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Robert
Would appreciate
your thoughts.

— Eli

Eli,
This is apprenticeship, not
national service. Funded
(and thought about seriously)
at Labor + Education
(Mike Cohen). Unless you have
several weeks to learn a new
subject, not your gig!
— Robert

STORCH-TELE-GROUP, INC.

375 WEST BROADWAY
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February 15, 1993
Eli J. Segal
Director Of National Service
The White House
Washington, DC 20500

Dear Eli,

As always, it is a pleasure to offer my services to help you achieve a goal. The goal of making National Service a comprehensive, inclusive, exciting and successful program will be no less daunting a task than all the projects we undertook from Boston to New York to Little Rock and finally to Washington over this past year. My intention is, as always, to make Eli Segal the winner. Enclosed please find my thoughts regarding National Service. Some agree and some differ with the stated goals of your office. You know I'm not the blind follower type. I must offer a difference of opinion where I see it necessary.

The most productive assistance I can offer is in the "marketing" of National Service to the so called Triad I outline in my proposal. That would incorporate a three way partnership between Government, Industry & Labor, and Education. With a Government controlled (legislatively and regulatory), University administered, and Corporate sponsored program, we can accomplish so much. The Germans are world leaders in this area; we should follow suit.

Example: Joe Student is completing his senior year in a public high school. With knowledge of National Service as a result of it being part of the curriculum, he chooses a career as a research scientist and applies to MIT. His family cannot afford the tuition. As part of his "deal" in getting a college education he agrees to work as a researcher beginning in his first year of school. The government will help subsidize his education to a small degree, the school will administer the program that involved him in this internship program and MIT will find a corporate sponsor, say Bell Labs, to place him in a research fellowship program. This is a simple example but the flavor is there. The student is learning and retaining skills needed to be productive, and better our country in the future. Bell Labs (or IBM, GM, Xerox, Intel, ADM etc.) has a trainee at a substantially lower salary than it otherwise would, the University has a student gaining invaluable on-the-job training and loyalty is fostered in an atmosphere of caring for others. Couple this with some type of community based social involvement and we have an individual who **GIVES BACK TO HIS COUNTRY** in so many ways. Everyone gains. He suddenly becomes one of America's architects of the future. Good education beyond just school and civic mindedness as well.

I can sell this program to the major corporate sponsors needed to make it work.
I can sell this program to the major Universities needed to make it work.

National Service cannot grow to have any real effect on our nation without being massive in scope. Given the current deficit reduction emphasis, money is in short supply in Washington. If you want National Service to become a model for

improvement and envy, we must look creatively to other sources of help. You're involved on the legislative front. Let me be the one to bring the other two parts of the Triad into the fold.

I appreciate the opportunity to become "National Servant" #1. I think it can be great.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul", with a large, stylized loop at the beginning and a smaller loop at the end.

Paul C. Storch,

PCS/zz

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OUTLINE OF PROPOSAL FOR IMPLEMENTATION OF NATIONAL SERVICE OBJECTIVES

1. National Service Ethic
2. Definition Of Service
3. Public Needs
4. Private Macroeconomic Needs
5. National Service Objectives based on Public & Private Needs
6. Government/Education/Industry Triad
7. Administration & Operation of National Service Programs
8. Marketing
9. Individuality, Motivation & Involvement
10. Placement
11. Introduction & Orientation
12. Renumeration/Compensation
13. Length Of Obligation
14. Cost Containment
15. Displacement Of Workers
16. German System
17. Historical Perspective As Seen By The American Public
18. Balance Sheet—Public Assets, Private Capital

1. Simply stated, the National Service Ethic is the desire to do for others, for the Nation. Result-the revitalization of America's civic spirit.
2. In the broad sense, service can be defined as any meaningful contribution made by an individual through employment or volunteerism.
3. The enormous social needs of the American public can only be compared to the worldwide needs recognized by President Kennedy and his subsequent conceiving of the Peace Corps. From health to social issues, there is no shortage of areas that need to be addressed in a different manner than in the past. A completely fresh approach to those many problems must be taken.
4. Private free market needs is an area in which the Government has had mixed success over the history of our nation. Currently we face fierce & unrelenting competition from both fair and unfair trading partners worldwide. Our needs are fairly complicated but also fairly simple; a better educated work force and an economic environment conducive to gainfully employing that work force on a steady basis.
5. The National Service Objectives that were set forth in the campaign and in "Putting People First" envisioned an education to all who so desired, greater economic empowerment and building community spirit through civic action. A more detailed meaning of the objectives involves the lifting of our public level of care & concern within the American Community. On a private level, we must have a work force with skills to produce the products and offer the services that will keep the United States the world leader in all major economic areas. Education has been the ticket to success for so many generations of Americans. This must not only be continued, it must be enhanced.
6. With a runaway Federal deficit as the achilles heel of America's future, the only sensible, sane and realistic way to create, administer and oversee a new program is via Triad. With Government controlled, University administered, & Corporate sponsored programs in place, National Service has the ability to grow and prosper at an otherwise impossible rate. Given the constraints of the current and foreseeable fiscal realism in Washington, another big program will either be so limited as to be ineffective or as in a broken family of many children, the Parent umbrella will exist at the outset but ultimately the various program parts will be orphaned out to any Federal agency that can claim jurisdiction. The long term objectives must include permanence. If National Service can claim to give back more than it takes envy will be our biggest problem. Only an American Sematech or Japanese MITI type of approach will work. Political pragmatism may dictate changes to this concept. The "best of the worst" possibilities would lead to a State controlled operation.
7. Addressed in cover letter.
8. Involvement by America's youth can only be achieved if they are interested in what National Service has to offer. In so far as we consider National Service much the same as any good or service, there needs to be a demand for

that good or service. By creating a feeling of doing good for one's country and in return getting something back, we can foster an atmosphere of "want". Kids "wanting" to be on the in of something happening. We must market National Service in a way not unlike MTV. It has to be "cool", it cannot be seen as just another program sponsored by the Government that seeks to lure the school "nerds". We CAN & must sell National Service as a bold and visionary way to prepare our youth and thereby our nation for the future; a future that seeks a 2-way street between the next generation and the Government.

9. Perhaps the greatest difference between The United States and it's most fierce global competitor, is one of individuality v conformity. The greatest strength of our country has always been the individualistic thinking of our population. The Japanese have had tremendous success with their mindset, but that pendulum is now swinging in the direction of individuality. Coupled with individuality as it relates to National Service, we must have motivation. Therefore the question must be asked; why should Joe Student care about National Service? The answer must be multifaceted. Giving or lending money to college students is a program that currently stands on it's own. It has nothing to do with any student wanting to give of himself. That is one major reason I see National Service as a stand alone program with perhaps some loose affiliation to the existing Pell Grant programs etc. We need to sell the entire package to kids in school and thereby motivate them to action. We want all income levels to participate. If we were to deny a student from a wealthy home a chance to give to her country than we will revisit the sins of failed Great Society programs with all their grand intentions, albeit in a different economic strata. We must seek to involve the best & brightest as well as the average kid.
10. Placing students is another daunting task of National Service. We must avoid what might appear to be "make work" programs that seem to be mindless and wasteful. I propose breaking up National service into 5 distinct group sections with the intent of mating the most able individual with his most appropriate field-where applicable. Following are the groups:
 1. Educational/research (scientific & health)
 2. Vocational/industrial (blue collar & manufacturing)
 3. Medical (public safety & prevention)
 4. Environmental (substantial overlap with 1-3)
 5. Entrepreneurial Focus (stringent qualifications)All will involve some type of social community service as part of the National Service program.
11. Introduction to National service should be at the High School level and be fully funded on a local level. This should be made part of the curriculum of every school system in the Nation. Once a decision is made as to the National Service "associates & interns" to be involved, a detailed orientation should be conducted somewhat as a seminar or retreat week. This can be accomplished by using facilities already in place such as the Ford Motor Company's Country Club in Dearborn or IBM's golf club in Armonk; again all part of the Triad and partnership. Or many of the college campuses

around the nation can serve as orientation facilities. Keep the cost to Government at a minimum.

12. A nominal "salary" should be paid to the involved intern as a way to introduce him to the work force. The focus here should be on the student giving, not getting.
13. Length of obligation would be dependent on the type of service and the level of educational benefits sought.
14. Cost containment is at the outset among the most important components in making National Service acceptable to a belt tightening public. The perception must be other than that of a runaway bureaucratic tax and spend entity.
15. Care must be taken that few if any workers are displaced due to any National Service decision.
16. The attached clipping from The New York Times outlines in some detail the successes the Germans have had over the past decades in using a program similar in scope to National Service. That system has amongst it's most promising features the bridging of the gap between school and career. It allows students to choose careers and work as apprentices in the chosen field. There is a partnership much like the Triad I propose. There is an investment in people. There is a waiting for the investment in people to bear fruit. There is a more civic minded and stable social climate. All objectives of National service. The German experiment holds many lessons for us at National Service.
17. The American public is generally skeptical about the efficiency and ultimate success of almost any Federal Government program. They see waste and mismanagement and to a large degree that is accurate. Their view is that a program such as the CCC during the depression succeeded because the people were different, the times were different, and the work ethic was different. I maintain that depression era programs, and others since, have succeeded because correct involvement and motivation of participants were at the core. The Peace Corps is a case in point.
18. Just as in any solid business, the end results of National Service will be reflected in a healthy balance sheet in the future. The asset side shows a better educated, civic minded, and more productive work force. There are no liabilities. Retained earnings are indicative of the progress made in any business; so it is with National service. What we retain in better overall people is what will ultimately prove to be the payoff for the nation as whole. Invest now and the future will hold the rewards.

German Apprentices: A Key to Boom

Continued From Page 1

whether it works, you will get a resounding yes."

The German system requires a greater level of regulation than may be acceptable in the United States. Germany officially recognizes nearly 400 professions, and to practice any of them fully, a citizen must hold a diploma from a specialized school.

Although the German system has succeeded in producing several generations of highly productive workers, it is not without critics. Some say that by regulating employment so tightly, the system rewards formal training over talent.

A hairdresser who has great natural ability or has been tutored privately, for instance, may work in Germany but may not open a salon. Salons may be run only by certified hairdressers who have completed a formal three-year training program and passed an examination.

Other critics say that while the German system works well in finding jobs for craft workers and business administrators, it is less effective at placing university-trained professionals. In addition, although job training and placement has long been considered a western German success story, the system has not yet managed to stabilize the labor market in newly absorbed eastern states. Many people in the east have lost jobs in antiquated industries and have no modern skills.

Most Are Pleased

But most Germans are evidently pleased with their country's career training system. A recent survey of 10,000 apprentices by a group called Young German Business showed that 19 of every 20 were learning careers they find interesting, and that only 3 percent were pessimistic about job prospects.

Because the German career-training system is administered by various federal and state agencies, its full cost is

difficult to compute. Budget figures, however, show that state and local governments spend a total of about \$5.5 billion for vocational education every year, with the federal Government adding about \$4.5 billion.

The system is costly not only for taxpayers, but also for industry, which at any given moment is supporting nearly 1.5 million apprentices. These apprentices perform work, but not enough to earn back their training costs and salaries. One research agency has estimated that business invests about \$8,400 a year in each apprentice.

Businesses also assign many of their experienced workers to part-time teaching posts at vocational schools,

'A steady flow of highly trained workers.'

picking up most of the costs themselves.

Despite these heavy costs, however, most business leaders are pleased by the results.

"Our German economy lives from the high quality of its workers," said Bernhard Jenschke, an administrator of vocational programs in Berlin. "Business recognizes this, and pays a great deal of money to guarantee a steady flow of highly trained workers. It's an investment in human quality."

Mr. Jenschke has received several delegations of American educators and labor planners recently. He told them that Germany's career-training programs have social as well as economic benefits.

"We help young people bridge the gap from school to career at an important time in their personal development," he said. "When German kids are between 16 and 20, most of them are in a combination of school and

career training. They know that if they do well, they will have good futures. They're motivated. They get a sense of orientation and meaning to their lives. They don't feel hopeless or drop out of society."

Principal responsibility for overseeing the German system lies with the Federal Labor Agency, a sprawling nonprofit corporation run by representatives of business, labor and government. The agency employs 96,000 people at its headquarters in Nuremberg and at 184 branch offices and 646 counseling centers.

Employing Many Psychologists

The labor agency has a legal monopoly on career counseling in Germany, but it does much more than channel people into vocations. It is the largest employer of psychologists in Germany, and offers a range of testing services devised to bring each citizen into the career where he or she will be happiest and most productive.

In addition, the agency supports a research institute at which 120 specialists analyze long-term trends affecting the German economy. They predict which industries are likely to grow, which new ones are likely to emerge, and what sorts of skills future German workers will need.

"We have a system that has provided us with great prosperity and stability," said Joachim Drechsler, a Siemens executive. "The American hire-and-fire system would definitely not be accepted here."

Like most German companies, Siemens replenishes its work force by hiring and training apprentices. Its 20,000 employees in the Berlin area are responsible, in addition to their other tasks, for guiding about 1,100 young apprentices who are learning 20 trades and professions. The apprentices earn between \$575 and \$675 a month.

"It is a very complex system, and it could be adopted in a country like the United States only in steps," Mr. Drechsler said. "First you'd have to decide that you want to pay the price. After that, you'd try to figure out where to begin — maybe by building a network of modern vocational schools."

Germans usually have their first contact with the labor agency at the age of 14 or 15. Counselors visit every ninth-grade class to explain the agency's work and encourage students to use its Career Information Centers. At the centers, all visitors are entitled to individual counseling.

The Career Information Centers are heavily used. On most days, they are full of young people taking computerized tests, watching films that describe the rudiments of various careers, and reading files that explain salary ranges and working conditions.

About two-thirds of German students choose a career path — not necessarily one they stick to — when they are in the 10th grade. They then apply for an apprenticeship position at a company, and after acceptance, enter the dual

Germans' Apprentice System Is Seen as Key to Long Boom

By STEPHEN KINZER

Special to The New York Times

BERLIN, Feb. 5 — When Michel Sorgatz finished school last year, he did not have to read classified ads to find a job in his chosen field. Instead, he entered an apprentice program at one of Germany's largest companies that will teach him a profession, and virtually guarantee him a job.

On his way to a high-tech career working with metals, Mr. Sorgatz, 19, spent three weeks learning on the job at Siemens and two more weeks at a specialized school. At the end of his three-year apprenticeship he will take an examination, and if he does well, he will probably be offered a job at Siemens, an electronics and computer products manufacturer.

The German apprentice system has been in effect for decades, and is an outgrowth of the guild system that began in Central Europe centuries ago. But only in the postwar era, when Germans established a range of heavily subsidized social programs, have the government, labor and industry instituted such a wide-reaching and highly regulated and subsidized career training and placement system.

The system is considered a major reason for Germany's long economic boom. With the Clinton Administration searching for ways to make the American labor force more competitive, vari-

ous public agencies in the United States are studying Germany's approach.

"You can't be too sure about the future given the overall economic situation, but in general I think the German system is positive," Mr. Sorgatz, who earns a gross salary of \$600 a month, said one recent morning. "The best aspect of it is that you get theoretical training and practical experience at the same time."

When finished training, Mr. Sorgatz would earn three to five times his apprentice salary, as do trained employees working in his department.

Dietrich Volker, who directs training programs for Dresdner Bank, said, "It's a very expensive system, but if you ask anyone who's ever studied it

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PHOTOCOPY
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NYT 2/6/93



Gunter Schneider for The New York Times

The apprentice system in Germany is considered a major reason for the country's economic boom. After finishing 10th grade, Ayfer Ataf, left, signed

up for an apprenticeship with Peter Schmidt, a Berlin dentist. She is using the opportunity to decide if dentistry is the field she wants to pursue.

system of work and study that is the core of career training in Germany.

Most German concerns prefer to hire new employees only at the entry level, and to fill other openings by promoting from within. The way to rise through nearly any company, therefore, is to begin in its apprentice program.

Apprentices work not only in large companies like Siemens, but also in countless small and mid-sized factories and offices.

Ayfer Ataf, 20, thinks she wants to be a dental assistant. After finishing the 10th grade, she signed up for a three-year training course, of which she has completed about half. The Berlin dentist, Peter Schmidt, for whom she works, makes a special effort to hire children of Turkish or other immigrants as his apprentices, or to hire applicants from eastern Germany. By doing so, he believes, he is helping to integrate German society.

Miss Ataf spends two days a week at a school in Berlin where all the students are dental assistants. They learn about dental technology and office administration, but also pursue academic subjects like literature and social studies.

On the other three days, Ms. Ataf wears a white jacket and works as an assistant to Dr. Schmidt, earning about \$500 a month. He is pleased with her work and says he will be happy to hire her at the end of her training, but she is not sure she will accept.

"I look at this as a three-year experi-

ence, not a lifetime commitment," Ms. Ataf said. "If I decide it isn't for me, I'll take an apprenticeship in some other field, maybe as a hospital technician. There are plenty of possibilities."

Students who do not enter the "dual system" after the 10th grade usually remain in school for three more years. Then they begin a process similar to what the 10th graders went through, except that the number of occupations open to them is greater.

Some Jobs Unregulated

A few professions in which creative ability and other intangible skills are thought to be required, including journalism, are left unregulated. Employers in these professions are free to hire people regardless of their training or lack of it. Standards for hiring university professors and other highly specialized professionals are also left largely to employers' discretion.

Nearly everyone entering the German work force, however, has either completed an apprenticeship or used some of the resources offered by the labor agency.

A growing number of apprentices are well into their 20's or older, including women entering the work market after raising children and people who want to change careers in mid-life. The labor agency is trying to insure that these applicants are given the same opportunities as new graduates, but some companies still prefer young people as apprentices.

The newspaper Frankfurter Rund-

schau recently published a long study analyzing problems in the "dual system." But it acknowledged in an editorial that most Germans consider the system so successful that it should not be altered.

"Do we really need apprentices in every bakery, art studio, hotel, travel agency and gas station?" the editorial asked. "The usual answer is, 'Of course we do, because otherwise what would happen to our businesses and industries? How would we keep training the typical German high-tech workers who are the envy of the world from Japan to Detroit? What would become of our social and economic stability?'"

PHOTOCOPY
PRESERVATION

Recommendations for National Service

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File

SARGENT SHRIVER
1350 NEW YORK AVE., N.W., SUITE 500
WASHINGTON, D.C. 20005

February 15, 1993

Mr. Eli Segal
The White House
Washington, D.C. 20500

Dear Eli:

It's not what you planned, but faced with the financial restrictions confronting you, why not give consideration to the following: --

1. Close up the bureaucracy of ACTION saving considerable money and useless bureaucrats.
2. Quadruple the size of the VISTA Volunteer Program. It's cheap to run and could fit in directly with your desire to provide volunteer opportunities for college grads.
3. Double or increase by at least half the size of The Job Corps. Most people don't remember or realize that youngsters have to volunteer to join The Job Corps. Nobody gets drafted. Everybody gets minimal compensation, much of which goes home to the enrollees' parents. These young men and women definitely qualify as "volunteers".
4. If any money remains, increase "Legal Services For The Poor". The lawyers in this program qualify as volunteers from a practical point-of-view because they work for a pittance by comparison to what they could be paid by regular law firms. These young lawyers don't get much if anything more, I believe, than the \$18,000 per annum now being talked about as the minimum cost of "Community Service Volunteers".

When the U.S. goes to war, we don't create new entities to fight the war. We expand the Army, Navy, Air Force, and Marines.

Faced with a shortage of funds, the best way to enroll the most volunteers -- at bargain prices -- is to use the entities now in existence where volunteers are now operating at home.

Practically no new Washington bureaucrats are needed to expand programs like the ones above. Eliminate "ACTION " and you may have enough money to end up one year from today with 50,000 more volunteers in the Job Corps, 20,000 more volunteers in VISTA, 50,000 more poor people protected by lawyers, and fewer bureaucrats in Washington.

**SARGENT SHRIVER
1350 NEW YORK AVE., N.W., SUITE 500
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February 15, 1993

Sure, it's not enough. Sure, it isn't all that the President wanted or the country needs. But, it gets the Administration going in the right direction with volunteers at minimal costs, with less bureaucrats in Washington, and more poor people getting a "break" instead of being "busted" in drug wars.

All the best,


Sargent Shriver

Community Service Plan Scaled Back

Deficit Pinches Clinton's 'Dream'

By Mary Jordan
and Ann Devroy
Washington Post Staff Writers

President Clinton is planning to unveil a small pilot program allowing some college students to repay government loans through community service instead of the huge new "defining initiative" described during his campaign.

Eli Segal, the presidential assistant in charge of the national service plan, said in an interview that Clinton's "dream" for a nationwide program that would be available to all students will have to give way at the outset to "the reality of the deficit."

Segal said the president does not want to create a "massive new federal program" but plans to start small, relying on the most successful existing programs, and build from there. The administration also will seek financial support from state and local governments as well as businesses and nonprofit groups.

During the campaign, Clinton said that allowing all interested students—rich, middle income and poor—to work off college debt as teachers, police officers or in other service in the community is a symbol of what this campaign is all about. Clinton often referred to his proposed National Service Trust Fund as "the best money we will ever spend."

But now, White House advisers are worried that it may cost too much. It could run \$18,000 a year to place one student for a year in a service job, according to those involved in shaping the administration's proposal. And,

See SERVICE, A10, Col. 1

Community Service Plan Scaled Back

SERVICE, From A1

there are now more than 5 million college students with government loans—potential candidates for joining a new service corps.

Because of costs and logistics—some estimates say there are no more than 30,000 community service slots now available in the country—it could be years before more than a fraction of eligible students could participate in Clinton's proposed program.

Charles Moskos, a Northwestern University professor involved in planning the National Service Trust Fund, said there is "general agreement" among Clinton's advisers that, for the program to be meaningful, the government would have to offer a loan forgiveness "of between \$5,000 and \$10,000 a year" for each student.

In addition, the community service models being studied show that it costs another \$10,000 for one community service worker's yearly pay, medical insurance and administrative costs.

Figuring an average of \$18,000 per student, a program involving 100,000 students would cost \$1.8 billion.

"This program is very, very expensive," said Brian Fitzgerald, staff director of the Advisory Committee on Student Financial Assistance, the standing committee created by Congress to advise it on student aid. "Realistically, this means you have to start small."

Many others on Capitol Hill agree. Yesterday, the National Commission on Responsibilities for Financing Postsecondary Education, a commission set up by Congress, met with the House and Senate education leadership and recommended that no more than 50,000 students be involved in startup of the service program.

Also, citing competing educational needs, it urged that no more than 20 percent of a student's loan, or an average of \$2,000, be forgiven annually.

If local businesses or communities benefiting from the student help pay the stipend and other costs, the commission said, it would still cost the federal government \$100 million a year. *Wowee!*

Two weeks ago, the group charged with studying this issue, the Commission on National and Community Service, projected that, realistically, about 60,000 students—about the number that attend Ohio State University's Columbus campus—could participate in the first year. The group set the cost at more than \$1 billion.

White House advisers said they are still working out the number of students to include and the amount of loan forgiveness. They also are considering allowing high school graduates to participate, on the theory that it makes sense for students to do the work before they get the loan benefit, and that it also may be easier for younger students to live on what may amount to \$5,000 a year in living expenses.

Bill Galston, the deputy assistant to the president working on national service, said Clinton "has consistently placed a high priority on national service" and continues to do so.

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