also the chances to increase their wages on that.

Let me raise an example on the Hong Kong situation. A small island facing 1997 issues. Everybody will be scared to death. Everybody will think all the industries will move across the border to China. Their industry is going to be gone. But on the contrary, Hong Kong has been more prosperous than ever. In the whole world, financial centers -- none of the financial centers can compete with Hong Kong to have that kind of performance both in the stock markets, as well as the real estate hitting a new high every day. Yes, the jobs and industries are moving across the border. The people are willing to take the challenge and make changes. They try to develop what they can do best. Instead of going to lower end industry, they start going to the communication, continentalization on the -- system. They go to communications systems, become a trade center, and become a financial center. When they lift people in China up, they also help people in Hong Kong.

This is a very, very good example we must use. And we should not be afraid for the future challenges. A 6 million population island can almost change 1.2 billion people's thinking to turn the country from a very closed, social system to a more market-oriented system. Then a 250 million, number one country in the world -- we should not worry about the challenges on that. I believe we really need to get on this. I think your message is very, very strong.

I just want to give one more comment on this. Despite the fact that we want to engage on the international worth, I sometimes question are we really ready to do it or many people, are they really wanting to do that -- to go to Asian Pacific. Let me raise an example. President Clinton, you are conducting an APEC meeting. Bring the APEC meeting to the leadership bases. Then you have 15 countries -- heads of states -- sitting in Seattle. But how many state level officials bring an economic team, a business leader, going over to talk to the prime minister, the trade minister, president of those countries. The captive audience is all of us. We have not really grabbed opportunities there. Now, that gives me some worry. We really need to have something to work on if we really want to engage in international trade. I just wanted to make that comment. Thank you.

THE PRESIDENT: Thank you. I'd like to call on one more person before we close this section. I'd like to ask Richard Joybirch* to comment. He's the founder of L.A. Sound, a distributor of consumer electronics, about the potential for America to do a better job of generating jobs through imports as well as exports, and

what you think the potential we have to export goods that traditionally we have not been very strong exporting?

Q Thank you, Mr. President. About four years ago, I embarked on a brand called "L.A. Sound." Until your election, it was Los Angeles Sound, but as soon as you were elected, I changed it to Little Rock, Arkansas Sound. (Laughter.) And ever since, we have been doing well. We are engaged in consumer electronics, namely of car audio products which -- many people are very surprised that we can actually manufacture consumer electronics product here and on top of that, export to Japan. There are a lot of areas that the small companies have found a niche and are doing very, very well.

Except the problem is -- the problem that I ran into -- we cannot obviously manufacture everything that I sell on the L.A. Sound label. I have manufactured in the United States what we're good at, which is about 40 percent of what I sell. The other 60 percent is imported from overseas -- Korea, Japan and Taiwan. There lies the problem. And I bring those in, by the way, and mix it with my also U.S.-produced products and export it back out to Europe, back to Japan, and back to right now, Singapore and Indonesia. But I do not qualify for export financing because in the provision of the export financing, the local content has to be 50 percent. If I can get help from the government -- the Import Export Bank -- right now, I can double my annual export of $4 million to about $8 million by being able to offer terms to my foreign customers.

This local content rule of 50 percent was very important, and is very important when we talk about the manufacturing sector. But earlier, Frank Cruise* was talking about service sector and President, you picked up on that. What I'm selling is -- would you believe I buy something for $60 from Korea, put L.A. Sound name on it, and I sell for $100 to Germany. That $40 stays right here in Los Angeles. And to do that, I employ engineers to ensure that these are good quality products. I employ salespeople who go out and make trips to Europe to sell. And these are the jobs that I also create, not by manufacturing, but also by being creative and getting involved in the marketing endeavor.

So, Mr. President, please look beyond just the basic manufacturing. There are a lot of areas that we're good at. We do good engineering here, and we build them overseas, but every time do the proper marketing that Americans do very well, we also leave money in the United States. So, do not discriminate just because we import, because when we import, we also turn around and export, and leave that difference of 40 percent -- every $100 I export, I leave $40 right here in Los Angeles. Thank you very much,

THE PRESIDENT: Thank you. I'd like to move now to the third topic -- community development and urban policy. And I want to focus it if I might on two things. First and overwhelmingly, is the fact that there has been massive disinvestment in urban America for a long time now in ways that I think create an enormous economic opportunity for America. I mean, it's not logical that we would have so many people living in places like Los Angles, who have incomes and who have potential, and who have very little investment in their community, and therefore, have far higher than national average unemployment. There are all kinds of barriers to this. We have tried to improve access to capital through overhauling the community, reinvestment regulations on banks through the establishment of a community development financing mechanism that is now moving through Congress, which would make available another $2 billion in nev credit for small businesses and single-person businesses in distressed areas and through the empowerment zones in the enterprise community program which will provide another $4 billion over the next five years.

We've also tried to remove barrier -- government barriers to development by establishing a community enterprise board

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that works with local governments and community leaders. And, of course, we've done a lot of work on the issue of crime and personal safety. But, I am convinced that unless we have a clear investment strategy for distressed communities, we are going to wind up with a lot of frustration on our hands. Because if the rest of this economic strategy works, we'll still leave a big part of America behind. And the rest of us will wind up paying for the terrible consequences of it.

I would also like to say that this is a problem. This whole community development thing does not apply solely to poor and distressed communities. The absence of development capital, for example, is limiting internal economic development that is unrelated to trade, unrelated to defense cutbacks. You can see that in places like Orange County to the south of here. So, it's not just an issue for poor and distressed communities, although it is a bigger issue for them. Now, having said that by way of background, I'd like to call on Monica LeZano*, the editor of L.A. Opinion, which is the largest Spanish language daily in the country, to basically comment on the economic changes that are going on, and what she thinks has been done in the last couple of years, and give us any specific suggestions that she has about what we ought to do. Monica --

Q Thank you, Mr. President. Our newspaper L'Opinion* is the largest in all the Spanish language newspapers in the country, and we certainly would like to thank you for being at this table with you, not just representing our newspaper, but representing the entire industry. And just as an aside, one of the things that I would like to mention is that in fact L'Opinion continues to be one of the healthiest daily newspapers in the area. We continue to see growth both in our classified advertising and our display advertising, which I think speaks to the particular market niche that we fill.

One of the other things that I'd just like to mention as an aside before I get into community development is that as we talk about defense conversion and we look at transportation and telecommunication, our concern really with telecommunications and information superhighways is the effect it would have on other print media and the need for print media to not just survive, but really to thrive as the basic form for communicating with certain sectors of our society. And I would hope that as we look towards telecommunications, we don't forget that it could in fact have a peripheral negative impact in terms of providing literacy to our communities.

In terms of the elements of community development, we've identified a number of areas that need to be looked at if community development is to work and if it's to be successful. And I'm only going to mention them very briefly, because in fact at this table you have a number of people who are real experts in the field. What we've found overall, though, is that low income consumers continue to spend higher percentages of their income on basic goods and services. Basic goods and services that could mean anything from food that you buy at supermarkets to transportation to banking and credit services.

In particular, for basic goods and services, we find that there aren't adequate supermarkets within distressed neighborhoods. For the most part, individuals rely on public transportation to travel outside of their neighborhoods to buy groceries, and that those grocery stores that do exist within distressed neighborhoods sell their products at higher prices.

In terms of housing, we find that most of our community continues to rent. And we rent substandard housing for the most part spending more than half of their income on substandard housing. Housing, in fact, is an issue where we need to look at not just affordable housing, but relative affordability. What percentage of

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income is spent on housing to your entire family income. Just in Los Angeles in the last few months, unfortunately, we have had a number of tragedies where people who are inhabiting substandard and overcrowded have actually lost their lives as a result of this.

In terms of transportation, which we've talked quite a bit about, what we need to look at here is that transportation corridors need to be built in areas are linked specifically to jobs that will be offered to recreational, to parks, etc.

In education, again, education is an area that all of us have looked and would just like to mention that, in fact, one of our local private universities, the University of Southern California, turns out as the largest private employer in Los Angeles. The University of Southern California has, in fact, embarked on a really worthwhile initiative to develop is contiguous neighborhood, and these are the types of programs that we need to model.

We also need to look specifically at small business development when we talk about community development, as well as labor force participation. One of the things that I'd like to say about labor force participation is that in Los Angeles, Latinos, in fact, have a higher labor force participation rate than any other ethnic community and a lower labor force desertion rate than any other ethnic community. At the same time, it continues to be the community that has the highest poverty rate. So, what we're talking about here are working poor. People who spend their entire life working and are yet unable to pull themselves out of poverty. And I'd certainly like to credit you for your earned income tax credit. And my question there would be how the earned income tax credit becomes translated to the mass audience. Now that it's available, how do people access that earned income tax credit?

We've also talked a lot about training. One of the other things I'd like to say about training is the need for it to actually be comprehensive in its approach. Not only do we need to make sure that we're providing for jobs as people move out of training programs, but that those who are going through training programs get the type of support that they need whether it be child care facilities or travel vouchers, etc. But for training programs to work, they need to be comprehensive and your health care initiative has stressed the word comprehensive, and you know exactly what we're talking about.

One last thing that I would need to mention is that in fact if these pressures within the inner city aren't relieved, we can be sure that what have been tensions and racial tensions would only continue to be aggravated. A number of our elected officials have also commented on the issue of immigration and the extra burden that immigration puts on communities. My feeling is that you have actually directed, I'm not sure if you've directed, but your director of the INS has actually taken a very positive approach which I would want to stress. And that approach is that however we deal with immigration, we have millions of people in this country that are eligible for citizenship, and as people move towards citizenship, they actually become empowered, become more responsive to their neighborhoods and in fact, could have a positive impact on community development.

THE PRESIDENT: Thank you. If I might just -- that was a very good statement. (Applause.) You've got fans in the back. If I would like -- I'd like to respond to just two things that you said, although you said a great deal worthy of response. First of all, with regard to the housing problem, there is no easy answer to this because we basically had a very large, sort of, stock of public housing coming up all the way from the end of the second world war to 1980 and then the HUD budget for maintaining -- just for maintaining that housing was dramatically cut in ways that aggravated the lack of

attractiveness for investment capital in many of our cities. We are doing what we can to turn that around within the rigorous restrictions of the budget. We have one of the most innovative members of the Cabinet in Secretary Cisneros who was the mayor of San Antonio, and therefore went through a lot of this. Before I came out here, he told me that the Department of Housing and Urban Development was going to grant an award grant of about $50 million to the L.A. Housing Authority to employ and train young people to rebuild inadequate housing to try to make neighborhoods more attractive for new business investment. That is a beginning.

I would argue to the mayor, to the housing authority staff that we ought to really focus how that money will be spent, and spend it in a concentrated enough area so we'll be able to tell when it's over if it made that area more attractive for private sector investment. But I hope that this will be a good beginning.

Secondly, on the earned income tax credit, a lot of people don't even know what that is. But basically, the Congress adopted what could be the most significant income reform in the last 20 years to reward work over welfare and to help low-wage workers. We know that the global economy and the lack of skills in the work force are depressing wages. But you want people who can work to work. The Hispanic community -- the Latino community in America has very high rates of labor force participation and therefore, may be the most advantaged by this if they take advantage of it. But basically, in the coming tax season on April 15th, between 15 and 16 million lower-wage American working families with incomes of $23,000 a year or less going up to $26,000 two years from now with children in the home, will be able to file for a tax cut or a tax refund that will lift them above the federal poverty line if they work 40 hours a week and have children in the house. It is a very, very important thing.

How are we ensuring that it's going to be taken advantage of? The most important thing we can do on our own terms is to make sure that every tax form has a summary sheet on the front of it, because everybody gets their tax forms, and it says here are the changes in the tax form. You might be eligible for a tax reduction. But we also need to really work, I think, to communicate this through the communications channel that people in the community are in this income group read.

And so the Treasury Secretary Lloyd Bentsen is working on this whole strategy to get that across. I'm also going to invite every member of the United States Congress to put the information about this in his or her newsletter in the early spring, just so your constituents will know about it. And I think we ought to explore every conceivable opportunity to do that. Senator Feinstein says there will be 2 million Californians who will have an income tax reduction through the EITC.

I'd like to talk very briefly now about the credit crunch and call on two people to follow up on what Don *Gaverse said earlier. First, *Carlton Jenkins is the Managing Director the Founders National Bank and was recognized as one of the most promising bank executives under 40 by the American Bankers. For those of us not under 40, that's enough to deny him the opportunity to speak. (Laughter.) And then after Carlton talks, I'd like to call on Catharine *Thompson who is the Chair and CEO of her own development company, which is a real estate construction and development company in Southern California who has some very specific ideas about what's wrong with the attempt to alleviate the credit crunch and how the CRA works. So, first, Carlton and then, Catherine.

Q Thank you, Mr. President. First off, for perspective sake, I'd like to introduce you briefly to Founders

National Bank of Los Angeles. Founders is the only black-owned commercial bank in the state of California. We were born approximately 15 months prior to the April disturbances. We remain the only commercial bank headquartered in South Central Los Angeles. We were one of the more positive outcomes of the RTC in that our birth arose from the ashes of a RTC-owned thrift three years ago. We enjoy a lot of corporate success as of late, and I'm proud to announce that the ARCO* corporation, Bank of America, State Farm -- am I casting doom or something -- (Laughter.) -- the State Farm Insurance Company at ARCO are all now both clients and more importantly, they are investors in our institution. They are shareholders. They have made a very permanent commitment to the community. And companies such as Mike Armstrong's at Hughes and Don Bealls* are also participants in the process by which they are customers of the institution.

Having said that, I will preface my comments with one other thing. And that is that I have watched admirably in the last year as you have engaged several of the things that have been high on your priority list, not the least of which being NAFTA, the preservation of democracy worldwide, the Brady bill, health care, etc., and what has impressed me is the zeal with which you have focused energy, people, time, and more importantly, money, on these issues. Now, having said that, what disturbs me, though, is as I look at the issue that confronts my constituency, which is for the most part South Central Los Angeles, first and foremost is its in access -- inability to access the capital and credit. And we have said it several different times, and it becomes more important as we talk about technology. For example, what good does it do to have the big three create a gas-free car that cannot be sold by a minority dealership because he cannot access capital and credit. It is nice that we will move into the 20th century with a state-of-the-art transportation system, but that transportation system will not have been built by minority participants, because they cannot engage themselves in the credit process.

So, having said that, it becomes critical that even as this technology process moves forward, the access to capital and credit for our constituency becomes critical. And there are several things that continue to disturb me. For example, the RTC -- as that process is dismantling, there are institutions that continue to be bought and sold. Well, in that process, we still do not have minority participation. There are 37 black-owned banks in this country. The most recent closure -- Great Western's success with Home Fed -- it occurs to me that a good number of the branches in Los Angeles were, in fact, in minority neighborhoods. I feel comfortable that Jim will continue to have those branches exist, but I would say to you that I would have loved to have been in that process, and was not able to do so. Why can't the RTC or the FDIC provide subsidy for minority participation in that process? Why can't the pension funds become more sensitive to targeted investment relative to these kinds of issues? Why can't federal assets be pledged to credit enhance the kind of funding that has to take place in the inner city.

I guess the bottom line, Mr. President, is that I would simply love to see the same kind of creativity and energy and focus that went into NAFTA, for example,go into the NAFTA, the South Central free trade agreement, for lack of a better term. (Laughter.) You know, I would love to seek the same kind of diligence and the same processes engaged to deal with what I perceive to be a simple process. And that is the inclusion of that community into the process by which they become more than simply retrained employees -- they become stakeholders and owners. And without that, that community will continue to be at the bottom rung of the proverbial ladder. And, you know, your heart is there, and frankly, on the part of the community, it's the first time we have seen it in a number of years and for that, we are all blessed, but frankly, we need to see something happen, and we need to be part of the process. And I thank

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you for the opportunity today, and your willingness to listen. (Applause.) Thank you.

THE PRESIDENT: Thank you. It's interesting that you would say that -- the way you characterize it, because when we were in the White House talking about this a couple of weeks ago, and I told all of our folks, I said, "You know, we ought to look at all of these distressed areas in America the say way we look at Mexico as consumers." The per capita income is higher, their reliability as a trading partner is greater, and all we need is more investment in the areas -- I mean, if you look at our greatest area of opportunity for increasing income and jobs in terms of trade, it would be to empower the people who live in our own country to be full partners in trading with the rest of us in a free enterprise system. (Applause.) And I don't think there's any question about it.

I will say this, we have tried to reorganize the Community Reinvestment Act requirements to make them more results-oriented so that bookkeeping compliance couldn't obscure the lack of good faith investment. And also, the mayor just handed me a note and reminded me that the new regulations will require loans to small minority businesses because today, almost all minority loans are home loans in many institutions. So I hope that'll make some difference, but you've given me at least four specific suggestions for which I am quite grateful. Catherine --

Q Mr. President, since Little Rock, you've heard me many times talk about the credit crunch. But I want to tell you the results of that credit crunch has really been strong -- has been very slow strangulation for us here in Southern California particularly. The bank's zero risk policy due in part, I believe, to the federal regulations, have caused the loss of 400,000 construction and related industry jobs. I believe there are many specific ways to correct this policy which I have forwarded to your office and to Secretary Cisneros' office. But one of the things we clearly need is a government policy and direction on setting forth the purpose of banking within our national economy and our international economy.

Since the recession, we have fallen further behind in the national average of home ownership as was recently mentioned by Monica. It's getting worse every day. If we cannot solve this credit crunch, we cannot provide affordable housing. Housing in California was expensive before the recession, and now it's going to be worse. We have endangered species and wetlands issues that we have to address, which has caused an impact. And I understand in the next session of Congress that's going to be acted upon. I was really delighted to hear Professor Campbell predict that we're going to have a million and a half home starts next year. But frankly, I'm very skeptical about it because I don't know how we're going to do it if we can't get financing. Mark Pizano talked about industry clusters, which I think is a great idea. But where are the people going to live? I think if you're going to talk about these kind of partnerships, we cannot forget about the affordable housing component in any of these well, I think, good-intentioned ideas. And I would hope that Secretary Cisneros and Secretary Brown will take this into consideration as you look at the economy and the recovery for California.

THE PRESIDENT: I want to call on now a number of people to speak about investment in the urban community and putting people to work. But let me say again, I think they are absolutely right. I think we have some general problems with the credit crunch we still have to work through, and then I think we have some community-specific problems that we must work on. I'd like to call on some folks -- and we're running out of time -- I want to ask the next four people I'm going to call to be as brief as they can, but to say what is on their mind. And then I'm going to open the panel to anyone who hasn't spoken yet who's got a contribution they want to make before

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we close. But, I 'd like to talk a moment about what we can do to get some real investment in these communities, and I'd like to call on Brenda Shockley* from Community Build, George Gallihert who has worked with the supermarkets in South Central and did very fast rebuilding after the riots, and James Montgomery of the Great Western Financial Corporation. And I'd like to ask Reverend Bill Johnson to talk about his work in SEOC with young people in the community and what their future is and what we can do to give them a better future. But let's start with Brenda, go to George, James and then Reverend Johnson.

Q Thank you, Mr. President. And thank you for continuing to understand that the residents of the distressed community that we are discussing are assets. They are assets in America, they are critical to the survival and to the growth of this country. I think in the limited time that I have there's a point that I'd like to make, because I think Monica and Carlton have covered the broad issues, and that is to ask you and to remind you to treat a crisis as a crisis. That Community Build, which is an asset-based community development corporation that recognizes the strength in our community was an outgrowth of the event of last April. And that while many of the organizations have pulled together, their support that has been promised -- wonderful initiatives, such as the empowerment -- however, there seems to be business as usual. Business as usual at a time when there really is in fact a crisis. And I guess at this point it's only fair for me to say as much as I agree with your six problems, that I take issue a bit with your first one and that is being willing to pay the price of time.

There are some communities that can no longer afford to pay that price because the clock started ticking long before Dr. Kimball's* 1990 date. And that these are communities where time will only make matters worse, time will only make the cost higher, and time will only increase the public safety issue. Secretary Brown and his staff have been vigilant in its outreach, in trying to hear, in trying to look at what we need. And I think, in closing, I'd say just as you recognize and you are not apologizing for recognizing the California needs a disproportionate attention in order to turn the economy around. And that there also will be no apology for recognizing that these communities need and are entitled to the urgency to targeted funds, to the kinds of programs that are critical if we are going to have a revitalization and a strengthening of our society. Thank you.

THE PRESIDENT: Thank you. George --

Q Thank you, Mr. President. I'd like to focus on just a very few brief comments, primarily involved with capital investment and its effect on job creation in South Central Los Angeles. Food For Less is a supermarket company operating 248 supermarkets with over 15,000 employees in the state of California. We invest on average about $100 million a year in the state of California. Our company has shared a special relationship with the citizens of Los Angeles. We believe that corporations should actively participate in community development programs such as ours. To date, we have invested over a quarter of one billion dollars in our 46 supermarkets operating in South Central Los Angeles. We also have plans another $40 million over the next two years to develop six projects. These six projects will create between 800 and 1,000 new jobs to this area. While many corporations have talked about the complexities of entering South Central Los Angeles, or the tremendous difficulties of operating there, our company has been serving this community and providing food for its families for over seven years.

We are currently the largest private employer in South Central Los Angeles, and 84 percent of our employees come from minority communities. Our total payroll in South Central Los Angeles is more than $85 million annually. In addition, we provide a

complete and comprahensive benefit package for all of our employees at an additional cost of over $40 million. While we believe the jobs are important and new jobs are even better, our company believes strongly in family income careers and not just minimum wage positions. We define family income as employee compensation to allow a family to purchase a home or a car, enjoy some of the luxuries of life, and most importantly, send their kids to college. We believe that family incomes are what is needed in Los Angeles to provide the pride and stability that will turn Los Angles around.

In closing, Mr. President, Food For Less is committed to continuing investing in South Central Los Angeles and providing family incomes for all of our employees. The average employee in one of our South Central Los Angeles stores earns almost $14 an hour. And indeed, receives another $5 in benefits, so we have very, very high paying jobs and truly do create family incomes in an impoverished neighborhood. Food For Less is also deeply concerned about the citizens of Los Angeles, and we have always viewed our commitment here as long-term and not just a short-term project. We look forward to working with you and other members of this roundtable today to make sure the economic recovering California is truly a success.

THE PRESIDENT: Mr. Montgomery --

Q Thank you. Our company, Great Western Bank, is the largest thrift organization in California, and as Carlton mentioned, we got quite a bit larger last evening. We took over the largest failure ever, Home Federal, at the end of the day yesterday. We now have taken over Mr. David Paul's organization in Florida, Mr. Charlie Keating's organization in California, and now this failure. So we have been doing a lot of cleanup. I think Carlton would be happy to know that Great Western is taking over instead of someone else. Because we have been the leading lender in the inner cities of California for year -- also, South Central Los Angeles, long before it was fashionable to do so. We believe lending can be done effectively in the inner cities. We are living proof of that. We think there are specific reasons why we've been successful, and we think this could be replicated. I know one of your important initiatives is community banks.

I believe, respectfully, what we need is not necessarily community banks, but community banking. I believe we have more bank and thrift organizations by worldwide and any other standards than we need. And thy are going to continue to be fewer in number, but we need to use the formula built on those success stories. People that are doing a good job -- we need to revitalize our federal home loan bank system. We had new legislation covering two GSCs last year, Fannie Mae and Freddie Mac, which respectfully weren't broken, but the Federal Home Loan Bank system needs real help, and we've listed that for further study. So, I believe we have to get about making sure that the financial institutions that are now in place can and will do a better job, and that should be our initiative.

THE PRESIDENT: Will you tell me what you think needs to be done with it? I mean, not here, but in a letter.

Q I'd be happy to work with anyone in your administration, because I have some very specific ideas. And one of the reasons we're successful in the inner city is because we have offices located there, we have commission loan agents that work in those offices as well as loan officers that can't go out in the suburbs. If they don't make loans they don't get paid. The financial incentive is still the most powerful. It does work. But by doing so, you get to know the community, the people in the community and do an effective job.

THE PRESIDENT: Thank you. Reverend Johnson --

Q Thank you, Mr. President. I'm Reverend Bill Johnson, pastor of Courage* Temple CME in the great city of Compton. I'm a national leader of the Industrial Areas Foundation representing some 40 organizations in 14 states. But today, I'm here to represent those four organizations that are found in Southern California, UNO, FCOC, EVO and Voice*. Mr. President, it's good to see you again. We remembered you when you were governor, and now we are happy to have you back in Southern California with the IEF network as our President.

We accept, Mr. President, your challenge that you laid down when you were in Memphis with the Church of God in Christ convention. We take responsibility for rebuilding the human and social capital upon which successful financial and capital strategies can be built. We can build, and we are building. Vice President of Nehemiah* West, we are happy to report to you that we are now in the ground in Bell Gardan building affordable homes. We can build, Mr. President, but we can't stop the bullets. We can organize a bureaucratic school system so that it works for kids, and with the help of Mayor Riordan, we have learned. But we cannot stop the bullets. We have created Hope in Youth, the largest strategy in the country to give a real chance to at-risk children, but we can't stop the bullets. Only you can do that, Mr. President.

Last Sunday, on Meet The Press, Mayor Guilani and Mayor Riordan sketched out a strategy to treat weapons like our automobiles, requiring one licensing of all weapons, training for all owners, removal and destruction of the worst weapons, fees and testing for youths. If we can regulate the automobile because they have the potential to kill, why can't we do the same with guns whose purpose it is to kill? (Applause.) We must have a national effort, Mr. President, to get these weapons off the streets. And we feel that if you take the lead as you started with the Brady Bill, mayors, Mayor Riordan, police chiefs, district attorneys and organizations like ours throughout the country would follow you. We feel that we could put together a force that could dwarf the NRA. But, Mr. President, you would have to choose to stand with NRA or to stand with us, the businesses, religious communities, organizations and families who are trying to build these communities.

Mr. President, we are declaring that there is a need for war on violence in our communities. And Hope In Youth is a program that the IAF network along with nine denominations have put together in Southern California. This did not come just from our dreams, it came from discussions with hundreds and hundreds of leaders about the nature of the problem and the possible solutions to these problems. We designed an overall strategy. We organized in support of this, nine major religious denominations who have committed themselves over $500,000 a year for five years. We are glad to say that under the leadership of Councilman Alitora* and Councilman Watts* of the City of L.A., $2.5 million have been given to this strategy. Mayor Riordan has promised us $5 million this year. The County of L.A. under Supervisor Molino* has given to this strategy $2.9 million. And the State of California, led by Senator Torres and the assembly has granted to us $2 million. Mr. President, we are asking the federal government for $6 million for this strategy.

This is not a program with ready-made answers. It's a strategy to get thousands of at-risk young people and assist them in leading themselves in meaningful, productive activity. We include the parents and the young people. But they must be involved. But they are not clients. The strategy, we feel, must be long term -- a minimum of five years. It cannot be a start and stop kind of strategy. And we feel that it must create a critical mass. Local efforts are important -- small strategies and programs. But when you have, Mr. President, over 100,000 active gang members who are constantly recruiting, training and giving young people a sense of

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belonging, a sense of power, a sense of self importance, our response must be commiserate to that size. So, based on the healthiest, most stable institutions in the community, the churches, the synagogues, the mosques and the IAF network, we feel that helping you -- much different from a federal government program -- we feel that this is the way that we should go in trying to bring about effective change in our communities and bringing real life and hope to our communities. But we, Mr. President, if there is violence in the street in our cities, Great Western, Food For Less, all of these would not want to come into our communities. So what we must first zero in on is to stop the violence. And we ask you, Mr. President, to join us in our efforts.

THE PRESIDENT: Thank you very much. First of all, I accept that request. I'm sure you know that this crime bill that we're going to try to pass when we go back not only has more police officers, but thanks to Senator Feinstein, actually bans several assault weapons for the first time in the history of this country, if we can pass it through both houses. (Applause.)

It is clearly just the beginning of what we have to do with gun violence. And I assure you that I will lead on the issue as I have been, and I do want to compliment Mayor Riordan and Mayor Giulani for laying down the marker they laid on this issue. This is a profoundly important issue. It ought not be a partisan issue. It ought to be an American issue. If you look at the mortality statistics, it is hard to argue it is not a national security issue. We've been involved in a lot of military conflicts when we didn't lose near as many people as we lose on a regular basis every day in the streets of our cities. So, I thank you for that.

I would also say with regard to your request for help on the specific project, I'll have to tell you like I tell everybody else. I'll look into it and get back to you, and I hope -- I'll see what I can do. (Laughter.) Because I don't know enough about it. But you know something -- one of the things I'm real proud of, Reverend Johnson, in my public life, is that I sought your organization out a long time before I ever thought I'd be running for President. Just because it seemed to me that you had organized people at the grassroots level in the face of chaos. The reason the gangs are running wild in the streets of our cities today is that there are -- there is a void there. Because normally, societies are organized around work and family. And when both are under duress, there is a vacuum, and something will fill it. Something will fill it. And I think you have given us one of the best chances we've got in this country to fill it with something good instead of something destructive. And I want to do what I can to be supportive.

Q Mr. President, I just want to say to you that we thank Senator Feinstein and she's busy talking with our mayor now, but she has been most active in helping us try to find through the federal government that $6 million. So we will work with her through you.

THE PRESIDENT: I've said this before, but I get badgered by a lot of members of Congress on a regular basis. But Senator Feinstein and Senator Boxer do a better job of badgering me than anybody else in the entire United States Congress. (Applause.) Let me also say before we close I want to thank Congressman Beilenson, Congressman Moorhead, Congressman Horn and Congressman Dixon for sitting here throughout this.

Congressman Beilenson, our host, had to go to a town meeting first, but our administration has no better supporter than him in the Congress; he's been a real leader. I thank him for hosting this.

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Twenty-one of you have talked, and 11 have not. Would anyone else like to say anything before we go?

Q Mr. President, I want to comment on two areas where we can improve our economy without federal funding. Los Angeles is going through an affordable housing crisis. We have an opportunity to improve and increase homeownership while stimulating the economy without federal funds. Let me tell you how.

What we need to do is have Secretary Cisneros step forward and offer some sort of relief, temporarily, underwriting standards to allow more southern California families to qualify for homeownership. Home prices are at rock-bottom levels. I think it can be done with minimum risk. Home prices should increase and incomes should increase as we pull out of this recession in 1994 and '95. If we could stimulate housing by 20,000 units in '94, we'd put 36,000 people to work at no cost to the federal government.

The other area I want to comment on is tourism. Tourism has long been the lifeblood of the service sector of our economy here. But of late, prospective visitors have been turned off by safety concerns stemming from widespread national and international coverage of our poor economy, of civil disturbances, and our recent fires. I hope you'll support us, support Mayor Riordan in his efforts to put 3,000 more police officers on the streets, to make our cities safe not only for visitors, but residents.

And, lastly, we need your help. We need you to showcase Los Angeles in this area of the world. We need you here for the World Cup events next year. We hope you'll bring the hemispheric summit to Los Angeles. And, further, as you can see my button, Mr. President, we need the Democratic Convention here in 1996. (Applause.)

Mr. President, we've spent $550 million to create a state of the art convention center, 350,000 square feet. And if we get the convention here and if we get the hemispheric summit here, we can showcase Los Angeles nationally and internationally and show the world the cultural and recreational attractions we have and what a great tourist mecca we are. Thank you. (Applause.)

THE PRESIDENT: Anyone else? Congressman Horn?

CONGRESSMAN HORN: Thank you, Mr. President. Two points to make. I was delighted you linked crime as well as economic development. As everyone knows, when we had the least crime in this area and the most employment was the second world war. And that tell us something. The chief probation officer in this country, Mr. Nidorf*, Mr. Schumacher* in Orange County recently did an extensive study and found that about four-fifths of the juvenile crime is committed by one-fifth of those that come under the jurisdiction of either probation department.

And, Mayor Riordan and Congressman Dixon and Senator Feinstein have been very strong supporters of a bipartisan bill which Al Wynn* of Prince Georges County, a Democrat; myself, a Republican from Long Beach, got through the House and the Senate as part of the National Defense Organization Act, which means that any soldier, sailor, marine, male, female, leaving the services who wants to join our local police departments, the federal government, under this demonstration project, will now give up to 25,000 a year to the county, or if it's a sheriff, or the municipality if it's a police officer, and another 25,000 after the first year for the last five years, four years, we phase it out into the local government. We think that's a very important defense conversion effort. It had the support of the 54 members of the California delegation, and I want to say since we haven't mentioned it here before, that that delegation

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is working together as it never has before. One four-letter word known as "jobs" brought them together.

The next point I would make is, I was delighted you said you wanted to take a look at unemployment compensation. I've voted for every one of those extensions. But we need to do what Germany and France did 25, 30 years ago in 1965, 1970, where they helped people before they were down and out and thrown out of work with all the psychological problems and frustration that brings. And it seems to me that ought to be a model for how we approach unemployment compensation through recurrent education.

Yesterday I was at Focus Automation in Long Beach. They're retraining Douglas workers that have been let go by the thousands. And what's exciting about that is, every single student was excited about learning new things in computers, and it brought to mind that a lot of our conversation is always about the unemployed engineers. I'm very concerned about them, too. But there are thousands of people from the aerospace industry that had nothing to do with engineering, part of the overhead, part of the superstructure, part of the administration that are down and out and need retraining also. And I think we've got to think across the board about both.

THE PRESIDENT: Mr. Estrada* and then Mr. *Sanchez.

MR. ESTRADA: Mr. President, I think it's quite clear that what we require is a broad-based and multi-leveled strategy in order to have recovery in this area. But one out of every three Californians is nonwhite. And, more importantly, in this area, almost one out of every two. And therefore, we're also seeking a recovery plan that is broad-based and that helps to lift us all forward if we can.

To do so, I'd like to remind you if I could that Hispanic, African American and Asian workers are distributed in our population in the inner city, largely in some of these distressed areas, but also across certain occupational groupings and industries. Agriculture has not been mentioned today, but in California it's a very important sector. And anciliatory kind of industries related to it are some in which minority workers are highly represented. Service industries are very important to us, as well as manufacturing.

I point this out because in terms of our overall strategy, we have some long-term goals, we have some medium goals, but in terms of short-term goals, I think we have to focus where the population is concentrated, where we know we have great needs and where the payoffs will be very great. And so, within this very broad picture, I think we need to be focused about some possibilities for short-term resolutions, and I think they would be found in those places where these workers are most concentrated.

MR. SANCHEZ: Thank you. Mr. President, you heard earlier how important international trade is to this region. And we would like to ask your assistance from the Port of Los Angeles, which is now the busiest port in the United States, that we have two major projects that we have submitted. We have a request for a foreign trade designation, and we would like your support for that designation.

In addition, you heard several speakers earlier talk about the Alameda Corridor, which is a light rail system to join the port with the rail areas of downtown Los Angeles. We will be working with Congress to obtain and support federal funding through the highway legislation program, the new highway federal legislation, and we would also ask your support on the Alameda Corridor project for this area.

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THE PRESIDENT: Thank you very much. Anyone else? Mr. Soto*?

MR. SOTO: Yes. I'd just like to thank you, Mr. President, for expressing your clear support for the zero emission vehicle standards in California. As you know, those standards are that by 1998, two percent of the vehicles in California be electric and five percent by the year 2001 and 10 percent the year 2005. And one of the things that I would like to recommend as part of an economic development tool is that the federal government consider also making that requirement as part of their purchasing criterion for the federal fleets. That would help to improve the shareholder confidence and much of the consortias that we have going on, like Project California and like Cal Start, and all of this being driven by basic poor air quality which is costing our economy about $9.5 billion a year in the cumulative costs.

THE PRESIDENT: Thank you. That's a very good suggestion, and I will look into that.

Miss Rankin*.

MISS RANKIN: Yes. I would just like to report a result from last year's economic summit when I talked on America's infrastructure and was approached by Paul Miller who works for you now, a disabilities advocate. And we have worked and structured a partnership between private business, government, disabilities advocates' groups, a national real estate, trade association, as well as an international bank to structure a bond financing to implement the Americans With Disabilties Act, so to provide money to retrofit a lot of the buildings. So that's an exciting result from last year's conference.

THE PRESIDENT: John.

JOHN: Mr. President, I would like to join with others in thanking you for coming to Los Angeles, and also thanking you for your leadership. I would certainly echo the sentiments of several people who have already spoken before me, but particularly when we talk about building communities. Just to put things in perspective, there was a study conducted in the aftermath of the civil unrest last year, which indicated that -- by McKenzie* and Company which indicated that a minimum of 75,000 to perhaps as many as 94,000 jobs were going to be needed if we were going to get the job really done in impacting positively these distressed areas with a price tag of some $6 billion.

Clearly, government cannot do that alone, it obviously is going to require a major private sector commitment as well. But I would certainly urge you to continue to demonstrate your positive leadership and making sure the government does those things that it can do, but also to stimulate partnerships all over the place. Because in the final analysis, it's very important for all of us to remember that the absence of violence does not automatically translate into the presence of justice. And we've had too many instances where too many people apparently have had short memories. And it seems to me that you can provide the kind of leadership as you've already done in making sure that we get that.

I would like to now talk about two very specific recommendations. There have been several references made to the Alameda project, which we certainly support, but I'd also like to get a plug in for the *Crenshaw project, too. Anyone who is serious about bringing about real economic infusion in the heart of the African American community in this city must be committed to including Crenshaw in any kind of rapid transit proposition. I know Congressman Dixon and I have discussed that among others.

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Secondly, there was discussion about financing and lack of access to capital. Carlton Jenkins I thought spoke very effectively to that point.

It seems to me that we need to make sure that nonconventional kinds of financial institutions and instruments or created. Venture capital institutions of various types need to be encouraged, and perhaps one way that that could be stimulated by government would be to make some pension funds available. Senator Boxer talked earlier about pension funds. That doesn't require increased taxes. And that could maybe be utilized as a pump primer to begin to address that issue.

Again, we'd like to thank you, and we look forward to working together with you in carrying out these programs.

THE PRESIDENT: Thank you. Martha.

MARTHA: I just would like to thank you and your administration and also the members of Congress for the passage of the National Service Act, which hasn't been mentioned yet, and just to say that in California we probably have the strongest examples of national service happening at the state and local level.

Today, there are young people in Orange County and Malibu that are sandbagging and doing soil stabilization work right now, and this past weekend people working with homeless kids, recycling, planting trees and doing a host of other projects, and we just hope that this will only be enhanced and grow through the national service program.

I'd like to just make, also, another comment to the business community here in terms of the issue of community development and some of the comments that have been made about kind of the Catch 22 between investing or locating in neighborhoods where there is high crime and the need for that to combat crime in terms of youth opportunity for jobs, and that the connection can be made between businesses and the organizations, the churches, the schools that are in those communities and have made the connection.

So, for businesses not only to take advantage of the financial and economic tools in terms of incentives, but also to make the link with a community-based organization that is there, is known by the community, is the way to make that happen, one of the ways to make that happen. And there's a few examples of that in terms of support that's come from people here.

Southern California Edison contracted with the Conservation Corps to employ a crew of young people to do work in the East L.A. community. And First Interstate Bank raised enough money to hire a group of young people through the Corps to do a cleanup project around the convention center downtown.

The other thing in terms of government that's needed is, just as we've talked about easing restrictions for small business, that needs to happen for community-based organizations that are trying to put in places many of the things that have been recommended today. But it's real difficult with the kind of administrative requirements that get passed down as money goes from the federal to the state to the local level.

And then when you, at the local level, are trying to combine different programs -- and it's been mentioned I think today the need to consolidate and look at how those programs end up impacting and being administered at the local level, where we spend far too much time processing invoices for different kinds of programs that have been implemented and passed at different lengths of time

over the past years, each of them adding their own requirements, their own managers, their own monitors.

And then, lastly, in terms of what's happening here in Los Angeles, there are a group of 29 and now growing community based organizations, colleges and universities that are working together on implementation of the national service program, and a project that we're calling "Building Up".

We have a collaboration of groups that typically competa with each other now working together, structured around a neighborhood approach, putting the community-based organizations at the forefront. But we need the participation and the partnership of the private sector in this endeavor in order to compete in Los Angeles for the funds that are going to be available that put young people to work in service to their communities at the local level. Thank you.

THE PRESIDENT: I don't think you should underestimate the potential of this national service thing. We'll have 20,000 people nationwide next year, but in three years, 100,000. It's got real legs. The Congress may accelerate it. You just figure out what the pro rata share of that would be for L.A. County; it's quite a significant number of people who could earn some money for further education and do a lot of the work that you want done. It's very -- and if you could do this together, if you get all of the community groups together and have common applications, common allocation and a real disciplined approach to it, you'd have an enormous wellspring of talent and energy to deal with a lot of this.

Carlos, Rosemary and Jim.

CARLOS: I think this has been an excellent session, but I think it's clear to most people that jobs is the key to cleaning up crime and many other things that we have as problems in the community. Over 100,000 people have been employed in the industrial area around the Burbank airport, mostly in Los Angeles and in Burbank. The modernization of that airport is necessary in order to attract new businesses into that area. And I think Cal Start is an excellent beginning. But they're trying to move their headquarters, the building so they won't be too close to the runways. To do that, they have to get the environmental cleanup that's necessary at the skunk works (?) and other places.

There's a dispute between Lockheed and the federal government on who is going to pay for all of those costs. I think if you can speed up that particular decision and get the skunk works and other areas around the airport cleaned up, that we'll be able to attract the kind of manufacturing jobs that we need, and I don't mean jobs that pay $4 an hour, I mean good jobs that will help all of the businesses in the San Fernando Valley area and give other people jobs, too.

THE PRESIDENT: Thank you.

ROSEMARY: Mr. President, first of all I would like to thank you and congratulate you for your leadership and perseverance in helping to get the congressional -- break the congressional gridlock. And also, which I think is very important, is to thank you for having the most productive congressional session in recent history. That, I'm very, very pleased and proud of you for.

Another thing, because of time constraints, I shall be very short. Although California right now is faced with high crime, poverty, and the loss of jobs, we must counter it with caring, support, and sustainable jobs. And with the cooperation of the public and private sectors, I can't see any reason why it can't be done, because necessity is the master of invention. We did it for

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the 1984 Olympics; if we did that for that, we certainly can do something for California here. This way, we can get the engine back on the track that pulls the train which is the most important, and that's its people.

THE PRESIDENT: Jim.

JIM: Mr. President, pensions have been mentioned around the table, and you're sitting next to a man that's mentioned pensions recently. No subject generates more interest on our part than suggestions that our pension funds be used by the same people, very often, who ran the S&Ls recently. So I just want you to know that when you start talking about investing our pensions, we would ask for the same kind of protections that the investors in the S&Ls had. To the degree that you have an S&L bailout problem, it's because you guaranteed people a certain return.

So just as you go and look at our pensions, remember, we earned them, we expect them. And if the people see them as an opportunity for venture capital, it's going to make us very, very nervous.

The question of can they be used, of course they can be used and they should be used. We have models of use. We need the federal government as a partner. It can take the risk. It has the ability to take the risk, but it needs leadership. I've been on the other side of experiencing your leadership. I was on Capitol Hill; I know what you can do when you decide to do something. I've felt it, I've seen it. If you take leadership in protecting our pensions, those pension funds can become available. But if people think our pensions can bail out the United States, it's a mistake and people -- people won't allow it.

Mayor Riordan, myself and others know what happens to people's pensions. You touch them in a way that they will not be silent.

Finally, the Alameda Corridor has been mentioned. All politics is local. The Alameda Corridor is the single most powerful economic engine. It's transportation. It's construction. It's manufacturing. It's service. It's protection for us from what could happen south of the border if we don't move fast. And one name has note been mentioned. Senator Feinstein said it last night. She was asked the question, she answered it simply: The Southern Pacific Railroad has to be brought to the table. You are the only person working with Diane Feinstein and Mayor Riordan that can bring the Southern Pacific Railroad to the table.

THE PRESIDENT: Thank you. Let me just say one thing about this pension issue. The AFL-CIO has actually been very progressive on this. As you know, we announced on Labor Day when I was down in Florida, a joint effort with labor on pension dealing with housing and rebuilding a community. But if you go very -- and, by the way, in my state and a number of other states, set aside a very small percentage of their pension funds for investments in state-owned, in local job-generating activities. But if you go very far beyond certain strict limits and limits basically that if all of the projects fail the pension fund would still be okay, you have to have a public-private partnership. I don't think there's any question about it. But it would be far less expensive for the government to underwrite certain very limited kinds of investments.

The problem with the S&L deal was not just that the accounts were insured, is that the accounts were insured and there was absolutely no oversight on what kind of investments could be made with the insured accounts. We're not talking about doing that with pensions even if they're all insured; that would be a terrible, terrible error, and I don't think anyone is suggesting that.

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Q Mr. President, we have a loan approved right now for the Watts project, but because of the necessity for guarantees, the actual construction can't begin if you could help move in the guarantees forward, you would get construction.

THE PRESIDENT: We'll look into that.

Thank you very much. Well, this has been very -- we went an hour and 20 minutes overtime, but I think it's been good time. (Laughter and applause.) Let me say first of all there are some people I want to recognize that I want you to applaud together. I want to thank the state officials who came and sat here through this entire thing as a learning exercise for their support. State Treasurer, Kathleen Brown; your State Comptroller, Gray Davis; the Secretary of State March Fong Yu*; Speaker Willie Brown and the Members of the California Assembly and Senate.

I also want to recognize Congressman Dixon, Congressman Beilenson, Mr. Resnick* and my good friend, Clarence Avant -- the four people on this panel who did not speak; they certainly deserve an applause at this hour of the day. (Applause.)

We have made extensive notes. I will work with the Mayor and the congressional delegation, and we will follow up on the things which were raised here today. This was extremely valuable, and I thank you all for being so very, very concrete and specific.

To the people in the audience who did not speak, I would invite you to write to us through the Secretary of Commerce with any other specific suggestion that you want us to follow up on. I have a lot of White House staff members who are from California who discuss this with me on a daily basis. We will follow up. And I thank you all for this very much. Thank you. (Applause.)

END 1:25 P.M. PST

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OFFICE OF THE VICE PRESIDENT
WASHINGTON

June 8, 1993

Mr. Donald L. Connors, President
Environmental Business Council
of the United States, Inc.
1601 Trapelo Road
Waltham, Massachusetts 02154

Dear Mr. Connors:

Congratulations on the success of the Environmental Business Council of the United States, Inc. I regret that I am unable to attend your conference, but I am pleased to be able to provide a letter of strong support for your efforts.

Like you, the President and I are committed to increasing the U.S. share of the environmental technologies market. Our competitors have already recognized the tremendous business opportunities for the products and processes that allow for economic growth without harming the environment. And, they are poised to become the leaders of tomorrow if we do not act now.

That's why the efforts of the Environmental Business Council are so important. To succeed in the environmental technologies market, we must bring together government officials, environmental leaders, industry representatives, academics, and the public. Together, we can coordinate a comprehensive strategy to ensure that U.S. manufacturers are at the forefront of developing and marketing environmental technologies both at home and abroad.

I commend your hard work and your foresight. The Environmental Business Council is one of the first envirotech industry organizations in the United States, and an essential part of leading U.S. business into 21st Century.

Keep up the good work and best wishes.

Sincerely,

Al Gore

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THE WHITE HOUSE
OFFICE OF THE VICE PRESIDENT

FOR IMMEDIATE RELEASE
TUESDAY, June 8, 1993

CONTACT: Marla Romash
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VICE PRESIDENT SAYS US CAN PROFIT FROM ENVIRONMENTAL TECHNOLOGIES
Praises Efforts of the Environmental Business Council
Organization Aims to Improve Envirotech Industry at Home, Abroad

WASHINGTON -- Praising efforts by the Environmental Business Council to create a working partnership between business and government, Vice President Al Gore today (6/8) called for continued U.S. leadership and competitiveness in the field of environmental technologies, products and services.

"The technologies and processes that foster economic progress without environmental destruction offer unprecedented business opportunities. Industries with the best environmental strategies will lead business in the 21st Century. They are among the most competitive and profitable," the Vice President said.

"President Clinton and I are committed to investments in environmental technologies and expanding markets for U.S. environmental products. We must work to ensure that U.S. manufacturers are at the forefront of developing and marketing environmental technologies," the Vice President said.

During his Earth Day speech in April, the President announced that the Commerce Department will develop an interagency strategic plan to increase exports of U.S.-made technologies and to improve the competitiveness of these technologies.

The Environmental Business Council of the United States, Inc., is holding a conference June 8-9 in Washington, D.C., on this issue. Environmental, business and government leaders will meet to organize the U.S. environmental industry and propose ways in which it can become more internationally competitive.

The world market for environmental technologies is expected to reach $300 billion annually by the year 2000. In 1990, it was $200 billion.

"Protecting our environment means new business, increasing profits, strengthening our economy and ensuring that the United States will remain competitive in the international marketplace in the future," the Vice President said.

##

55CM2280

12AK0150

THE WHITE HOUSE
WASHINGTON

8/25/93

MELINDA:

SPOKE TO GINGER BRIEFLY. I'M A CANDIDATE FOR THE POSITION OF EXECUTIVE DIRECTOR OF THE S.F. HOUSING AUTHORITY.

I HAVE WRITTEN JUDGE LOW FOR HIS SUPPORT. IF YOU COULD PASS ALONG TO SOME ASIAN LEADERS, IT WOULD APPRECIATED.

I'M STILL AT PRES. PERSONNEL AT (202) 456-1663.

THANKS:

FELIPE FLORESCA

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12AK0 : 5[illegible]

POSITION: EXECUTIVE DIRECTOR
SAN FRANCISCO HOUSING AUTHORITY

LETTER TO: MR. LEWIS LILLIAN
CHAIRMAN
SAN FRANCISCO HOUSING AUTHORITY
440 TURK STREET
SAN FRANCISCO, CA. 94102
(415) 554-1296

COPY OF
LETTER TO: HONORABLE FRANK JORDAN
MAYOR OF SAN FRANCISCO
CITY HALL
SAN FRANCISCO, CA. 94102
(415) 558-3456
(415) 554-6114

Please send letter and make follow-up telephone calls on **Monday, September 13th** to Lewis Lillian and Mayor Jordan. If you have any questions. please call me at work (202) 456-1663 [White House] or at home (b)(6)

Enclosure: Letter to L. Lillian
Curriculum Vitae
Biographical Sketch
Newspaper Articles

55CM2201

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BIOGRAPHICAL SKETCH

PHILIP (FELIPE) FLORESCA

FELIPE M. FLORESCA has a deep abiding commitment toward addressing poverty and blight in urban America through the revitalization of public and assisted housing.

Raised in Spanish Harlem "El Barrio", he made the transition from street gang to mainstream with the help of HUD's Model Cities Program. Felipe organized a youth tenant patrol program to arrest drugs and crime in the notorious Jefferson-Johnson public housing development. From Gail Sheehy's book Passages "the young turfs of East Harlem launched a campaign to tackle drugs and crime in the housing projects." For his work as a youth leader, he received a citation from Governor Nelson Rockefeller as an "Outstanding Teenager of America." The youth patrol program he created was the recipient of the Brook Astor Service Award. His early exposure to community leaders greatly influenced his concentration on public and assisted housing. He served as a congressional page to Congressman Adam Clayton Powell and had Malcolm X Shabazz as a teacher at the Harlem Prepatory School. He became the youngest member of New York City's Urban Task Force under Mayor John Lindsay.

MR. FLORESCA has held several government positions on the federal, state and municipal levels in the housing arena. He served as a legislative aide to Senator Ted Kennedy concentrating on housing and urban affairs. He worked on the writing and passage of the Community Reinvestment Act and the Urban Enterprise Zone (Kemp-Garcia) Act. He assisted in securing a commitment of over $350 million of HUD funds to Massachusetts cities.

Under contract with the New York State Urban Development Corporation, he worked with the New York State Mortgage Loan Enforcement Administration to pass national legislation to limit the securities exposure of tax-exempt municipal bonds on assisted housing. This legislation saved New York State in excess of $100 million.

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FELIPE served Mayor Ed Koch in implementing New York City's Ten Year Housing Plan. He held the post of Executive Administrator of the Rent and Housing Maintenance Division in the Department of Housing Preservation and Development (HPD). He was responsible for the administration of the housing inspection, litigation and loan programs with an annual budget of $100 million and work force of about 1,000 people. This division was responsible for eliminating over 10 million housing violations through aggressive code enforcement and litigation. This division created the first large city comprehensive lead-based paint elimination program. HPD is the largest municipal housing agency in the nation. On the finance side of the affordable housing equation, Felipe served as Vice President of the Rehabilitation Mortgage Insurance Corporation (REMIC). He was named to this position by Mayor Koch. He worked with 30 banks to secure loans and insure over $100 million in affordable housing. Felipe created the corporation's Neighborhood Reinvestment Advisory Council and launched the "Banking on New York" campaign. REMIC is the largest mortgage insurance program addressing affordable housing in the nation.

Additionally, he designed and directed the Mission Hill Public Housing Anti-Crime Project in cooperation with former Boston Mayor Kevin White and the Boston Housing Authority. Felipe created the Providence Anti-Arson Program working in conjunction with the Rhode Island Department of Housing. He served as a consultant to HUD's Office of Neighborhoods and advised the Los Angeles, Chicago, New York and Atlanta public housing authorities.

PRESENTLY, he serves as a senior housing management officer at HUD responsible for monitoring and providing assistance to "troubled or severely distressed public housing authorities" in federal Regions I and III (Philadelphia, New Haven and Washington, D.C. housing authorities). During his time at the agency, Boston and Bridgeport have been removed from the HUD troubled authority designation. Mr. Floresca assisted in the formulation of the Urban Revitalization Demonstration (URD) program and sits on the agency's URD Task Force. He has authored a paper on Managing The Future Of Troubled Public Housing to be released in the fall. He co-convened a big city public housing authority URD conference and recently organized a HUD summit on Successful Interventions in Public and Assisted Housing. Felipe is presently on loan from HUD to the White House.

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MR. FLORESCA holds a Bachelor of Arts degree from Brown University, a Masters in Public Policy from the Harvard-Antioch Graduate Center and a Masters in Public Administration from Fordham University. He has been the recipient of a Wriston scholarship, Ford Foundation graduate fellowship and Rockefeller Foundation legislative fellowship. He is a former Robert F. Kennedy Fellow. He has received awards from the National Association of Neighborhoods and the National Urban Coalition.

FELIPE sits on the Board of the Community Fellows of the Massachusetts Institute of Technology, Alumni Diversity Board of Brown University and the National Housing Revitalization Panel of the Commission on National and Community Service. Formerly, he served on HUD's Hispanic Task Force, Governor Cuomo's Homeless Task Force, National Hispanic Leadership Agenda, Mayor's Commission on Asian Affairs and two presidential commissions during the Carter Administration -- President's Housing CETA Council and Vice President's Task Force on Youth Employment.

55CM2201

12AUG 5

PHILIP (FELIPE) FLORESCA

(b)(6)

(202) 456-1663/708-3671 (B)

(b)(6)

EXPERIENCE

Over 15 years of work experience in the area of affordable housing -- public and government-assisted housing on the Federal, state and municipal levels of government and with the United States Congress.

EMPLOYMENT HISTORY

White House Search Officer.
Office of Presidential Personnel.
The White House.
Washington, D.C. 20503 4/1/93 to Present.

Detailed from the Department of Housing and Urban Development (HUD) to The White House with the following responsibilities:

o Select qualified candidates to fill vacancies for Presidential boards and commissions with a special emphasis on ethnicity, gender and geography.

o Provide oversight to HUD regarding boards and commissions that have Cabinet-level responsibilities; i.e., Federal Housing Finance Board, Advisory Council on Historic Preservation, Community Enterprise Credit Assessment Board, FannieMae and FreedieMac among others.

o Identified candidates to fill Federal government positions in Action/Vista during Presidential transition.

55CM2231

Senior Housing Management Specialist.
General Management Division/Office of Public Housing.
U.S. Department of Housing and Urban Development.
Washington, D.C. 5/92 - Present.

The General Management Division, Office of Public Housing is responsible for monitoring and providing advice on the management and operations of "troubled/severely distressed public housing agencies." There are over 100,000 housing units within the nation that do not meet basic standards of habitability.

Responsibilities include:

o **Serves** as headquarters Officer for HUD Regions I and III with responsibility for the housing authorities of Boston, Bridgeport, New Haven, Philadelphia and Washington, D.C. Combined these housing agencies have HUD funding in excess of $500 million. Over the course of one year, the housing authorities of Boston and Bridgeport have been removed from the HUD troubled designation list due to an aggressive approach of tackling management and operational deficiencies.

o **Developed** the Urban Revitalization Demonstration Program (URD) as a member of the HUD Task Force on Severely Distressed Public Housing by formulating program guidelines and regulations; devising a notice of funding availability; provided orientation to public housing agency directors; and servied as a panelist for the review of URD proposals. In it's first year, this program is funded at a level of $300 million and focuses on supporting the efforts of the 40 largest housing agencies to make physical improvements and foster community service in public housing.

o **Reviews** regulations, policies and practices encompassing public housing personnel practices and political activities. Over the past year, advice has been provided to over 50 public housing agencies.

o **Promotes** drug and violence free management in public housing by organizing a HUD summit on <u>Successful Interventions in Public and Assisted Housing</u> and formulating a major paper on <u>Managing The Future of Troubled/Severely Distressed Public Housing</u> (to be released in the fall, 1993).

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Congressional Relations Director.
National Grass Roots & Communications, Inc.
Alexandria, Virginia. 10/90 to 5/92.

National Grass Roots and Communications is a Washington-based lobbying and public relations firm specializing in representing local economic and consumer concerns.

Responsibilities included:

o **Lobbied** the United States Congress to defeat the passage of the Design Protection and Technology Act and support the passage of the North American Free Trade Act (NAFTA).

o **Organized** a 15 state grass roots campaign of local elected officials and businesses to promote local urban development relating to the design protection and NAFTA legislation.

Vice President.
Rehabilitation Mortgage Insurance Corporation.
New York, New York. 3/88 - 9/90.

The Rehabilitation Mortgage Insurance Corporation (REMIC) is the largest public benefit mortgage insurance program in the nation and has provided mortgage lending and insurance in excess of $ 200 million for affordable housing projects. More than 10,000 housing units have been provided to families on public housing waiting lists.

As a corporate officer appointed by the Mayor responsibilities included:

o **Coordinated** affordable housing efforts with 30 commercial banks, government officials, private and non-profit developers and local development corporations to support the Mayor's Ten Year Housing Plan to create over 100,000 affordable housing units.

o **Chaired** the corporation's Ad Hoc Committee on Neighborhood Reinvestment composed on banks, developers, government enterprises (Fanniemae, FreddieMac) to promote creative financing through low-income tax credits , mortgage-backed securities and pension funds. The Committee was responsible for generating over $50 million for sponsored homeless housing.

o **Formulated** the Comprehensive Planning and Zoning proposal to expand mortgage insurance eligibility to be consistent with public housing and economically depressed areas in New York City.

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Executive Administrator.
Rent and Housing Maintenance Division.
New York City Department of Housing Preservation and Development.
New York, New York. 10/84 to 3/88.

The Rent and Housing Maintenance Division of the Department of Housing Preservation and Development (HPD) has the largest enforcement group of housing inspectors (550) and most litigators (150) than any other American city. This division executes housing loan and fuel programs that provide improved living conditions to over 150,000 housing units annually.

Responsibilities included:

o **Managed** an annual budget of $100 million and a staff of 1,000 housing inspectors, lawyers, loan officers and building trade repair professionals to meet targets set by the Mayor's Ten Year Housing Plan.

o **Coordinated** city-wide campaigns to remove over 5 million housing code violations through aggressive enforcement and litigation and remove lead-based paint from 50,000 city-owned and public housing units.

o **Monitored** the execution of a housing administration program which trained real estate professionals to manage city-owned and public housing. Over 300 professionals were trained to manage low-income housing.

o **Served** as Division representative to the New York City Housing Authority, New York State Homeless Council, Rent Guidelines Board, Real Estate Board of New York and Special Committees of the City Council.

Government Affairs Associate.
Ortiz, Rosa and Poulson, P.C.
New York, New York. 1/82 to 9/84.

Ortiz, Rosa and Poulson was a Wall Street-based law firm specializing in housing and real estate. Clients included the New York State Division of Housing and Community Renewal, New York City Housing Authority, State of New York Housing Finance Board and the New York State Urban Development Corporation.

o **Lobbied** the United States Congress to limit the securities exposure assigned to tax-exempt housing which passed via an amendment and saved New York State in excess of $ 100 million.

o **Represented** state housing agencies in matters relating to the U.S. Department of Housing Development (HUD) in areas of public and governemnt-assisted housing.

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12AUG '5

University Administrator.
Ralph J. Bunche Memorial.
Brown University.
Providence, Rhode Island. 1/81/ to 12/81.

The Ralph J. Bunche Memorial Center for Public Service provided minority students with an opportunity to provide community service to the Greater Providence area. The Center is funded by Brown University with support from private foundations.

Responsibilities included:

o **Directed** the Center and designed two housing programs in cooperation with the Rhode Island Department of Housing and Providence Housing Authority -- the Anti-Arson Project and Fox Point Preservation Project.

o **Instructed** a course on government and corporate social responsibility with sponsorship from the General Motors Understanding Business and Government Program.

Legislative Aide.
Office of Senator Edward M. Kennedy.
United States Senate.
Washington, D.C. 9/76 to 3/80.

The Office of Senator Edward M. Kennedy performs all the congressional functions in the United States Senate.

Responsibilities included:

o **Served** as congressional liaison to HUD and the Department of Transportation which resulted in over $200 million of housing and urban transportation funds being granted to Massachusetts cities.

o **Assisted** in the formulation of a comprehensive urban initiative for the City of Boston while on loan from the congressional office to the Mayor's Office of Neighborhoods.

o **Assisted** in the drafting of legislation in the area of housing, banking and urban affairs, including the Senate version of the Community Reinvestment Act and Urban Enterprise Zone Act.

o **Served** as congressional liaison to HUD's Office of Neighborhoods and reviewed labor union efforts to improve maintenance and repair programs in public housing agencies with an emphasis on Los Angeles, Philadelphia, Chicago, Boston and New York. Worked in cooperation with the United States Conference of Mayors and National League of Cities.

550M2201

Director of Community Service.
Mission Hill Public Security Project.
Boston Housing Authority/Mayor's Office of Neighborhoods.
Boston, Massachusetts. 6/74 to 8/75.

The Mission Hill Public Security Project was a collaborated effort of the Boston Housing Authority, Mayor's Office of Neighborhoods, Roxbury Children's Service and the Criminal Justice Planning Center at the Massachusetts Institute of Technology. The project was funded as a 15 month pilot by the United States Justice Department's Law Enforcement Assistance Administration. The project focused on addressing the problems of drugs, crime and racial violence in the Mission Hill housing development. Mission Hill represents the most severely distressed public housing property of the Boston Housing Authority.

o **Formulated** a youth crime intervention plan (community policing, housing patrolling and community restitution) in cooperation with the Boston Police Department and the Boston Juvenile Court. Resulted in a 20% decrease in youth committed crimes in the Roxbury section of Boston and 5% city-wide.

o **Designed** community service drug prevention and educational counseling activities in cooperation with the consortium of Boston colleges and universities.

Student Volunteer.
Youth Leadership Program.
National Welfare Rights Organization.
Washington, D.C. Summers (1971, 1972).

The National Welfare Rights Organization was the largest grass roots membership organization in the nation composed primarily of single parents on Federal public assistance.

Responsibilities included:

o **Assisted** in the development of two youth developments summits in Miami and Washington, D.C. A majority of high school youth participants were residents of public housing.

12AR0150

Borough Youth Supervisor.
Youth Services Agency.
New York City Human Resources Administration/New York City Housing Authority.
New York, New York. **Summers (1967, 1968, 1970).**

The Federal program known as the Neighborhood Youth Corps provided funding to employ youth city-wide. The Youth Service Agency (under the city's Human Resources Administration) created a summer program with the New York City Housing Authority to address youth living in public housing.

o **Assisted** in the organization of youth patrols in 50 Manhattan public housing developments to address crime, gangs and drugs. Over 10,000 youth participated in the Manhattan summer program.

o **Served** as youth member of Mayor's Urban Task Force.

EDUCATION

1969-1973	Bachelor of Arts, Brown University. Providence, Rhode Island.
1973-1974	Master of Education in Public Policy. Harvard-Antioch Policy Center. Cambridge, Massachusetts.
1976-1977	Master of Public Administration. Fordham University. New York, New York.
1979	Urban Planning Institute. Massachusetts Institute of Technology. Cambridge, Massachusetts.
1986	Housing Administrators Program. Pratt Institute-Columbia University. New York, New York.
1993	Affordable Housing Institute. Harvard University. Cambridge, Massachusetts.

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HONORS

1969	Governor Rockefeller Outstanding Teenager of America
1969-1970	HUD Model Cities Scholarship
1969-1973	Wriston Scholarship
1973-1974	Ford Foundation Graduate Fellowship
1976-1977	Rockefeller Foundation Legislative Fellowship
1978-1979	Robert F. Kennedy Fellow

PRESENT AFFILIATIONS

Brown University Alumni Diversity Committee
Commission on National and Community Service
Community Fellows Board of MIT

PAST AFFILIATIONS (Partial)

Chinatown Redistricting Committee
National Hispanic Business PAC
National Trust For Historic Preservation
National Urban Coalition
President's CETA Council
Vice President's Task Force on Youth Employment
Youth Policy Institute

55CM2201

ASPIRANTES: Where are they now?

Aspirante Felipe Floresca is a native of Spanish Harlem in New York City, where he grew up in the 1950's and 60's.

"Like today," he said, "there was a collection of problems in the community then. For youth, there were a lot of gangs and drugs."

There was also, however, a collection of people who cared passionately for the Harlem community and wanted to see it flourish. Thanks to their impact on his life, Floresca was able to surmount the obstacles in his path to success.

In 1963, when he was in seventh grade, Floresca started attending the Harlem Preparatory Afterschool Program, an independent magnet school formed by Harlem College's Awareness Program and ASPIRA. Harlem Prep's teachers were a virtual Who's Who of influential Black and Latino community leaders.

"Antonia Pantoja (the founder of ASPIRA) taught there, as well as Malcolm X, Ozzy Davis, José Ferrer--a whole litany of people investing in youth," Floresca said. "Ramsey Clark, Adam Clayton Powell. It was like a young think tank. Antonia Pantoja was getting her Ph.D. at Columbia University at the time, exploring the gap between where kids are and where they will need to be."

Harlem Prep's program provided remedial assistance and focused on college readiness. It also contained a strong element of cultural pride.

"When I first came to the school, I had no idea what Puerto Rico was about," said Floresca. "I first learned about it from a course Malcolm X taught called History and World Events. In it he explained the global dynamics affecting Puerto Rico and what they meant to the people.

"Antonia Pantoja also spoke a lot about the migration experience, about it being a right a passage between two worlds." Gail Sheehy, he said, who observed the uniqueness of the program, later portrayed some of its students in her best-selling book, *Passages*.

Floresca got his first job through the school, as a political page to Congressman Adam Clayton Powell. Powell would take him to Snookies Bar on Lenox Avenue, where he would talk with his constituents in Harlem. Powell also brought him to Washington, DC, introducing him to Robert Kennedy.

"He (Powell) told me, 'You've gotta come here, to Washington. This is where you can make a difference for Harlem.'"

Through the encouragement of mentors at Harlem Prep, Floresca applied to several Ivy League colleges and eventually attended Brown University.

"The one thing Harlem Prep couldn't prepare me for," he commented of those years, "was the culture shock between Spanish Harlem and Brown."

Floresca majored in political science, focusing on urban politics. After graduating from Brown he entered graduate program in public policy at Harvard/Antioch.

"The program I was enrolled in was, at the time, a joint five-year pilot between Harvard University and Antioch College. From this joint venture, they set up th John F. Kennedy School of Government at Harvard."

With his Master's in Public Policy, Floresca searched for a way to get involved in the policy side of urban politics and housing. ASPIRA at that time was running the ASPIRA-Rockefeller National Fellows in Education and Legislation Program, a 15-month fellowship in the area of public policy-making. The program included graduate studies at Fordham University.

Floresca spent fifteen months as an ASPIRA fello in Senator Edward Kennedy's office. At the end of the fellowship, Kennedy offered him a permanent job as a Legislative Assistant. Floresca spent another four years working in Congress on housing, community banking, and urban affairs. His job included working on the Senate version of the bill to establish urban enterprise zones.

"I really believe that ASPIRA has been pivotal in my career," he noted. "It's like riding the waves in the ocean--there are maybe five or six of them in your lifetime, and ASPIRA was there for two of them. First wa the transition between junior high, high school, and college, and then was the transition to 'what do I do aft college?' ASPIRA was there to help me along."

Floresca returned to New York to work for six years in the City's Housing Department under Mayor Koch. He has returned to Washington, where he is now Senior Housing Management Specialist in the General Management Division of the Office of Public Housing a the U.S. Department of Housing and Urban Development.

"The community where I grew up had a lot of problems," he said. "Public housing is a kind of incuba tor for social problems which have never been addresse comprehensively. That incubator effect is what I am trying to address in my work."

Floresca is eager to pass on some of the advice he grew up with to today's youth.

"Everyone is talking about being 'politically correct' these days. Well, everyone needs to be politically

cont. next pa

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correct, in the sense that you need to analyze what your reality will bring you, your family, and your community, and then you need to take a correct position in relation to that reality.

"Escape don'ts. You can't be a failing social statistic, and that means no drugs, safe sex, no street violence, no dropping out of school. You can do anything you want if you leave behind discrimination and violence. Sure, discrimination is there, but move forward. Anything is achievable. You can have mentors and resources, but you still have to plot where you want to be. Even if the world seems gloomy, things are still do-able. It is very tough to believe this in the inner city, when you're disenfranchised. That's why knowing who you are--being proud of who you are--is very important."

Floresca is one of the Washington, DC Aspirantes who came together in May to discuss formation of an ASPIRA Alumni Society (see article page 1). He believes that ASPIRA has a great resource bank in its alumni, which is largely untapped.

"Raúl Julia used to teach in the Puerto Rican Travelling Theater which worked with ASPIRA of New York. I was at a Presidential Commission Banquet in 1990 and the singer Lisa Lisa mentioned that she was an Aspirante. There are a lot of alumni and friends of ASPIRA out there. I would like to see the ASPIRA leadership, youth, and alumni come together for a summit in some central location to develop a blueprint of what alumni could do to help ASPIRA and help today's Aspirantes. There was a summit convened by ASPIRA in 1968. It's about time another was held to address the future of our youth."

55CM2201

10AB1485

EXECUTIVE OFFICE OF THE PRESIDENT

Washington, D. C.

FAX TRANSMITTAL COVER SHEET

DATE: 16-May-95

TO: JOHN HUANG

SUBJECT: BRIEFING INVITATION

FROM: ANN T. EDER 202
PUBLIC LIAISON

If there are any problems receiving this transmission,
please call the sender, or (202) 395-7370.

55CM2282

10AB1485

THE WHITE HOUSE
WASHINGTON, DC

May 1, 1995

Dear Friend:

On Friday, May 19, 1995, you are invited to join Doris O. Matsui, Deputy Assistant to the President and Deputy Director of Public Liaison, for a briefing with the Asian Pacific American community.

This briefing will be held with senior Administration officials, and various leaders of the Asian Pacific American community. It is critical to establish communication between the Administration and the Asian Pacific American community. We must continue to recognize the important role Asian Pacific Americans play in our society and address the issues that concern them.

Those attending must arrive at the Pennsylvania Avenue entrance of the Old Executive Office Building at 2:00 p.m. with a photo I.D. The meeting will begin at 2:30 p.m. in Room 450.

For reasons of security and space limitations please RSVP with your name, birthdate and social security number via the enclosed fax sheet, no later than noon, May 17, 1995.

Unfortunately, we are not allowing any substitutions or guests. Those who are not on the attendee list by 12:00 p.m. EST on Wednesday, May 17, 1995 will not be on the White House clearance list.

If you have any questions please contact Robert H. Chan, at 202/456-2930.

Sincerely,

Doris O. Matsui
Deputy Assistant to the President
Deputy Direcutor of Public Liaison

55CM2282

Timely Matter

10AB1711

VIA FAX 456-2883
(Total 2 pages)

October 27, 1995

The Honorable Nancy Hernreich
Deputy Assistant to the President
Director of Oval Office Operations
The White House

Dear Nancy:

Attached is a letter of my personal request to President Clinton. It should be self-explanatory. I hope this can be done.

I will be glad to work out the details with your assistant for anything that is needed.

It will be OK if you feel such a request is improper.

Many thanks for your kind attention.

John Huang
Principal Deputy Assistant Secretary
for International Economic Policy
(Tel. 482-2993, Fax 482-5444)

Many thanks! Nancy

55CM2283

October 25, 1995

The Honorable Bill Clinton
President
The White House
1600 Pennsylvania Avenue, N. W
Washington, D.C. 20500

10AB1711

Dear Mr. President,

I have just received and accepted with honor an invitation to deliver a speech to the students and alumni of my alma mater, Tatung Institute of Technology, Taipei, Taiwan, on its anniversary November 5, 1995. I will do this in my private capacity.

As you might know, I was born in China, raised and educated in Taiwan. I had spent almost half of my life in that part of world before I came to this country. I believe that I am currently the highest ranking appointed official in your Administration with this particular bicultural background. I must also say that among all countries in the world only the United States of America can offer people like me such an opportunity to work in the public sector with this level of duty. For this, I am grateful personally, along with all immigrants in my community.

While it is an event that I am giving my speech to my alma mater on November 5, I also strongly feel that the day will be more sensational if I can deliver a congratulatory letter from you to the president of my alma mater, Dr. T. S. Lin, and read it in front of the audience.

Tatung Institute of Technology is a relatively small college. In addition to being president of the college, Dr. Lin is concurrently the Chairman of Tatung Company (Taiwan's equivalent of GE). He has held these positions for the past thirty some years. His "industry and education partnership" program has been unique in the world: students study at the school during the regular term but they work during summer vacation in the company to gain practical experience. His management philosophy is to give employees the chance to become shareholders as well. This has been viewed as rather unusual in the traditional Chinese society, particularly during earlier days.

I would be most grateful if you would agree to my request to do this letter in time for me to personally deliver it. I strongly feel that this is the best gift I can give back to my alma mater from which I received a good education during my earlier years.

Thank you for your kind consideration of my request.

Respectfully yours,

John Huang

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WHITE HOUSE OFFICE ON ENVIRONMENTAL POLICY

TO: Distribution (S.F. Bay Dredging)

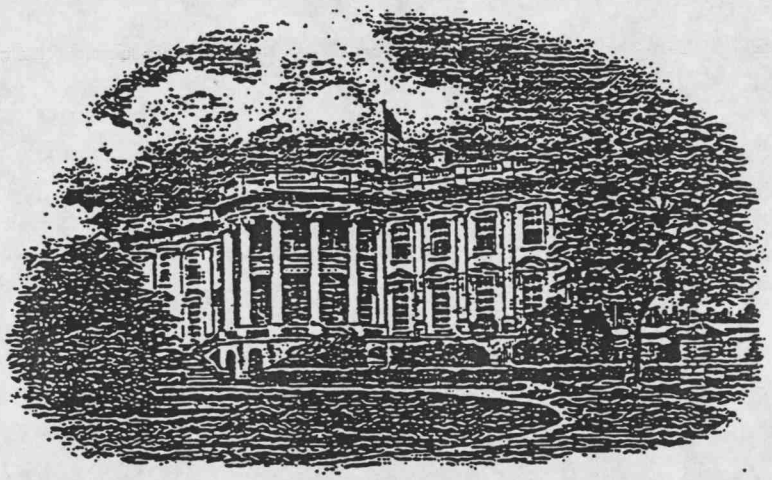
FROM: Will Stelle

DATE: 10/13

FAX: _____

Number of pages including cover: 3

COMMENTS: _____



PHONE - (202) 456-6224 FAX - (202) 456-2710
OLD EXECUTIVE OFFICE BUILDING, ROOM 360
WASHINGTON, DC 20501

55CM2285

THE WHITE HOUSE

WASHINGTON

12AK0060

MEMORANDUM

TO: San Francisco Dredging Task Force

FROM: Will Stelle

SUBJECT: Status Report on San Francisco Dredging

DATE: October 12, 1993

PURPOSE:

I would like to invite you to a meeting on Wednesday October 20, 1993 from 1:00 pm until 2:00 pm in room 476 of the OEOB. We will be discussing issues involving the San Francisco dredging project, and in particular:

- the status of substantive issues relating to the S.F. Dredging Project and its associated activities (mitigation issues);
- proposals from regional personnel for meeting the December 1994 deadline; and
- other outstanding procedural issues (NEPA compliance).

If you will be sending someone to represent you, or your are bringing additional people to the meeting, please have your staff contact Michael Goergen at 456-6224. We will need the spelling of their name and their date of birth to clear them into the building.

55CM2205

John R. Hall	NOAA/NMFS	301-713-2325	301-713-0184
Marta Mammaack	NOAA/NMFS	301-713-2322	301-713-0376
Bob Stockman	NOAA/SP	301-713-0159	301-713-0014
Dave Davis	EPA/OW	260-7166	260-6294
Melinda Yee	DOC	415-705-1298	415-705-2297
Joan Yinn	DOT/DMA	366-1719	366-3890

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