RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Karen L. Anderson (ANDERSON_KL) (WHO)

CREATION DATE/TIME:24-MAR-1995 12:07:07.98

SUBJECT: Georgia Briefing

TO: Karen L. Hancox (HANCOX_K) (WHO)
READ:24-MAR-1995 13:13:14.90

TEXT:
Attached is the Georgia political briefing for your review. Tom and Linda are reviewing the Florida briefing. Fred Humphries at the DNC has already read and approved both GA and FL info. Please let me know if you want me to make changes.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:24-MAR-1995 12:05:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Karen L. Anderson

TEXT:

PRINTER FONT 12_POINT_ROMAN
March 24, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Doug Sosnik
RE: Georgia Political Background

POLITICAL OVERVIEW

The GOP tide has begun to sweep through Georgia which, until 1992, was strongly controlled by Democrats on the state and federal levels. The trend began in 1992, when Paul Coverdell (R) unseated Senator Wyche Fowler (D) in a general election runoff. In 1994, Democratic Governor Zell Miller was elected to a second term with 51% of the vote, thanks only to the strong message and organization of his campaign. In addition, Georgia's 11-member congressional delegation took a sudden turn in '94 from a seven Democrat majority to a seven member GOP majority. Incumbent Representatives Buddy Darden and Don Johnson lost their seats, and the open eighth district seat was captured by Republican Saxby Chambliss. Ninth district Representative Nathan Deal is currently the only white Democrat left in the delegation and he is rumored to be considering a switch to the GOP. The state's once solidly Democratic state cabinet was heavily impacted in 1994 with the defeat of Insurance Commissioner Tim Ryles (D) and Education Superintendent Werner Rogers (D). Attorney General Mike Bowers, who switched to the GOP in 1993, was re-elected last November. The state legislature suffered a net loss of 14 Democratic seats in the House

and two Democratic seats in the Senate.
The general consensus among state GOP leaders is that they are riding a wave that has not yet crested. Many Democrats believe this theory and are running scared. During the 1994 legislative session, which ended Friday, March 11th, Democratic members of the legislature actually consulted their local Christian Coalition representatives before certain votes to determine which roll calls would be included in the organization's next report.
Unfortunately, statewide redistricting, which may occur this year, is not expected to bring much relief to the state Democrats. The Supreme Court is hearing a case on the lines drawn and approved by the Justice Department in 1991-1992 as part of reapportionment. Georgia's '92 redistricting plan led to the creation of additional GOP and majority/minority districts on both the state and federal levels. The court may rule that the 1992 lines are unconstitutional, particularly the 11th district which runs from the suburbs of Atlanta to Savannah. House Speaker Tom Murphy has stated his intention to redraw the entire state following the federal ruling.
However, the GOP and Black Caucus combined hold the majority in both the House and the Senate, which could prevent major restructuring of district lines.

1996 ELECTIONS

'96 Republican Presidential Primary. Phil Gramm has already begun forming his primary campaign organization in his home state of Georgia. In early February, he finalized negotiations with former state GOP chair Alec Poitevint to head his Georgia campaign effort. Georgia will be a target state in 1992, due to its pre-Super Tuesday primary date. As you know, Governor Miller moved the 1992 Georgia primary date up to the first week in March, in order to give your campaign its first primary victory; an early southern primary win could be equally advantageous for Gramm. Senator Paul Coverdell (R) and the Republican members of the state's congressional delegation (with the exception of Gingrich) signed a direct mail letter in support of Gramm which was mailed last month to potential GOP primary voters statewide.
'96 Senate Race. Senator Sam Nunn has not formally announced his re-election bid for 1996. According to his advisors, Senator Nunn will not decide whether to seek re-election until the summer of 1995 and could go either way. Nonetheless, Nunn has begun forming a campaign organization to prepare for his possible re-election bid. The most recent statewide polling shows Nunn enjoying extraordinarily high approval ratings (in the 70s) and no Republicans have announced their candidacies in this race to-date.
If Nunn decides not to run in 1996, the odds are against the Democrats holding onto the seat. Republicans who have already shown interest in an open race include Representatives Jack Kingston, Mac Collins and John Linder. The 1994 GOP gubernatorial nominee, Guy Millner, is also rumored to be considering a 1996 Senate bid in the case of an open seat; however, Millner is more likely to wait until 1998 and make another run for the statehouse. For the Democrats, their best hope in an open Senate race would likely be Secretary of State Max Cleland, a quadriplegic and Vietnam Veteran who scores high ratings among Georgia voters. Lt. Governor Pierre (pronounced "pier") Howard, once thought to be the de-facto successor to

"one term" Governor Miller, has suffered several recent set-backs, but could be another strong contender. The best hope for the Party remains a Nunn re-election in 1996, which would virtually lock in the seat for the Democrats for another term.
1995/1995 CONGRESSIONAL DELEGATION

The members of the 1995/1996 congressional delegation are:
Jack Kingston (R-1) Newt Gingrich (R-6)
Sanford Bishop (D-2) Bob Barr (R-7)*
Mac Collins (R-3) Saxby Chambliss (R-8)*
John Linder (R-4) Nathan Deal (D-9)
John Lewis (D-5) Charlie Norwood (R-10)*
Cynthia McKinney (D-11)

PRINTER FONT 12_POINT_ROMAN_ITALIC
[*denotes newly elected member.]
PRINTER FONT 12_POINT_ROMAN
1994 Congressional Races. Incumbent Democrats Buddy Darden (CD07) and Don Johnson (CD10) were defeated in their '94 re-election bids. Former U.S. Attorney Bob Barr defeated

Darden 52 percent to 48 percent, with a 5,000 vote advantage. Dentist Charlie Norwood defeated

Johnson by the overwhelming margin of 66 percent to 34 percent. For the open eight district seat, vacated by retiring Democrat J. Roy Rowland, Republican businessman Saxby Chambliss defeated Democrat Craig Mathis 63 percent to 37 percent. Newt Gingrich defeated Democratic challenger Ben Jones by a 64 percent to 36 percent margin.
1996 Congressional Races. GOP activist Tom Perdue has commissioned a poll in the second congressional district to scout his chances for a possible 1996 challenge to incumbent Democrat Sanford Bishop. The second district is Georgia's third majority-minority seat, but includes a significant number of white-majority counties along its southern edge. In addition, state Senator David Ralston (R) and state Representative Steve Stancil (R) are both contemplating bids for a ninth district race against Democrat Nathan Deal. The ninth district represents most of north Georgia (from the South Carolina to Alabama border), which is rapidly becoming one of the more conservative areas in the state. There is speculation in the state that Deal may switch to the GOP prior to the 1996 election.
1995/1996 CONSTITUTIONAL OFFICERS & STATE LEGISLATURE

Constitutional Offices. Governor Zell Miller (D); Lt. Governor Pierre Howard (D); Secretary of State Max Cleland (D); Attorney General Mike Bowers (R); Insurance Commissioner John Oxendine (R); Labor Commissioner David Poythress (D); and Education Superintendent Linda Schrenko (R).
State Legislature. Following the 1994 election, the make-up of the state House is 114 Democrats and 66 Republicans. The state Senate consists of 35 Democrats and 21 Republicans. Lt. Governor Pierre Howard is the President of the Senate and Representative Tom Murphy is Speaker of the House. Murphy is the longest serving Speaker of the House in the country and exerts an extraordinary amount of influence in state politics.
1995 Legislative Session. Governor Miller's greatest accomplishment during the 1995 session was in the passage of his education package. The package

included provisions for: statewide voluntary pre-kindergarten for four year-olds; expansion of the HOPE scholarship program for juniors and seniors and removal of the income cap; a six percent pay raise for teachers; and the addition of technology specialists for Georgia's 1,845 public schools. The HOPE scholarship program allows all Georgia residents who meet certain GPA requirements to attend a public college or university tuition-free. The HOPE program was initiated in 1992 following the passage of the Georgia lottery, which is used to fund the program.

On March 22nd, Miller signed a bill into law which will wipe out local waiting periods for handgun buyers. The bill also takes the first step toward freeing Georgia from the five-day waiting period of the Brady Bill by imposing an instant background check on handgun buyers. The repeal of the local waiting periods is effective January 1st.

OTHER ISSUES OF INTEREST

Unions Target Gingrich. Hundreds of workers representing more than a dozen metro unions pretested in front of House Speaker Newt Gingrich's district office earlier this month. The

movement was organized in response to Gingrich's opposition to raising the minimum wage. Gingrich responded to the protest by stating he was "disgusted that union thugs have resorted to pushing and shoving women staff members, defacing public property and terrorizing constituents."

1995 Mayoral Elections. The cities of Macon and Savannah will hold contested mayoral elections this year. In Savannah, Republican Mayor Susan Weiner will seek re-election to a second term. The field of Democratic candidates remains unclear. Former Mayor John Rousakis and Savannah City Councilmember Floyd Adams appear to be the frontrunners for the Democratic nomination; however, the Democrats' best chance in the November election would be the entry of a conservative candidate from the Savannah business community. To complicate matters, the city council may abolish partisan elections this year, which would apply to the 1995 race. This type of open race would be divisive and harmful for the local Democrats who face a unified Republican front in the race.

In Macon, Democrat David Carter, who was appointed this year to replace former Mayor Tommy Olmstead (D), appears to be in good shape toward his re-election effort. However, rumors are circulating that Carter may switch parties prior to the election. With a late filing date (a deadline of September 12th), the Democrats could possibly find a strong challenger to Carter if he decides to switch parties. Given the demographics of Macon, this seat should remain Democratic with a strong Party nominee.

================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jeremy M. Gaines (GAINES_J) (WHO)

CREATION DATE/TIME:29-MAR-1995 13:44:31.23

SUBJECT: Updated Transcript of Economic Conference

TO: Margaret M. Suntum (SUNTUM_M) (WHO)
READ:30-MAR-1995 12:05:12.26

TO: Remote Addressee (edowd@esusda.gov@INET)
READ:NOT READ

TO: Remote Addressee (ttate@esusda.gov@INET)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822MWOLFE(A)MH1.JS.MIL@MRX@EOPMRX)
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TO: Steven A. Cohen (COHEN_SA) (WHO)
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TO: Anne M. Edwards (EDWARDS_A) (WHO)
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TO: Mary Ellen Glynn (GLYNN_M) (WHO)
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TO: Julia R. Green (GREEN_J) (WHO)
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TO: Arthur L. Jones (JONES_A) (WHO)
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TO: Joshua A. King (KING_J) (WHO)
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TO: Evelyn S. Lieberman (LIEBERMAN_E) (WHO)
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TO: Marlene A. MacDonald (MACDONALD_M) (WHO)
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TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
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TO: APRIL K. MELLODY (MELLODY_A) (WHO)
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TO: Jonathan M. Prince (PRINCE_J) (WHO)
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TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:29-MAR-1995 13:44:34.65

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
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TO: Virginia M. Terzano (TERZANO_V) (WHO)
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TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
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TO: Natalie S. Wozniak (WOZNIAK_N) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
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TO: Lorraine McHugh (MCHUGH_L) (WHO)
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TO: Daniel G. Rauh (RAUH_D) (WHO)
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TO: Rica F. Rodman (RODMAN_R) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
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TO: Joshua Silverman (SILVERMAN_J) (WHO)
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TO: Richard Strauss (STRAUSS_R) (WHO)
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TO: Remote Addressee (wh-outbox-distr@clinton.ai.mit.edu@INET)
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TO: Remote Addressee (backup@wilson.ai.mit.edu@INET)

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TO: Remote Addressee (MATT GELMAN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX)
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TO: Lori E. Abrams (ABRAMS_L) (WHO)
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TO: Walker, Angelina (Angelina Walker@EOP_OVP@CCGATE@EOPMRX)
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TO: Karen L. Barbuschak (BARBUSCHAK_K) (OA)
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TO: Heather Beckel (BECKEL_H) (WHO)
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TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
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TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
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TO: Lisa M. Caputo (CAPUTO_L) (WHO)
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TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX (VPO)
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TO: Helen H. Dickey (DICKEY_H) (WHO)
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TO: Rahm Emanuel (EMANUEL_R) (WHO)
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TO: Karen E. Finney (FINNEY_K) (WHO)
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TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
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TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:29-MAR-1995 19:14:02.23

TO: Alexis M. Herman (HERMAN_A) (WHO)
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TO: Heidi Kukis (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
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TO: Wayne C. Johnson (JOHNSON_WC) (OA)
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TO: James Kohlenberger (Jim Kohlenberger@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
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TO: Cynthia J. Lizik (LIZIK_C) (OA)
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TO: Mike Lux (LUX_M) (WHO)
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TO: Doris O. Matsui (MATSUI_D) (WHO)
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TO: Paul Meyer (MEYER_P) (WHO)
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TO: Cheryl D. Mills (MILLS_C) (WHO)
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TO: Elizabeth A. Montoya (MONTOYA_E) (WHO)
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TO: Douglas S. Sheorn (SHEORN_D) (WHO)
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TO: Susan P. Shepard (SHEPARD_S) (OA)
READ:29-MAR-1995 13:45:27.26

TO: Richard L. Siewert (SIEWERT_R) (WHO)
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TO: Barry J. Toiv (TOIV_B) (WHO)
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TO: Jodie R. Torkelson (TORKELSON_J) (WHO)
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TO: Michael Waldman (WALDMAN_M) (OPD)
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TO: Donald A. Baer (BAER_D) (WHO)
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TO: Gabrielle M. Bushman (BUSHMAN_G) (WHO)
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TO: Carolyn Curiel (CURIEL_C) (WHO)
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TO: Alan J. Stone (STONE_A) (WHO)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822USIA01(A)ACCESS.DIGEX.COM@MRX@EOPMRX)
READ:NOT READ

TO: Remote Addressee (62955104@eln.attmail.com@INET)
READ:NOT READ

TO: Remote Addressee (73030.21@compuserve.com@INET)
READ:NOT READ

TO: Manager Infomgt (INFOMGT) (SYS)
READ:NOT READ

TO: Remote Addressee (newsdesk@usnewswire.com@INET)
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TO: Remote Addressee (usnwire@access.digex.com@INET)
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READ:NOT READ

TO: FAX (9-862-0340,William Safire) (TLXA1MAIL_\F:9-862-0340\C:William SafireREAD:NOT READ

TEXT:
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MORE

THE WHITE HOUSE

Office of the Press Secretary
(Atlanta, Georgia)

For Immediate Release March 29, 1995

SOUTHERN REGIONAL ECONOMIC CONFERENCE
SESSION ONE: REVIEW OF THE REGIONAL ECONOMY

Emory University
Atlanta, Georgia

8:45 A.M. EST

DR. CHACE: Ladies and gentlemen, good morning. On behalf of the entire Emory community, its faculty, its students, its staff, its loyal alumni, we warmly welcome President Clinton, Vice President Gore, the respective members of the Cabinet and every one of the conference participants to this campus. We are honored greatly to see all of you here, and we hope this conference today will be a stunning success.

As Emory's President, but also as a citizen of this region deeply interested in its prosperity and sense of well-being, I trust that my welcome will inform you of just how fully involved this institution has been in the hopes and the dreams of all who live in this area.

Our institutional success is made possible by the economic and cultural success of our fellow citizens and fellow institutions. In turn, our success and vitality contribute dramatically to those who surround us.

Emory University, along with all of its sister colleges and universities in the southeastern part of the United States, has power and delivers impact on the way people live here. The power and the impact coming from one institution are multiplied by the power and the impact of the other institutions of higher learning in this area. How to measure our power impact? Emory employs more than 13,000 full- and part-time employees. In this area, only Delta Airlines, AT&T and Bell South employ a greater number. Within greater Atlanta, we spent more than $910 million in the last fiscal year. Our students put more than $56 million into the economy during the same time. And we constructed more than $96 million worth of buildings.

Economists tell us that the multiplier effect of our impact on the regional economy comes to a figure of more than $2 billion. We hope to generate almost 40,000 jobs. And household income was boosted by more than $935 million as a result of Emory's presence.

Higher education then at Emory and at its sister institutions in this region and elsewhere in the United States is not simply an academic or abstract undertaking. Good cities are made better, more prosperous and more vital by the presence of good universities. No cities can become great without them.

Indeed, the nation's universities are founded on the premise that intellect is to make a difference to civic life. Civic life now draws its strength from the vitality of our economy. Education is thus married to stability and prosperity.

In recognition of that partnership, the federal government invests in us. It expended almost $11 billion in university-based research in the United States is Fiscal Year '92. Emory is proud to have received about $100 million of that amount. And as another sign of the trust the federal government

places in what we and other universities and colleges do in this country, it has allocated more than $31 billion to student financial aid this year. Emory received some $42 million of that.

That is a dramatic and persuasive example on the part of Uncle Sam of how to invest wisely in the future. Our students are a good and valuable part of that future. And those students, the ones at Emory, are being educated in a part of the country in which by the year 2000, 35 percent of the population will be living. The southeastern region, plus Texas and Oklahoma, will also be the place where, during the next two decades, more than half of the growth in population in the U.S. will take place.

Thus, those students will be present at the creation of a dramatic demographic and economic shift in the continuing formation of this country. They will remember where they have been, what they saw as they grew a bit older, and how that change in their environment was accomplished. They will want to have known progress and to have felt success.

Our duty is, in whatever ways we can, to show them such things. Hence, we will want, and certainly all of you will want, the next few years to have demonstrated smooth acceleration in growth, stability in the culture, a sense of opportunity for everyone, and the perception that government is here to help and not to retard, while education is here to enlarge the sense of American possibility for all our students and all those whom they will influence in the years to come.

"The youth of a nation," said Benjamin Disraeli, "are the trustees of posterity." As all of you are the trustees of the present, those on this campus and a thousand other campuses are the trustees of tomorrow. They welcome you here, as do I. And we collectively wish you well in your deliberations.

It's now my pleasure to introduce the Secretary of Commerce, the Honorable Ronald H. Brown. We all recognize the special skills and the special passion that Secretary Brown brings to the issue of building a strong partnership between the private sectors on which we all depend and on the public support on which entrepreneurial energies rely.

He serves on the President's National Economic Council, the Domestic Policy Council, and the Task Force on National Health Care Reform. He's is cochair of the U.S.-China Joint Commission on Commerce and Trade, the U.S.-Russia Business Development Committee, and the U.S.-Israel Science and Technology Commission. A lawyer and the father of two lawyers, a native of

New York, and a graduate of Middlebury College and St. Johns University, he serves on the board of trustees at Middlebury and, therefore, he knows just how important higher education is to the success of the culture and the economy of the country.

Secretary Brown. (Applause.)

SECRETARY BROWN: Good morning, and thank you very much to our host, the Emory University President, Bill Chace. Thank you for your warm introduction, Bill, and for your gracious hospitality, and for your hard work in setting the scene for this Southern Regional Economic Conference. It is indeed an honor to welcome so many distinguished participants to such an important event.

Two years ago, then President-elect Bill Clinton invited a number of academics, administration officials-to-be and private sector leaders to Little Rock for an economic summit. That meeting was the beginning of an unprecedented dialogue between our public and private sectors that continues every day in every way throughout this administration.

That first summit was the beginning of something else as well -- 26 months of exceptional, in fact, unprecedented economic performance. As Vice President Gore often says, what ought to be up is up, and what ought to be down is down.

Building on what we learned from the first summit, the Clinton administration crafted a bottom-line, pragmatic economic strategy that wove ideas from across the economic spectrum into a coherent policy approach, which has achieved impressive results for our economy.

I was last on the Emory campus a few months ago to describe the administration's national export strategy, an administration-wide venture anchored in the economic principles that emerged from that Little Rock summit -- shrinking government and making it more efficient and user-friendly; coordinating federal efforts to promote economic growth and creation of jobs; and working in close and productive partnership with America's private sector, while serving as strong and, hopefully, effective advocates for America's commercial interests.

The Clinton administration fully understands that it is the private sector that fuels the engine that pulls the train of economic growth and job creation. But we in government have a special responsibility. We can, and we must, clear the tracks. We clear the tracks by attacking trade barriers, by providing access to economic tools, and by encouraging and supporting the technological innovation that drives economic growth.

I am extremely proud to serve in an administration that has accomplished so much in two short years. But it is now time to renew our dialogue and to move to the next level. Information and knowledge is becoming our most important economic input, and the knowledge and experience in this room provides us a unique opportunity to prepare for and, in fact, shape and create our future.

Our discussions today can be tremendously important to tomorrow's American economy. There is one person with the demonstrated capacity and the demonstrated ability to absorb the information that this conference will generate and transform it into effective, common-sense economic strategy -- one person who, time and time again, has stood up for what's right for the American people -- one person who has insisted on the coordination of policy across agency and sector lines -- one person who never loses sight of the families and the individuals and the businesses who are at the very heart of our efforts --one person who I am very proud to call our President, and honored to introduce to you today: Ladies and gentlemen, the President of the United States, accompanied by his great partner, Vice President Al Gore. (Applause.)

THE PRESIDENT: Thank you very much. Thank you, Secretary Brown, for that introduction, and thank you for the magnificent job you have done as Secretary of Commerce, promoting the interest of American businesses and American workers throughout the United States and all across the world. As far as I know, there is no precedent for the efforts that you have made, or the results you have achieved.

President Chace, thank you for your remarks this morning, and thank you for hosting us. Governor Miller, as always, thank you for bringing us back to Atlanta and to Georgia. Thank you for giving me such a nice place to sleep last night.

You heard Secretary Brown talk about this economic conference in the context of the one we did two years ago in Little Rock. Let me say that conference, I believe, was very successful and did play a major role in helping us to finalize the economic strategy that we have pursued for the last two years.

We wanted to come back now to the country and do some regional economic conferences for some reasons I will explain in a moment. We thought we should begin in the South, and we should begin here in Atlanta. This city and this university are remarkable examples of where we ought to be going as a people. This is a place of opportunity and responsibility where people are working together. And I can say, I think, for all Americans we can hardly wait for another 479 days to pass so the Olympics will begin here.

As the Industrial Age gives way to the Information

Age, and all of our economies are linked as never before, the South has really done a remarkable job of tapping in to all the opportunities that are presented. Atlanta has become a magnet for worldwide corporate headquarters. Miami has become a financial center for all of the Caribbean and Latin America. South Carolina and Tennessee have become new homes for manufacturing operations from all around the world. Charlotte has become a new national home for banking. And, obviously, three letters -- CNN -- prove that this part of our country is the center of a global information network.

This conference, as I said, is designed to be the first of several regional conferences to follow up on what has happened in the last two years. The remarkable group of people that came to Little Rock in 1992, some of whom are here today and are participating in this second round of conferences, really gave us a lot of ideas to take to Washington that were consistent with the things I had advocated in my campaign, but in some ways went beyond them.

The strategy that we brought to Washington was fairly straightforward. We wanted to reverse the trickle-down economics and reverse the idea that the government had no affirmative responsibility to be a partner in growing the economy, increasing the number of entrepreneurs, expanding the middle class and shrinking the underclass.

We did that with a strategy that was designed to reduce the deficit, expand trade, increase our investment in the education and training of our people in the technologies of the future, to help the areas that were left behind, or that were subject to sweeping changes because of defense downsizing, for example, and to reform the government, to make it cost less and do better.

The results, I think, are clear: We've had $600 billion in deficit reduction. We have already cut or eliminated 300 programs with 400 more on the way for our new budget. The federal government is at its smallest size in a long time. We have already reduced it by 100,000. And for the budget already adopted, over a six-year period it will go down by 272,000, which will make it the smallest it's been since President Kennedy was in office.

Our economic plan changed the tax structure in ways that made it, I think, more fair and more conducive for economic growth, while income taxes were raised on corporations with incomes of over $10 million in 1.5 percent of our people. Working families with modest incomes received a significant tax cut. This year, the average family of four with an income of $25,000 a year or less will pay about $1,000 less in income taxes. That's 6 million families in the southern states alone.

Ninety percent of the small businesses, the engine of economic growth, were made eligible for tax cuts by increasing the expensing provisions by 70 percent. We created empowerment zones and enterprise communities to give incentives for people to invest in areas that had been left behind. Four of the nine major empowerment zones, which got big tax incentives for private enterprise to invest in them, are located in the southern region,

including Atlanta, the Kentucky Highlands, the Mississippi Delta and the Rio Grande Valley of Texas.

Last year, there were twice as many loans to small businesses in the SBA under the then-leadership of Erskine Bowles from North Carolina, and now under the leadership of Phil Lader from South Carolina, there were twice as many loans in the South from the SBA than in any succeeding year ever -- including the year before I took office. That includes over 11,000 businesses in loans worth over $2 billion.

So that strategy was our economic strategy. It went with our strategy to expand trade -- NAFTA, GATT, the Asian Pacific region, the Summit of the Americas in Miami, the National Export Strategy that Secretary Brown has worked so hard on to sell more of our products and services around the world.

We increased investment in education from Head Start to making more college loans available to people. And we certainly began not only to shrink the size of government, but to change the nature of government -- to let states have more say over welfare reform and health care reform; to move toward what we have now done in this year, reducing the unfunded mandates on state and local governments; and to change the nature of regulation under the Vice President's reinventing government effort.

We have, for example, just announced that small businesses will be allowed when they're first fined, not to pay the fine, but instead to put the fine into correcting whatever the problem is with a government agency; that government agencies will be given the authority not even to impose a fine in the first instance, to waive it, on small businesses. The Environmental Protection Agency is reducing the paperwork burden by 25 percent. It will save 20 million hours of work for American citizens in the private sector this year.

So these are the things that we have worked so hard to do. What have been the results? Well, you heard them already, but I'd like to say again. We've had over 6 million new jobs in this economy. And 1993 was the best year in American history for small businesses and start-ups. The combined rate of unemployment and inflation is at a 25-year low. We have the African American unemployment rate in the United States below 10 percent for the first time in 20 years. Unemployment in the South has dropped even more than in the country as a whole. The South has 30 percent of the population, but has generated 40 percent of the new jobs that have come into this economy in the last two years.

Now, that is the good news. Why are we having this economic conference? Because the news is not all good, and because we are under a great responsibility to try to keep this economic recovery going of high growth and low inflation.

Let me talk first about the news that's not all good. You may wonder with these numbers, which are better than we've had in decades, why poll and after poll after poll says that people think the country is not going in the right direction. One reason is that over half the American people, in spite of this recovery, are working longer work weeks for the same or lower wages than they were making 15 years ago. This is a new phenomenon in the global economy -- that wages are stagnant.

The other thing is that nearly everybody knows someone who's been part of a restructuring, a downsizing, some market change in a larger economic unit, which means that even when times are good, people think things are changing so fast that their level of security, their sense of stability, of rootedness, of reward for work is more fragile than it has been in the past.

It's funny, you know, this economic strategy that I've tried to pursue basically grew out of my experience as a southern governor, when the real southern strategy of the '70s and '80s in the south was better education, more jobs, and a closer partnership between the public and private sectors, and between people of all races and backgrounds. That's the strategy, the real southern strategy that lifted the South from the '60s forward. And it's ironic that in the country now with this problem of wage stagnation and the splitting apart of the middle class, the challenge we have, in a funny way, is a lot like the challenge that I faced when I first became a governor.

You know, most of us who were born in the South remember when nearly everybody was poor. Zell Miller gave that magnificent speech at the Democratic Convention about living in the house his mother built herself. When I was born in Arkansas, the per capita income of my state was 56 percent of the national average. And most of us who are natives to this region thought that a major part of our life's mission would be getting the American Dream to all the people who lived in our region, without regard to their race or condition of birth.

Now, the challenge for America is whether or not, even in the midst of all of our economic triumphs, and when we are the world's only military superpower, we can preserve the American Dream for all of our people. Can we avoid this wage stagnation? Can we avoid this increasing inequality in the United States that is gripping every advanced economy in the world as we become more globalized, as we become more dependent on technologies, as things change faster and education determines income more than ever before? That is the great challenge.

And that's why we are working now in Washington to continue what we've been doing for the last two years, but also to focus on things like the Middle Class Bill of Rights, the education tax deduction, more training for workers who are unemployed or underemployed, raising the minimum wage, working on welfare reform -- things we think will raise incomes and bring people together again.

So let me close with this. I hope that all of you think that this will be a day well spent. From my point of view, I think we should be focused intensely on three questions. One is: Even though all 50 states are growing now -- it's the first time in a long time that's happened -- what are the differences in the economies of the various states in this region, in this region, and the rest of the country? Are there specific things that ought to be done in the southern region or within the southern states that are different from what we might be doing as a whole? -- Question one. Question two: What is the proper role of the national government in working with you to build this economy and to make it better?

That's the great debate in Washington we're having today. It used to be the prevailing theory was there was a big-government solution for every big problem. Now, the prevailing theory is the government would mess up a one-car parade and if it didn't exist, America wouldn't have any problems. Both theories are wrong, and are contradicted by all experience everywhere in the world. Not Japan, not Germany, or any country ever became a great industrial power without trying to develop the capacities of the people and having a coordinated economic strategy, and having a framework within which markets could succeed.

So, what should we be doing? What should we be doing? What have we done that's right? What have we done that's wrong? What should we stop doing? What should we start doing? That's the second question.

The third great question is the one that I mentioned earlier, and it's the national question. And it is at the core of what we will have to be concerned about, I predict to you, for decades: How do you preserve the American idea that if you work hard and play by the rules, you can do better; that we will always be able to grow the middle class and shrink the underclass and spark an unprecedented number of entrepreneurs? How do you preserve that American idea in the global economy? That is the great challenge of this era.

When this day is over, if we honestly address those three questions -- are there still differences in the South or within the South that we need to be sensitive to; what's the role of the federal government; what can we do to raise incomes and increase stability for people who are working hard and playing by the rules -- then I think you will believe your day was well spent.

In 1986, I was the Chairman of the Southern Growth Policies Board, and I asked the former Governor of Mississippi, Bill Winter, to be the chairman of our project on the future of the South. Every six years, there's a report on the future of the South. The Secretary of Education Dick Riley issued one in 1980. We've been at this a long time.

We called our report in 1986 "Halfway Home And A Long Way To Go," which captured the fact that the South was moving rapidly to the rest of the country, but wasn't there yet. Now, we're in one of the two southern states that has a per capita income above the national average. We know the South is growing more rapidly than the rest of the country and moving quickly. But there are still differences, and there are profound challenges facing the United States.

So I would say to you, we're more than halfway home. The southern strategy has found its finest expression, perhaps, here in Georgia and with the administration of this governor. I noticed -- one thing I have to brag on him for -- these HOPE Scholarships so that any young person in Georgia who has a certain grade-point average gets a full tuition scholarship for four years to any institution in the state, public institution in the state -- anybody. That's the kind of strategy and the kind of programs that we ought to be supporting everywhere in the United States.

So we've done very well, but these three great questions still have to be asked and answered. We're going to ask these questions all across the country, but I think we did the right thing to start here.

Let me close with this. In two weeks, on April 12th, we will honor the 50th anniversary of President Roosevelt's death in Warm Springs, Georgia, about 60 miles from here. On the day he died, Roosevelt was drafting a speech for Thomas Jefferson's birthday, a speech he obviously never got to deliver. The last words written in his own hands were these: "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active purpose."

One final problem we have are the doubts the American people have about today. If you look at what has been achieved in this state, in this region in the last 10 years, there is a lot more room for hope than for doubt.

Thank you very much. (Applause.)

Now, to provide an economic overview, I would like to call on the Secretary of the Treasury Bob Rubin. As most of you know, he was, until he became the Secretary of the Treasury, succeeding Lloyd Bentsen, he was the President's National Economic Adviser and the head of the National Economic Council, a position now occupied by Laura Tyson, who was the Chairman of the Council of Economic Advisors.

One of the important things we did in our economic strategy, which has received virtually no attention, but which I predict historians will credit for a long time to come, was to establish a National Economic Council like the National Security Council -- that met on a regular basis, included all the various actors in the federal government, and forced us to coordinate our economic policy in ways that had never been done before. It is obvious that a big part of our national security in a global economy depends upon our national economic strength.

I am convinced that that institution now will endure through future presidencies of both parties and unforeseen developments. And I think one of the reasons it will endure is because Bob Rubin is the first person to head the Economic Council, did such a good job in bringing people together and making it work. So I'd like to call on Secretary Rubin for a brief overview of the economy as we see it today.

Mr. Secretary.

SECRETARY RUBIN: Thank you, Mr. President.

I was asked to frame this conference, but I should have known that was a superfluous assignment. I think the President framed it as well as anybody possibly could have. So let me do this. I will add a little bit to comments that he made and try to fill out a little bit where it seems like filling out would be useful.

The absolutely key when thinking about this President and this administration with respect to economic policy is that from the very beginning, this President and this administration have had a consistent economic policy that the President just referred to as a coordinated economic strategy, grounded in his years of thinking about these issues. And that strategy continues to guide us as we go forward.

The objectives have been to create and then sustain the current economic recovery; to prepare our economy for the long term, as the President said, for the new global economy with all of its problems and issues; and to increase the incomes of working Americans.

That means deficit reduction, public investment in education, training, the other areas so critical to future productivity -- technology, opening markets, environmental reform, reforming government regulations, health care and welfare reform -- and, finally, dealing with the complicated problems posed by the global economy.

During the 26 years I spent on Wall Street, I saw a lot of economic programs come and go, almost all based on unrealistic assumptions and unrealistic numbers. From the very beginning, this President has insisted on real, solid, conservative numbers. And I well remember his saying at the first meeting the economic team had at the Governor's Mansion in Little Rock that he was happy to debate policy all day long, but he never wanted everybody to question his numbers. And so it has been.

At this point, I think it is worth pausing a moment to look what's happened to the economy since President Clinton took office. I think we sometimes forget how stark the difference is between the last two years and the four years preceding. Growth has averaged roughly 3.5 percent per year for the last two years, versus 1.4 percent for the prior four years. Inflation has averaged slightly under 3 percent, which is something over 4 percent for the prior four years.

As the President said, 6 million new jobs have been created, almost entirely in the private sector, and two years, versus 4.2 million jobs created in the prior four years, mostly

in the public sector. Unemployment has fallen from 7.1 percent to 5.4 percent. The deficit, as a share of the total economy, has fallen from 4.9 percent, as projected based on the last numbers issued by the last administration, to 2.7 percent in 1995, and under the President's budget, projected to be 2.1 percent in the year 2000 and 1.6 percent of GDP in the year 2005. There's a chart there someplace -- there it is.

If you look at the aggregate deficit of all levels of government -- and I think this is an exceedingly interesting number -- at the aggregate deficit of all levels of government, state, local and federal, our deficit is at 2 percent of the total economy of GDP, tied with Japan for the lowest amongst the major industrialized nations.

Another way to look at this is that without the interest the federal government pays on the national debt -- and that national debt, as you know, was incurred primarily during the 1980s and early 1990s -- the federal budget would now be running a small surplus. Private investment is at an historic high as a percentage of the total economy. And, as the President said, government is being reduced under the program the Vice President is managing -- the Reinventing Government Program -- to bring the number of civilian employees down to the lowest level since the days that John F. Kennedy was President.

This is truly a remarkable change in economic conditions, compared to when this President took office just a little over two years ago. But while a great deal has been accomplished, a great deal remains to be done. An area of special concern is our country's increased income inequality, affecting middle and lower income Americans.

We have two charts, and I think they show that point quite graphically. In the 1950s, the 1960s and most of the '70s, every segment of our society, from the poor to the rich, saw their incomes rise in roughly the same proportions as the economy grew.

But for the past 14 years, the exact opposite has occurred. Over that time, the bottom 60 percent of families have seen their inflation adjusted incomes fall, not rise. The only Americans seeing their incomes rise have been the top 40 percent.

In our view, this is critically important for three reasons. First, our society is based on the fundamental view that the economy should work for all of the people, not just a small, or relatively small upper tier.

Second, ever-increasing income inequality is a real threat to our social fabric. And, third, public support for the times of forward-looking economic strategies that the President talked about to deal with the changing global economy, require broad-based participation in the benefits of those policies.

The President's 1996 Budget continues the powerful deficit reduction program begun with the 1993 plan, by providing $81 billion of additional deficit reduction. But that powerful deficit reduction program is combined with middle class tax cuts and public investment designed to better enable lower- and middle-income Americans to benefit fully from the growth of our economy.

More specifically, the President's 1996 budget proposes a Middle Class Bill of Rights with four elements, including three middle class tax cuts that improve middle-income standards of living by reducing taxes and, very importantly, by providing the incentive for people to invest in themselves, and so to improve their own and the nation's future productivity.

These three tax cuts are a child tax credit to enable families to invest in their young children, a post-secondary school education deduction to better enable Americans to invest in education and training, and increased flexibility and availability of individual and retirement accounts to increase incentives for saving and increase the nation's saving rate.

The fourth element is a consolidation of 70 training programs into a skills voucher program as part of the President's public investment program.

Let me add one comment on public investment, if I may. I think it is exceedingly important when you look at public investment, Head Start, summer jobs, the new skills program, education, that while these in one sense are social programs, if you put social considerations aside -- and this is the way I look at them -- from a purely hardheaded business point of view, these are economic programs that are investments in areas that are absolutely critical to the future productivity and competitiveness of our economy in the global economy. That is why the efforts to reduce these programs are so shortsighted, from a purely economic, hardheaded business-like point of view.

It should be obvious from this brief discussion that in our complex economy there are no simple bumper-sticker answers, but instead, complicated judgments as to tradeoffs amongst competing policies. The President and this administration have spent an enormous amount of time thinking through and making these difficult judgments -- all in the context of thinking about the new and difficult issues presented by the global economy.

This conference, as the President said, gives us all, all of us in the administration, the opportunity to see how you react to the same issues and the same tradeoffs that we have pondered at such length.

The President firmly believes that good policy requires discussing ideas, testing your thoughts, and good listening. That was the underlying rationale for the economic conference in Little Rock in December 1992, and that is the reason he and we are here today. The best source of information about the problems and opportunities of our economy are the people who are involved in the nation's day-to-day economic activity. This conference also provides, as the President said, the opportunity to consider regional differences, and the impact that those differences should have on national economic policy.

So, for the vast preponderance of the time today, we will be hearing from you. Before our discussion begins, however, I would like to introduce Donald Ratajczak of Georgia State University, an economist who is widely respected not just in the South, but in the rest of the country, to comment on the southern regional economy.

Thank you. (Applause.)

MR. RATAJCZAK: I know those of you from Atlanta are surprised that I'm using charts, but nevertheless, we have to get up to the modern age here. I also apologize to the President for presenting a talk on the South with my Philadelphia accent. But anyway, what I do want to talk about the South is, it's absolutely true that the South has become a dynamic region of the country, that if you take a look at this first chart here, that not only has the South been growing faster, creating more than 40 percent of the jobs created in the nation in the past two years, but in fact, we are finally starting to close the gap on per capita incomes.

We have been growing faster in per capita income development than the rest of the nation, although there is no question we're still behind, although there's no question that

the lowest per capita income states in the nation still reside in the South.

One of the reasons for this significant improvement in economic growth is the result of significant growth in employment. This chart, of course, starts in 1985 and, therefore, biases our energy-producing states and, therefore, also gives an idea that there is diversity in the South. I will point out, however, that Texas which, from '85 on looks like it's a little bit behind the nation, actually had the strongest employment growth of all states in the nation in 1994. Except for Louisiana, every other state in the South has been generating jobs at a much faster clip than the nation as a whole.

This also is a picture of significant diversity in the type of jobs that are created. While it is true if you look at the bottom line and the top line that the average of the region is very close to the nation in terms of manufacturing activity, trade and service and government and other activity, but there is a dramatic degree of diversity among the states. Florida, very much a service-oriented, tourist-based economy and then we have significant manufacturing economies -- the Carolinas, Mississippi, Alabama, Arkansas -- all with very high above -- significantly above national average concentrating of manufacturing activity.

And this is basically what the states, by themselves are doing. The two states that have not been generating manufacturing jobs -- remember, those are states that aren't heavily into manufacturing, and the manufacturing they have been in, which is one of the areas that we have been suffering, the manufacturing they have been in, has, to some extent, been defense-related. And, of course, there has been cutbacks in the defense activity, and so you would anticipate seeing some drops there.

But most of the other states have shown significant improvement in manufacturing, despite the fact that the nation as a whole has not been able to improve manufacturing. This manufacturing gain is in several various areas -- some of them in traditional industries, such as furniture in North Carolina and Virginia; the appliance industry, Tennessee and Arkansas; the upholstered furniture industry around Tupelo, Mississippi. Some of them, in fact, in new industry, as the President talked about, with new investments in the automobile industry, in Kentucky, Tennessee, South Carolina and, of course, the Mercedes plant that is under development in Alabama. Some of them in machinery and electronics. In fact, electronics and machinery jobs are growing dramatically throughout the South at the present time, and some of them also in relatively traditional industries, such as the printing industry, which has always been an important part of the South and is remaining a continuing source of job growth in the South.

I don't want to overdo the manufacturing activity, because if you look at the other chart, 75 percent is, indeed, nonmanufacturing in even the heaviest concentrated states, and significant growth has been in the distribution industries, we've seen Federal Express, UPS making significant distribution activities within the South. The finance has been discussed, with Charlotte now approaching the second most intense city in the nation for asset management by commercial banks, and, therefore, there has been dramatic development in all of those particular areas.

The growth rates, however, are going to slow, and this next chart gives you an idea of what's going to cause them to slow. Some of this growth has been very satisfying. The unemployment rates in the region are at 5.2 percent, about a half percentage point lower than the nation. But a lot of our cities now have very low unemployment rates. Raleigh-Durham, below 3 percent; Nashville at 3 percent. In fact, the Opryland

expansion, when they needed the extra employees, they had to buy another hotel and actually use that as a residence for employees to be brought into the area because they could not find qualified employees in their particular area.

In Atlanta, that 3.9 percent -- these are January numbers -- that occurred in January as it declined, the first time in 17 years that there was a decline in the unemployment rate in January. Remember, in January, that's the layoffs from all of the Christmas seasonal work. And to continue to decline at a time where there's a natural tendency to rise is truly remarkable.

We are now facing a relatively tight labor market. Obviously, the jobs themselves -- the jobs themselves have stimulated population growth, which is natural. And right now, in the South, this has been a problem in the past, we've been migrating out, a lot of people. This is no longer true. Only one state in the last year has had more people choosing to leave than to come. All the other states now have people generally recognizing that there is significant opportunities in the South.

However, I did put in this other line which is a little bit surprising, that while the rest of America has now discovered that the South has opportunities with the exception of the people coming from the Caribbean to Florida and the people coming from Latin America to Texas, the rest of the world does not know that the South has significant opportunities.

Now, that's a broad overstatement. Clearly, there's a lot of direct foreign investment coming into the South. Some of those auto assembly plants have been, in fact, financed by foreign investors. But, indeed, what you're looking at is, still, a very low migration of foreign people. This is one of the reasons why we are looking so hopefully at the Olympics, that the Olympics will show the world that, indeed, the South is a dynamic area.

However, the South does have problems. As I said, there are some good problems, which means that we have relatively low unemployment rates in our cities -- I should point out, the unemployment rates in the rural areas are higher, and we do have, even with that good performance in manufacturing, we undoubtedly have mills being closed because the new global competition and the new technology is exposing them to significant investments to upgrade their capabilities, and many people have chosen not to do that.

And in the absence of upgrading, the alternative is to close down, and we do have a lot of mill towns today in the South where the major employer no longer exists. And, therefore, there is significant pockets of significant increasing and high unemployment rates, with people who had worked a long time, but now do not have the skills necessary to be incorporated into new southern economic development.

And I will also point out that the South, despite all of its significant improvement in generating jobs, in attracting more Americans to come to the South to find opportunities or to retire, we still have a significant poverty level. We, in fact, have among the higher poverty concentrations of all the states in the nation. The only significant lower one is Virginia, and, of course, that was done before we assessed the impact on the Virginia suburbs of Washington from the last election. I was waiting. (Laughter.)

The poverty levels are still high. These are percentage of households below the poverty. And what we are seeing in the South is that there is a dynamic area, and there is an area that is being passed by. There are urban areas showing significant development, and there are rural areas where, indeed, a lot of the people are now leaving and coming into the urban areas, and there are no jobs for them there. There are no longer jobs that require hands; the jobs require minds to handle the technology that is being developed.

In addition, the South still needs to improve its education structure. Our colleges and universities are advancing, and we are starting to attract people from the rest of the world. But our elementary and secondary schools, quite frankly, are not creating the product necessary to meet the employment needs of the jobs we are currently creating. And without the migration that we currently have coming into the South, we would be in very difficult straits to sustain the current rate of economic growth that we are currently preserving. And I think that's the big challenge for the South -- that we need to upgrade those educational facilities, and we need to find a way to bring in these people who continue to be outside the market system.

Thank you. (Applause.)

THE PRESIDENT: Thank you very much. Thank you very much. Now, we're going to -- the rest of the day will be presentations, comments from people on the panel and comments from people in the audience. The only chance we have to respect the opportunity of everyone to contribute is if everyone's who's got a slot already stays within the allocated time. So we have five minutes allocated for the presentations, and then we'll go back and get some comments.

There will be four presentations on issues in the regional economy. The first, "working together for growth," we'll call on our host Governor, Governor Zell Miller.

Governor Miller.

GOVERNOR MILLER: Thank you, Mr. President. And let me just say -- and I'll stay in my five minutes -- how pleased and honored we are to welcome you and the Vice President and the members of your Cabinet back to the South. And we are also delighted to welcome everyone to Atlanta and to the state of Georgia.

It's a privilege to be chosen for your first regional economic summit. And I want to also thank this great university where I once taught a few courses, and may be looking for a job again, for hosting this event. (Laughter.)

In 1991 when I became Governor, there as a national recession deepening all around us. And Georgia, like every other state, was faced with very difficult times. Today that has all changed. The economy has turned around and grown stronger, especially here in the South.

You may have seen that article last December in the magazine, "The Economist," which featured a profile of the South. And it concluded that in many respects the South is now poised to lead the way for the rest of America. Georgia, for example, is the fastest growing state east of the Rocky Mountains. We lead most of the nation in job creation. Georgia is one of the few states that did not raise taxes during the recent national recession. In fact, in the past five years, we have cut taxes three different times for a total of more than $400 million, while maintaining a balanced budget.

Most importantly, Georgia is using this time of growth and this time of economic success to invest in the future. We understand, like Dr. Ratajczak just said, that a skilled and a literate work force will be critical for the 21st century. And we are making that investment.

Georgia's pre-kindergarten program for four-year-olds right now is serving a higher proportion of our at-risk

four-year-olds than any other state in the nation. And we are now expanding it to include every four-year-old at risk or not whose parents want to participate in it.

We also have the most far-reaching scholarship program in the nation. The President mentioned it awhile ago -- we call it HOPE, Helping Outstanding Pupils Educationally. And it gives high school graduates with a B average free college tuition, a book allowance every quarter, as long as they keep that B average.

Students who do not have a B average when they graduate from high school, or who do not want to go to college, can take a diploma-granting program at one of our many technical institutes with the same deal -- no tuition and a book allowance. This year, this school year, HOPE is assisting more than 80 -- that's 80,000 Georgia students at our colleges and at our technical institutes.

At the University of Georgia, for example, 70 percent of the freshman class have HOPE scholarships. This state is also investing millions of dollars in a public-private partnership that we call the Georgia Research Alliance. Emory is part of it. We're spending those millions of dollars to build and equip sophisticated labs and to recruit and attract imminent scholars in high-tech fields that will drive our economy forward.

These things are Georgia's real incentives for economic development. And then we also use tax incentives, not only to help attract new industries, but also to support our existing Georgia industries in their efforts to expand or to invest in technology, or to educate or retrain their employees. Last year, Georgia increased our international trade by 23 percent. And we do look forward to the 1996 Olympics as an unprecedented opportunity to build long-term international business ties.

I mention all of these things to brag, as governors are prone to brag, but more importantly, to illustrate some of the challenges that face the entire region as we seek to redefine our economic assets, because our goals in Georgia and in the South must be to offer quality education instead of cheap labor; to develop the cutting edge technology and build the modern infrastructure required to function in a global society.

That article in "The Economist" also pointed out that one of the strengths of the South is that here state and local governments work with business and industry and not against them. And I think that is a very important key. And that's why this kind of meeting and those present are so very important.

So, Mr. President, we thank you for your interest in the economic future of the South. And we welcome this opportunity to discuss it.

THE PRESIDENT: Thank you, Governor. (Applause.) Thank you. (Applause.)

Thank you very much. Now I'd like to call on Maria Elena Torano, who is the Chairman and Chief Executive Officer of META, a full-service consulting firm headquartered in Miami, with major practices in environmental engineering and services information technology and management support.

Maria Elena I've had the privilege of knowing for the last few years. She has done remarkable work in several other countries. And her company has achieved extraordinary growth in the last five years. So I'd like for her to talk about the relationship of what we're doing here to the international economy.

MS. TORANO: Thank you, Mr. President, for giving me the opportunity to follow up to the economic summit in Arkansas in which we participated with both of you.

I guess the message I want to deliver today is very simple, it springs directly from my personal experience, that the President has referred to. This message has three parts. First, expanding trade is critically important to hundreds of small- and medium-sized businesses like mine across the South. Second, government and business must work even more closely together if we are to continue to be successful. And third, as we expand trade, we must not forget the human element that underlied our successes and can form the foundation for even greater future achievements.

Let me say a few words about my personal experience, which the President has talked about. I run a small, full-service consulting firm headquartered in Miami, with offices in five other locations around the nation. We now have 300 employees, up from 14 in 1986. We have grown very rapidly, reaching over $23 million in sales last year and a very profitable bottom-line.

International work is a considerable part of our business. We have major contracts in Central and South America. And for the last three years, we have moved into Southeast Asia and have contracts in Indonesia and Malaysia. We literally could not have growth the way we have or have created the American jobs which we did without a major focus on international work, which now represents 30 percent of our business.

In fact, trade is a critical, if not the critical source of economic growth and job creation for hundreds of businesses throughout the region. In fact, for the 13 southern states, manufacturing exports supported anywhere from 13 to 25 percent of all manufacturing jobs in 1991. And those are the last figures we have and have been increasing ever since. And among all 50 states, many of the southern states rank in the top 10 in number of export support jobs and growth rates of export-related jobs.

While international work has been rewarding, it has not been without obstacles. It's important that companies our size receive the guidance and support from government as well as large, private sector, Fortune 500 industries as we enter into new markets; that we get the export financing we may need and get critical government-to-government advocacy when we're competing against foreign firms.

In this regard, several fellow agencies have acted as mentors for us. Most notably, OPIC, the Overseas Private Investment Corporation, the Agency for International Develop, CDA, the Small Business Administration, and, of course, Secretary Ron Brown's Commerce Department who have done an outstanding job.

Without this kind of focused assistance, which can only be provided through government action, we simply could not compete with firms from around the world, and we could not have added the jobs that we have added to our company.

Finally, I want to talk about the human element in all of this. I believe that this is one of the most important and critical factors in trade development. U.S. business is become more diverse, more multicultural, more multilingual than it was 10, 15 years ago. We're savvier businesspeople as we move into the global economy.

Furthermore, all -- changes and other existing programs, such as those, both publicly or privately funded, have allowed whole new generations of business and government leaders to learn American ideas, American values, and importance of free markets. And I'd like to cite as an example, former President de Klerk of South Africa, who could not have facilitated with President Mandela what -- the miracle that took place in that country had he not been exposed for many years to our system.

This is a critical factor in our success and one that we must do everything to nurture and expand, not consolidate, eliminate, or perhaps even downsize during reorganization.

Finally, the Summit of the Americas, Mr. President, which you hosted last December, gave us a chance to take a fresh look at the emerging democracies in the hemisphere. And I remember the times when we used to have -- medals and ribbons, and this time we've got leaders, hemispheric leaders, who are very well educated, that were savvy and that knew what economic -- fostering economic gains was for their countries.

These relationships are now based on mutual respect among all of us as neighbors. If we build on this foundation we can continue to break down the barriers that have -- for meeting many more companies like mine to continue to grow and prosper.

Thank you very much, Mr. President.

THE PRESIDENT: Thank you. (Applause.)

Our third presenter to discuss the success of businesses in the South is the distinguished Chairman of NationsBank, Hugh McColl.

Hugh.

MR. MCCOLL: Thank you, Mr. President. I'm very glad to be here today. I think that what I had wanted to say has been said much better by others. I'd like to make two or three comments about the region and why and what the differences are.

The first, that you alluded to, Mr. President, is that we've been poor a long time, and we got tired of it. And about 25 or 30 years ago, we started doing something about it. And that first thing we started to do was to try to educate all of our people. And the Governor Miller has already indicated how aggressive we have been in the South at doing that.

Having said that, I agree with Dr. Ratajczak that we are at a breaking point in the South. We are out of trained labor. And we are approaching a crisis in terms of meeting -- we have reached our human capacity to go forward unless we aggressively expend funds to educate the adults who have been left behind, as we pointed out in other -- in some of our cities or small towns.

Now, we believe that -- my personal view is the role of government is to do the things that Dr. Chace talked about in the first instance, which is to fuel ideas through research and to fuel the labor force through scholarships and through incentives for people to go to school. And so I think that is a legitimate role of government to invest in its people so that they can lift themselves.

I wrote down a formula here that ideas, plus capital, plus educated labor equal jobs, which means profits and capital, homeownership, a greater GDP for our country, and then a circular --this continues to circulate and it brings everybody to the table.

Now, the second thing I'd like to say about the South very quickly is that we have had very enlightened governments at every state level. And we do balance our budgets. We have high bond ratings in the South. And we are proud of it and we're going to hold onto it. But that's come at a cost. That's come at a cost. And that cost is becoming more clear

today that we are starting to invest less in education in many of our states, both at the elementary level and at the university level, as we cut back our budgets to stay inside of our tax base. We have in fact started to cheat on that a little bit.

Lastly, on the education front, I just make this point, that the South, whether we like it or not, because of our legacy of let's say the factory worker and the agricultural worker, we set our standards to low. And the only chance the South has to continue to lead the nation is to raise our standards at every level of our education. In other words, no social promotion, no looking after everybody in putting an arm around them, but give them tough standards and make them meet them. And that's what the South has to do.

I might add, that's a national problem. That's not a southern problem. That's a national problem. I want to move to the second issue very quickly, and that is capital. The one thing this administration should try to avoid is to appear that it is disinterested in the formation of capital or that there's something wrong with capitalists, because without capital we don't get any jobs. And whether that capital is in small business or large business, it doesn't matter. The capital is what we need to go with the educated work force.

And so everything we do at the administration level, it seems to me, it ought to be to help incent the creation of capital. And that can be good tax policy -- and I won't try to tell you what that is. You already know that. But creation of capital is important, and we should not pit the capitalists against the work force. They are partners if we're to have success. They must be partners.

Lastly, regulation. One of the reasons the South has succeeded and one of the reasons you hear that Charlotte, North Carolina, is now becoming one of the most important capital centers of the United States is the lack of regulation. That is, we did not have laws that got in the way of our amalgamating our banks and building up capital bases that could fuel the engines of the South. So it is very important that we remember that regulation gets in the way of big business, small business, any business. And we should think clearly about that. I applaud the administration for the efforts that it has taken in deregulating the banking industry, in creating competition, and the most recent efforts by the Secretary on the glass deal, I applaud.

We need to do that up and down the line -- is to look at regulation and see if it makes sense. And I applaud the Vice President for that.

I thought of an analogy -- the University of Arkansas' well-coached basketball team with a lot of young Americans and perhaps one European on it is going to meet the basketball team of the University of North Carolina, also well-coached with a lot of -- young Americans -- on it. And what's going to happen Saturday night is a referee's going to throw that ball up and get the hell out of the way. (Laughter.) And in some respects, that's what government needs to do, is give us a level playing field, throw the ball up, and get the hell out of the way, and Americans will make it happen. That's really what I think.

But we've got a lot going for us. (Applause.)

THE PRESIDENT: I have something to say about --what everybody said, but I -- on the basketball analogy --(laughter) -- I think it's very -- it's very interesting that --you'd be amazed the kind of requests Maria Elena talked about in how other governments are following our democratic examples, our institutions. We get a lot of requests, now that communism has collapsed and everybody knows that the regulatory state is not as good as the market for free people, to help us set up referees in other countries, which -- but there are basically two things: One is the level playing field.

The other is ordering the competition so that -- we overdid it, which is why we had to sign bank reform, but other people wanted to -- they want to know, how does your central bank work; how does your FDIC work; how does your Securities and Exchange Commission work; how does your Commodities Trading Commission work? So I think that the referee analogy may be pretty good -- get out of the way. Don't interfere with the competition. But make sure there are rules that make it fair to everybody, and don't let the competition in the short run devour the ultimate game, which requires a long run perspective.

The fourth presenter here is Larry Farmer, from Mississippi, from the Diversified Rural Development Services. And he's going to talk to us about an issue that is very close to my heart, which are rural challenges in the South.

Larry.

MR. FARMER: Thank you, Mr. President. I, too, am grateful for this opportunity to be here. And I couldn't help but think as I watched Secretary Rubin and Mr. -- do their charts -- I had a flashback to a speech a decade and a half ago that Ray Marshall gave when he talked about the new South he was afraid was going to become a reincarnation of the old North, and that the Sun Belt had a lot of shady spots.

The numbers I saw, what I saw, reflected Ray Marshall's view of the South. Where I live in the Delta region Mississippi, which is, Mr. McColl, right across from those Hogs who are going to beat North Carolina come Saturday night -- (laughter) -- but we live in an area that's very much like a Third World country. Anyone who has spent any real time there knows this as well as I. But we have a lot of problems.

I think we have too much disinvestment, if you will, in our communities by everybody from lenders to insurance agents who won't insure us. We've devalued people. We have what in urban centers would be classified and described as the underclass. People have been devalued or not counted because they don't count. Too often they don't vote. They lack fiscal capital.

Our governments will rush to invest in our capital, which they should -- in our capital industries. We rave about gaming and gambling and increasing jobs in Mississippi if the boat cranks up -- our jobs are gone. Nobody is taking a look at the social ills that's been left in the wake of gaming and what that does with everyone with a get-rich scheme.

We lack institutional capacities and capabilities within our communities, within the African-American community. If I were in Appalachia, I would be talking about rural whites. We support subsidized research for agriculture. We don't for people in communities in our region.

Unfortunately, race and racism is still a major problem confronting our people. And southerners are nice folks for the most part, except the city slickers. We deny, we defer, we pretend we don't have problems. Race and racism is still a very major problem in the rural South. If I'm talking about the Black Belt regions of Alabama, Georgia, or the Delta regions of the Arka-Miss, as we referred to it, it's there, it's real.

I'm pleased that in many instances we have recognized that as a problem and we've started to try and deal with it somewhat. But it still exists.

We see regional and national intermediaries who come and do things for us, but don't necessarily come to help us do things for ourselves. And, Mr. McColl, my granddad said -- he did, asked a test once. He wanted to determine whether I was stupid or not. I was about 10 years old. He said, "Son, if you saw two men standing, preparing for an ass-kicking contest, and one had one leg, which one would you bet on?" And he was relieved when I said I wouldn't bet on the one-legged man.

We don't have the capacity in many ways in the South, in the rural South. We look -- like the Atlanta metro area and others, and we should learn from those. But we, in doing so, should place an emphasis and revalue institutional capacities and capabilities.

President Clinton, you asked earlier, what role the government -- what role is there for government to play. I believe it was an 18th century economist, Adam Smith -- he said a premier resource and primary responsibility of any government is its people. We have in our rush to capital formation -- we've forgotten people. We need to redo that. We need to build institutional capabilities to allow us to do things for ourselves.

The rest of the nation and the region are talking about high-tech. We can't master low-tech in Mississippi. The government has yet to find a will to invest in our institutions, in our young people. In Mississippi, we just approved earlier this year, last year, $76 million -- we're going to build more prisons. And we don't have a job-training program and people are still living in shotgun shacks with outdoor toilets. These are things that people can do for themselves. Hands can build, minds can learn. We need streets, we need drainage. We need basics.

There are organizations like the Delta Foundation, like MACE, like the Foundation for the Mid-South, the Enterprise Corporation of the Delta. The Delta Foundation and other loan funds -- I bet their biggest problem is not money, but having someone to lend to. They need to borrow, but they can't. We have black ranch governments who don't have the resources to govern. They want to do good and they don't know how to do good.

Thank you. (Applause.)

THE PRESIDENT: Thank you very much. I have a lot of thoughts and I want to come back to it. But I'd like to go back now and get some comments from some of our other panelists in the order in which we discussed these issues.

First of all, Governor Miller's remarks sort of encompassed under this idea of working together for growth. And one of the things that occurred to me was that the country may be about to get in the same fix in some ways the South was in for a long time with our -- a conflict between what works in politics and what works in real life.

What works in real life is when people work together and make the most of everybody's potential. What works in politics in 30-second ads and images fleeting across the screen is when you demonize your opponent and divide people. And it's -- one of the central problems of democracy as we move toward the 21st century is what works in real life is different from what people in real life reward in politics.

And the reason Atlanta is where it is today is because in the 1950s it became known as the city that was too busy to hate. When Little Rock Central High School was ruining my state's image for decades, Atlanta took a different path. And so I think we have to be very up-front about that because we still do have racial tensions in the South; we still do have other tensions. And we have to -- we've got to be honest about this. What very often we hate in our normal lives as citizens, we reward in our voting lives as political actors.

But since the two are so closely connected we can't avoid having the consequences of one bleed over into the other. But this working together for growth is a very important theory. I'd like to call on two people to discuss this. One is Jesse Helms -- excuse me -- (laughter) -- Jesse Hill. I started to say "hell," but I didn't want to say that -- (laughter) -- who is the Chairman of the Board of Directors of Atlanta Life Insurance, who has been a real leader in both civil rights and economic development, and how the two go together.

After that, I'd like to go right into asking Jack Stahl, who is the President of Coca Cola U.S.A. to talk, because Coca Cola has been very active in this whole area. So I'd like to ask both Jesse and Jack to speak.

MR. STAHL: Thank you, Mr. President. First, let me just say this -- as I reflect on this conference, I can't miss the opportunity to say that the civil right struggle, led by Dr. King, has really benefitted greatly the economic growth we refer to today here in Atlanta at this conference. Whereas, Dr. King and his leadership during the movement, during the '60s, Ernie would agree with me that we have focused on human dignity, but I think Ambassador Young would tell us that Dr. King, high on his priority, the next two things was his war on poverty and economic development.

And I say to you this morning, I think, in reflecting on the earlier comments, that minority economic development opportunity and economic development opportunity for women are very vital to our nation. The effort to suggest that, yes, we've made progress, but there's a great deal and a great path that we have to cover. Equal opportunity for blacks, other minorities and women is still vital to us, lest we forget that, today -- in Alabama, in Georgia, in Florida, Tennessee, North Carolina, South Carolina, Virginia, there are Americans whose life and their lives are out of tune with the great prosperity we celebrate here today.

For some 20 years, I was a chief executive -- sort of the chief executive of, I guess, the largest minority-owned financial institution from the standpoint of net worth, the Atlanta Life Insurance Company. And today, I'm sorry to tell you that less than two percent of insurance premiums spent by minorities, African Americans, are collected by black-controlled life insurance companies.

So I think that as we celebrate the progress, as we celebrate the low unemployment rate, it's important I remind ourselves that the unemployment rate among minorities is still twice the numbers that were given here today, and among -- in some communities, in some cities among young black males, it's three times that rate of four.

So I think we are making progress, I think we have to continue to recognize that our real challenge is coming from abroad. And I think what we can do as we move forward is to remember that whereas the Cold War is over, as Americans, there are some common goals and some common ground that we need to unite around and be supportive of each other. And I think we still need a more level playing field if we're going to have more stories like the ones Maria has outlined for us. And I think this conference will be very helpful to us in that regard.

Q Mr. President, your challenge and the challenge of your government -- our government -- is really a very complicated one relative to the Coca Cola Company. Our challenge is simple in that we're trying to meet the refreshment needs for people in the South and in Georgia and, really, all around the world. But there probably are some parallels in that just as you started by analyzing where your constituents are and where they hopefully can be over a period of time, that's what we try to do with consumers in trying to meet their refreshment needs.

Now, to do that, we have to back up from there and say what products and packages are important to meeting the soft drink needs of Coca Cola consumers around the world, and then develop strategies to make that happen.

But for us, those strategies are only executed by the people of the Coca Cola system around the world, and that requires skills, that requires training, that requires education. And our agenda within the Coca Cola Company, in terms of building the skills and capabilities of our people around the world to deliver on those refreshment needs is probably very similar.

If we can go out and have those skills and have those trained people to help sell more Coca Cola products, there's a multiplier effect in our business where a job created to sell soft drinks around the world can have the impact of having somewhere between five and 10 jobs, to create the bottling infrastructure and the packaging and the advertising -- all that goes into Coca Cola.

But to make that happen, it comes back to skills and training and capabilities. So we would simply want to be in a position of supporting education and commitment to skill bases among adults and teenagers and children, and we've made a commitment to do that at Coca Cola, by committing more than $50 million to education over the next 10 years. And we would simply want to applaud your efforts as well, in terms of building the educational and skill capability of those in this country. We think it's important to generate jobs at Coca Cola here in the South and around the world.

THE PRESIDENT: Thank you. Related to what Hugh McColl said about older -- raising the skill levels of the adult population. I think at this particular moment in our history, the community college may be the most important institution in the country. And a lot of four-year schools are, in effect, becoming community colleges. The average college student today is 26 years of age, with many quite a lot older than that. And I agree with both of you -- I think that's going to be a big challenge for us -- working out the system that permits that to occur over and over and over again, so that people aren't left behind and that the economy isn't, as well.

I'd like to call on some other folks to talk about the second topic we discussed, the international opportunities we have in the international economy. I'd like to begin with Phyllis Jackson who, with her husband are partners and founders of the World African Network, a new premium cable channel aimed primarily at urban blacks, as well as being broadcast in Africa -- clearly a product of the global economy.

Phyllis.

MS. JACKSON: Thank you, Mr. President. And I want to take a moment to thank you for caring about people and taking the time to listen to us talk -- talk to you directly. As you said, the World African Network is a new cable service that is targeted toward people of African descent. For many years, we've been portrayed negatively in the media, and we are often portrayed in comedies and sports and news, and the news is often negative.

It is the goal of our network to acquire product from around the world that will show African people in a positive life. We believe that African people, it is our responsibility to uplift our own community and not really rely on others. We know that African American children and African people, all of us watch television, and media is very important and very influential. What other way than providing programs that show our history and our contribution to the world to begin to provide role models for our children.

On an international level, many of the ministers of various African countries, because their priorities are involved in housing and the infrastructure of their country, have asked us to get involved and help them provide programming that will provide positive role models and information for their young people who are watching television.

As an African American entrepreneur, one of the obstacles that we face is capital. And it's been talked about here today. African Americans in this country put over $200 billion between bank savings, life insurance policies and, as Jesse Hill just said, only two percent of those are in African American institutions. And one of the major obstacles we have as an entrepreneur is access to capital. And what we would like to see is a summit convened between the African American entrepreneurs, Wall Street and banking institutions and insurances to talk about access to our own money. We're not talking about preferences, we're talking about money that African Americans -- hard-working, regular people, have put into institutions that we cannot get access to.

If you travel around this country, from Atlanta to Los Angeles to New York, you will see no major development in our community. If you travel outside of this city and go north, the suburbs are beautiful. There's not that kind of development here in the City of Atlanta. And as an international entrepreneur, the base of our company is here in Atlanta, and the cable network is going to launch here domestically, but the long-term goal is to satellite to the other parts of Africa.

Africa could also be the beginning of international opportunity for America with African Americans carrying the American Flag to Africa. There is no other country outside of Africa that there are more well-trained, well-educated individuals who of African descent, and we'd be happy to do that here in the United States, and I think that's something that we should look at very seriously.

We believe that if you teach a man -- if you give a man a fish to eat, he will eat for a day, and if you teach a man to fish, he will eat forever.

THE PRESIDENT: Let me just make one brief observation here, apropos of what you said and what Jesse Hill said. You know, we spend mass amounts of time, effort and energy trying to expand America's reach into markets beyond our borders. And if you look at -- and it goes back to what Larry Farmer said, too -- if you look at the untapped capacity of basically poor Americans, a lot of whom are African Americans, a lot of whom aren't -- and how the whole free enterprise revolution has passed them by, that is the single biggest untapped market, not only for the work force that Hugh and Jack talked about, but also for the growth of the free enterprise system in the country. It's a single -- if we looked at it as a market the way we would if we gather up all these folks and put them 50 miles offshore, we'd be falling all over ourselves to try to figure out how to make this work better.

I'd like to ask Joe Kiker to talk now. He's the regional director of the steel workers based in Atlanta, and his region includes the Newport News shipbuilding locals, and I'd like to ask him to talk a little bit about what labor and management have been doing together in his companies to provide both jobs and some sense of security in this global economy.

MR. KIKER: Thank you, Mr. President. When the country started cutting back on the defense budget, Newport News was hit very hard, as its only customer is the U.S. government and the Defense Department. We had a ship, the CVN 76 that was being put on the block, actually I think that there was some sentiment not to build that ship, and as a result, the

international union, as well as the company, combined its resources and went to Congress and lobbied hard to get that ship built. One, it was very difficult for the international union; where we preached for years and years butter, not guns, and going to the senators who we've had a light sentiment and talked those people into voting to fund that ship.

As a net result, we got the ship funded, it's going to be built, and it provides five years' work for about 5,000 people at one time or other works on that ship. It's provided, not the time, to help the company to convert to a commercial type shipping. We haven't reached that goal yet, the company has made a couple of commercial ships, but they've lost money on it because they're not competitive with non-union companies. We've got to get the efficiency and the efficiency in the yard down to a point where we can compete with foreign business, as well as business in the United States making commercial ships.

THE PRESIDENT: I'd like to call on Elizabeth Coleman now, who is the Chairman of the Board of Maidenform, and the Vice Chair of the President's Exports Council to talk a little about trade.

MS. COLEMAN: Thank you, Mr. President. As a company, we export to 55 countries. And in our experience, we manufacture -- we sew in the Caribbean Basin and Mexico. But every job in the Caribbean Basin and Mexico yields a production job in the United States. And, in fact, a production job in the states in the Southeast, in Fayetteville, North Carolina and in Jacksonville, Florida we have 1,000 production workers in high-tech facilities in those states and cities.

For every bit of export that we increase, we create jobs in the United States. There is a direct proportion between our export and our jobs in the United States. And because the United States is a mature market, much of the development and opportunity is abroad. So it's very significant for the creation of jobs in the United States to be able to export.

In addition, export creates markets where, if there is an economic downturn in the United States, you can have a healthy consumer economy elsewhere, so it can be a buffer in hard times here; other economies elsewhere that are good, or are in a different cycle from what our cycle is, so it's very significant.

In addition, an item like ours, which is a relatively low-cost item, is one that has been recession-proof in the United States, and we anticipate an experience of being recession-proof abroad, so that we can say with assurance that every time, for every $1 million we add in export, we add eight jobs in the United States, foreign production, foreign nonproduction, sales or management jobs. So there's a very strong correlation.

I think in terms of the relationship with government there, I have been just dazzled by the performance of the Commerce Department in terms of your counsel and in terms of its advocacy for companies abroad. I had the honor of traveling with Secretary Brown to Poland and experience his advocacy. And it really is remarkable. And it was true at every level of the Commerce Department, not just Secretary Brown. So I think what I'd like to say about government there is for government to keep on doing what it's doing, because it's doing a phenomenal job.

In terms of here where we do have, as I said, high-tech facilities in the South that are supported by our exports, it's very -- when we have converted to high-tech jobs, we have trained our employees. In other words, we went from a lot-tech cutting process to a high-tech process. It took as many employees, but it was much more efficient.

We trained all the same employees so that they could take these new jobs. And, similarly, when we have gone from jobs that -- to high-tech situations that required fewer employees, we've made sure that employees were not laid off and found jobs elsewhere in our facilities. And so I applaud the government in its training tax credits, and would say that that's something that is very, very important, I think, to converting our local economies to a high-tech kind of economy, because those are the jobs that we see in our experience being the jobs of the future. And I think there's real opportunity for current workers to have those jobs in production.

THE PRESIDENT: That raises an important question that we don't have time explore fully here, but maybe we can before the end of the day, which is, what, if anything, can we do to encourage the best practices of businesses that are going through changes toward their employees. For example, we're downsizing the federal government rather dramatically, but we're doing it, we believe, in a pretty humane fashion, because we're doing it in a planned fashion over years, and we have an employee buyout package that I think the Vice President and I fought very hard for; some in Congress were not for it, but it just didn't seem to us to be right just to say, well, thank you very much for 20 years, good-bye.

So I think the idea of retraining all the workers that can be retrained and then having some sort of transition plan for those that have to find work elsewhere, that's going to be a much bigger deal from now on into the future than it ever has been before. And I'm convinced that one of the things that keeps showing up in all of these surveys about people's anxiety about the future is that they don't think they're going to be treated fairly when push comes to shove. So I appreciate the point you've made there.

I'd like to call on Junior Davis now, who is a product specialist and a 30-year veteran of the Atlanta assembly plant here for Ford. And they now produce the Ford Taurus, which has been a modestly successful global enterprise. They changed their production systems rather substantially, and Mr. Davis has worked under both the old and new systems. So I thought it would be helpful for us to get sort of his perspective on some things that are going on purely in the private sector here.

MR. DAVIS: Thank you, Mr. President, Governor Miller, and ladies and gentlemen. I am an employee of Ford Motor Company, a local assembly plant here in Atlanta, and a member of the United Auto Workers Union.

I want to do a little comparing, like 30 years ago when assembly operations were more like a manual type operation. A variety of the vehicles produced there over the years goes back into trucks, passenger cars, and most of the operations in the '60s included trucks.

Today, the plant is utilized in high-tech concept and uses many robots and sheet metal assemblies. During the late '70s and early '80s, the number of employees at the plant experienced some bad times. They lost their jobs and that was vital support for their families.

Today, the assembly plant operation is more efficiency, more productive, better relations between the management and the union. Assembly operators have more input on how to perform operations, techniques to produce a better product. The plan also involves the assembly operators in the new model programs, with inputs for continuous improvement.

Other changes that I have noticed over the years is mandatory health and safety training, ergonomics, actions to reduce work-related injuries. And new-hire training classes, with on-hand experiences before actual production jobs.

Today, the assembly plant currently houses 52 acres, including office and warehouse spaces, with a total of like 2.3 million square feet. The plant new design, the car line, the '96 model, is currently beginning an agreed launch program, and will be production model in the middle of the year.

I am currently the product specialist in the trim department, assisting with the product improvements, training employees. Plus, this will provide new jobs over the next few months.

With education mentioned, I'd like to thank Governor Miller for training, through the Georgia Department of Education, Quick Start program -- completing a training program to train the employees for our new model launch program.

And thank you.

THE PRESIDENT: Thank you.

I think we ought to point out, just hearing Mr. Davis's story, that Ford Motor Company -- and I say this not to criticize any decision anybody else made, but they made an interesting decision when they decided to produce the Taurus, and they decided it was going to be a big, new different kind of car. And they decided they would do it in their existing production facilities. They would modify their existing facilities; they would retrain their existing workers. It was an interesting corporate decision. So that even though the company was having to downsize and there was a lot of anxiety about it, at least they could say, we're going to make this new car and we're going to do it with you, and we're going to go into the future together. And I think -- you just heard him talk -- it had a very positive impact on the overall morale within the company.

I'd like to call on now -- going back to the third topic of success in business, I'd like to ask Fred Smith to comment. Most of you know that Fred is the Chairman and President of Federal Express, which he founded in 1971, I believe with the help of a loan from the Small Business Administration. I don't think he needs that anymore, and probably wouldn't qualify. (Laughter.) And he has taken a remarkable idea to remarkable heights all over the world. And still is headquartered in Memphis, Tennessee, and we're glad to see him here.

MR. SMITH: Thank you, Mr. President. You're exactly right, the SBA and SBIC program was very important to

Federal Express in its early days.

I think that in commenting on how to keep the American Dream alive, you made a comment last night at the Governor's reception, which I thought was extremely perceptive, when you said that the United States had experienced an awful lot of the bad effects of an increasingly globalized economy and now it was time to reap some of the benefits.

And the Governor mentioned in his remarks that exports from the State of Georgia were up 23 percent, I think, year over year. And the facts of the matter are that the opportunity to improve the United States standard of living is directly related to our ability to successfully compete internationally and to export high value-added goods and services.

And the proper role, it seems to me, that has been brought out here several times is that government has to invest in the appropriate infrastructure and the appropriate educational levels to allow us to compete there. And most importantly, it has to be, as Mr. McColl said, a good referee.

In that regard, I think that your administration, and in particular the efforts of Secretary Brown, as was commented on by Ms. Coleman, had been, as you commented, unprecedented an Herculean. And Ambassador Kantor has done the finest job in the trade area I think in the post-World War II area.

And the only thing I can say is that we need to do more of it. Because whether you're talking about Delta Airlines here, which I think is now the largest passenger carrier across the Atlantic or Fed Ex and UPS, they're transporting these items abroad, there are still massive barriers around the world to U.S. exports. Whether it's intellectual property in China just solved or the intellectual property dispute in France, or the issues that are going on in Japan, where they consistently have a large merchandise trade effort with us. I think the coordination of the -- at the federal level -- of efforts to keep an open trading regime are the most important things we can do to improve the economy.

The U.S. economy in 1970, I think, was 10 percent involved in international trade. Half of that was agricultural product and petroleum. Petroleum still a big problem in terms of our balance of trade, but overall, the U.S. economy today, I think, is about 23 percent import-export. There are 5.5 billion people around the world, 250 million people in the United States -- even a liberal arts major like me can figure out a lot more people out there to buy things than there are just in the United States. (Laughter.)

So I think that the record of the administration is terrific. I think it came out of -- a lot of it came out of the Little Rock economic conference. Again I want to emphasize what a terrific job I think Secretary Brown and Ambassador Kantor have done, in particular. And that needs to be a real cornerstone of economic policy in the United States in order to create those economic opportunities, because that's where those high value-added, high-paying jobs are going to come from, whether the Mississippi Delta right down the road from us or elsewhere. That's where the market is.

THE PRESIDENT: Thank you.

I'd like to call on Letitia Chambers for some comments. She is the president and founder of Chambers Associates, a consulting firm. And she has done a lot of strategic planning in areas related to government policy and how it relates to the business community and the ability to generate jobs.

MS. CHAMBERS: Mr. President and Mr. Vice President, the clients of my firm are primarily large businesses. And your economic policies and your economic plan, in particular, has allowed those firms to have record profits in the past year. And those profits are enabling them to invest in their own future growth.

I think one of the major aspects of that growth has been due to the fact that interest rates dropped so significantly from the time you were elected. And even the recent increases in interest rates have still left them below the point that they were in the late '80s and the early '90s, before your election.

So I think the economic policies have fueled both current growth and will allow future economic growth in the corporate sector. And as you look at future budget policies and fiscal policies, I think one of the most important areas to address, and it's certainly one that you've given some priority to, is government investment in the future. If we expect companies to invest their profits in their own future growth, then the government should look at distinguishing in its own spending between spending for consumption and for spending for future investment, and whether that's investment in human capital or investment in physical capital and in our nation's infrastructure. I think that as you look forward in developing future policies, that continuing to focus in giving greater priority to investment is a real key.

THE PRESIDENT: For those of you who aren't all that familiar with the details of the way the federal government does its budgeting, she has just said something that I think is of very great importance. Alice Rivlin is here, who is our Director of OMB, and may get into this in greater detail later. But let me just say so you can cogitate on it -- when we fool with the budget up there, which is one of the reasons I wanted the line-item veto for a long time, and I'm pleased we seem to be getting it -- the old language is all about is this spending out of an entitlement or a nonentitlement. What income group is being helped by this spending item.

We look at it in basically static and categorical terms -- instead of really what I think is the most important thing is, is this a spending item necessary just to get people through the day? Is this a consumption item, or is this an investment item? Is this something that's going to grow the economy, increase our competitiveness, increase the capacity of people in the future?

We have worried -- and Laura Tyson has torn her hair out on this for two years -- we've really thought about whether we could create an investment budget for the federal government, and if so, what form it would take. And we haven't succeeded in dealing with it. But I appreciate you putting that issue on the table, because it's not just how much you spend, it's what you spend it on. And it's not just whether you borrow, it is for what purpose you borrow. There's a lot of difference between borrowing money for a home mortgage and borrowing money to go to dinner tonight.

And we all make those distinctions in the rest of our lives, but the government really doesn't make those distinctions in the way it works today. So that's a very, very important issue that has been raised here.

Let's go on a little more to the regional issues. We haven't said anything about farming yet, and as the Agriculture Commissioner of Georgia reminded me last night, when the farmers are doing well the rest of us normally do all right. And he said, you ought to mention it now and then. And I mentioned it then, and this is now. So I've now complied with my responsibilities. (Laughter.) It also happens to be true.

And I want to come back and pick up some of the people I haven't called on in a moment. But I would like to now ask Jerry Newby, who is a family farmer in Alabama and Tennessee, who grows cotton, soybeans, wheat and corn, to talk about a little bit about the rural economy as it applies to agriculture.

MR. NEWBY: Thank you, Mr. President. I certainly appreciate this opportunity to be here today. I want to thank you for your support in the past for agriculture. We feel like you are a president in tune with the needs of agriculture. We appreciate what the Department of Agriculture is doing and how they are working under your leadership. We're looking forward to our new Secretary coming on board.

Mr. President, I think our story in agriculture is a lot like your story about the economy: It's not getting told. The American farmer, which makes up only 1.5 percent of our population, is growing enough food and fiber for all the people in the United States and many people overseas. Not only are we growing food and fiber, we're growing it cheaper than any other place in the world. Our consumers in this country only spend 10 percent of their income on farm food. And I think that's great

and I hope it can always be that way. We also have the best quality of food in the world. And we also have some of the safest food in the world.

And part of the reason why this can come about, Mr. President, is because of the farm programs of the past and the present, and hopefully, the farm programs of the future. As you know, our farm programs are safety nets for farmers. They allow us to be able to operate, to have capital to expand our operations, buy our inputs, and they also allow us to plan for the future -- what we're going to do in the future about growth.

We do have some problems in agriculture, and one of those problems are some of the regulations. Some of our problems are environmental problems. The endangered species have given farmers quite a hard time. In places it has caused farmers to lose an opportunity to make a profit on their property, and it has also left a lot of doubt in people's minds about what the future holds for them.

What we would like for you to do with the Endangered Species Act is to make sure that it is founded on sound scientific basis and that it is also economically feasible for those that are involved in it. And we know that you will do that, and we appreciate that.

THE PRESIDENT: Let me say a brief word about agriculture. This is going to be a very important issue this year, not only because -- two things are happening at once. There is a renewed effort to find new ways to reduce the deficit further, which is a good thing. And there is also -- we have -- our Acting Secretary has done a wonderful job, Mr. Rominger here, who is a California farmer himself. He has got a diversified farming operation, as you do. We also are in the midst of writing a new farm bill, which we do every five years. And I just want to put two things on the table for all the non-farmers here, and also because it's going to be a hot issue.

There have been excesses in the farm support programs in the past, and there doubtless are some today. But it is important that you realize one or two things. Number one, we have reduced agriculture subsidies substantially in the last few years in Washington. Sixty percent in real dollar terms in the last eight years.

Number two, the farm support system serves two larger purposes, and you have to decide whether you think it's worth serving those purposes, but I think it's important. Number one is it, as Jerry says, is a safety net. So we have a higher percentage of farmers that are family farmers than we otherwise would without a farm program. Otherwise, they'd all have to be bigger, integrated corporate farms because they could ride out the bad years, because they'd have their own safety net.

Secondly, we have the most competitive agriculture in the world, and we reduced -- this administration sent a budget which further substantially reduced farm subsidies because we made a deal on the GATT world trade agreement to get the Europeans and others to quit subsidizing their farmers so much. We could quit and walk away tomorrow if we had a fair global market. If we walk away alone -- if all of you are right that we need to keep trying to win everyplace we can win in a fair fight, then we have to ask ourselves is it worth the cost to the taxpayers of the subsidies as long as we're bringing them down every year to keep ourselves competitive in a global market. But if there were no subsidies anywhere, we would do even better than we are doing.

Now, I just wanted to --because these are the things that will shape this hot debate on the Farm Bill as we come up this year. I know it sounds like I'm a state political lobbyist for Jerry Newby, but that's the truth, and those are the facts about where we are in American agriculture, and it's something that has to shape our debate here as we go forward.

I want to call on -- I'm going to try to get everybody who hasn't talked on the panel a chance to talk, but I want to ask one more person to make a few remarks -- a longtime friend of mine, Calvin King, who is the President of the Arkansas Land Development Corporation in Brinkley, Arkansas, and who won one of the coveted MacArthur fellowships for his lifetime of dedication of trying to deal with the problems that Larry Farmer deals with and that he talks about. And I'd like to give Calvin a chance to talk a few minutes.

MR. KING: Thank you, Mr. President. One of the points mentioned is the fact that the Farm Bill is coming up. The 1995 Farm Bill -- I urged the administration that in that farm bill, to maintain and keep the segment on minority farmers, and the hope that we can have an increase in the support of the minority farm bill segment from what we had received when it initially passed in 1990 -- won the passage of the bill without the -- and then finally, some dollars have been put into it, roughly some $3.5 million to provide support type of services as based to minority and limited resource farmers, and that needs to continue.

And the increased level which was initially proposed will be at least $10 million in support that goes to the minority farm bill and the type of services that it offers to limited resource minority farmers.

The other thing with that, you know, as we all know, there's been a -- plan, two segments of the farm population. One is family farmers in general, limited resource family farmers, and the minority farmers. Some prediction has been that the minority farmers would be in nonexistence by the year 2000. I commend your administration on various programs that have been initiated to create safety nets, at least support to maintain both the family farmer and the minority farmer -- one, would allow these program initiatives that has been funded to put direct services out into the field as you did with downsizing the government, recognizing that there are issues and there is a need for support services for this segment of the farm population -- direct support services by developing loan packages and leveraging the private sector participation with the public sector on loan guarantee programs as well as direct services need as a whole.

The other area that I also congratulate you on is the support out of USDA as well, for the rural development outreach program that has also been initiated under your administration that does provide other opportunities back in the rural area for providing services to individuals in those areas to look at business expansion and other type of technical support assistance that is needed on the part of businesses. And there is continued ongoing building on what has been offered in the way of opportunities, and there is definitely a need to do more. And, of course, everyone is very familiar with the empowerment zone and the enterprise community.

I encourage you, also, in this initiative, as we look at the overall economic situation in rural areas from an agricultural side and rural development needs, that we capitalize on certain areas or direction that's been taken. And particularly what we look at -- the empowerment zone and the enterprise community approach toward development in rural areas -- that that did bring about some amazing, I guess a structured progress in creating that whole planning process. It bought boundaries that were unusual boundaries together and relationships, both on the private side, on civic leadership, as towards the public sector's concern, as well as local government.

It wasn't a matter of being a boundary line of county to county, we dealt with situations of census tracks to census tracks. And that's unusual. And, of course, the result of that is that there were enterprise communities and empowerment zones created coming out of that, that offers a real opportunity, because it does create a structure that allows administration to target areas that have seen persistent and ongoing poverty types of situations over the years and a means of investing and dealing with what I call a serious type of community illness situation that exists.

So I'm curious -- do we build on accomplishments that have been made in dealing with rural development from both agriculture, from a rural development perspective in general; and that we also take a look at what occurred in that planning process and possibly bring together some of those leaders that were a part of that planning process to further build the capacity, the fundamental capacity of rural development in general.

In my closing remarks, I want to say this: The decline of family farmers and minority farmers, one of the situations we have is we have the lack of a younger generation going into farming as a whole. And that, of course, creates the problems as far as future is concerned.

There have been some strides on initiatives to address that. We have been involved in a program called Youth Enterprise in Agriculture that have been supported both by USDA and the private sector, and has gained more support on the part of both John Deere, Dupont Corporation and others have taken a look at that concept, because it does give youth an exposure point to agriculture, the real world of agriculture and rural development ultimately from the production level with farmers, on an intern-type basis, and understanding that whole initiative and what's involved in agriculture, and the support agencies, all the support points to agriculture, as well as putting them back into the public sector and the private sector in the second year of the program, and encourage them all to go onto college and to pursue it as a career, of continuing education -- and just how diverse that whole area is in agriculture.

So, again, there are strides that are being made. There are opportunities that exist that can be built on. And we call that really investing in -- continuing to invest in building the capacity for rural development, both through the enterprise -- the empowerment zone and the enterprise communities, as well as within certain segments and areas where there are actually initiatives that offer even greater opportunities for the future.

THE PRESIDENT: Thank you.

I wonder if -- there are a couple of our panelists who have not said anything yet, and before I wrap up, I want to give them a chance to make a comment or two.

Crandall, would you like to say something?

MS. BOWLES: I represent Springs Industries, a textile manufacturer in Fort Mill, South Carolina. And I think it's appropriate for me to make a comment because we have gotten a lot of exciting new employers into this area. And BMW has gotten a lot of attention in our state. But the textile industry and related industries are still the largest employer in the area. And so certainly our future is important.

I'll make one quick comment about our industry, and then in response to some of the questions you raised. Certainly our industry, probably to a greater extent than most people realize, has made significant investments in both in capital and technology and in education. Our industry, as opposed to the apparel industry, which we're closely linked with, is very

capital intensive. We've invested over $2 billion a year for the last 10 years. And most of it's been in this region. My own company invests over $100 million a year in -- just in new technology capital equipment.

We also have invested significantly in educational programs, in training of our work force. As Hugh said earlier, we have a lot of older workers, so we have to invest in on-the-job training as well as public education and hiring practices.

My own company has an extensive GED program. We have job training -- on-the-job training programs. We have partnerships with technical colleges and community colleges. We have training programs. We have extensive computer training, team training. We have -- we send people everywhere from Harvard to mobile classrooms at our plant. In fact, we even have Secretary Riley coming to our headquarters this Sunday to unveil a statue to education.

So we invest extensively in education and training of our work force. And it's not just my company -- all other textile companies, large and small, have done this. As a result we've had strong productivity growth in our industry over the last few years. We have made investments in stable and quality and higher paying. We certainly need to be able to continue this in some of the issues that we see that the government and your administration would contribute to. Certainly most important, and particularly for us as a consumer-based industry, is a strong and growing economy. And I certainly don't need to elaborate on that in this group. The ability to continue capital formation and investment in technology and education, as Hugh mentioned, is also significant.

Finally, I should certainly mention the trade issue. The textile industry has been known for a long time for being protectionist for our protectionist views. We have really come a long way beyond that. And we have worked very closely with your administration, as you know, on both NAFTA and GATT. I would say that no administration in the last 20 years has been as helpful to the textile industry as this one has. Ambassador Kantor and textile negotiator Jennifer Hillman have worked very closely with us on both of those agreements and making sure that they're positive for us and open opportunities.

I would say our industry is what economists call mature. We don't have -- we're not a high-growth industry. We need new markets for growth. And these trade agreements will give us that opportunity. So in closing, the continued cooperation along those lines will certainly enable us to continue to provide more stable, higher quality jobs in this region.

THE PRESIDENT: Thank you.

I thought that was important for everybody to know, because I think people's preconceptions about the textile industry are very different from the reality of where that industry is today. And it's still a very important part of our national economy as well the regional economy.

We've run way over time. We started a bit late, but we're going to move right into the next panel. I want to ask, before I close, if any of the other three people who are sitting around who haven't spoken would like to say anything.

Mr. Davidow, I wanted to recognize. He started a company six years ago in Smyrna, Georgia, that provides colorant to AT&T for its fiberoptic wire. And his new company just defeated a Japanese company to become a subcontract supplier of colorants for auto dashboards made by Toyota.

Having said that, maybe Ambassador Kantor ought to hire him to handle our Japanese trade negotiations. (Laughter.)

MR. DAVIDOW: Good morning, Mr. President and Mr. Vice President. I, with my wife, own Toncee, a small business that manufactures liquid colorants and coatings for the vinyl industry. We supply the automotive wiring, cable and wall covering markets. In the wire and cable industry, Toncee is the recognized standard for optical fiber inks. Toncee is also the technology leader in environmental friendly, UV curable inks and coatings for optical fiber.

We are currently supplying production quantities of environmentally friendly inks and coatings for the replacement of solvents for the automotive and wall covering industries. We are projecting a 50 percent increase in sales for 1995 predicated on these new products.

There two areas which not only affect Toncee but all other small businesses. The Federal Reserve interest rates, that we talked about before. Interest rate increases number five, six and seven had a dramatic adverse affect on Toncee customers, up to and including reduced work hours and layoffs. From March to June of '94, Toncee and its customers were extremely busy. Subsequent business slowdowns coincided with interest rates increases. It is felt that lowering of these interest rates would restimulate our industry.

The second one is capitalization. It is very difficult for small business to generate adequate cash flow to fund dramatic growth, even with the excellent margins. In order to fund our projected growth, we have shortened the payable cycles and are minimizing inventories. And hopefully that will carry it.

I want to say thank you to the SBA program, which has assisted Toncee in starting and maintaining the business thus far. Without it, we wouldn't be in business today.

THE PRESIDENT: Thank you very much.

Later on today, we ought to talk more about the whole interest rate issue. But I thank you for saying that. We are doing our best to keep the rates down. Obviously, when the economy grows very rapidly, they're going to go up some. And because we're in a global economy, we have to compete for money. So if the other countries raise their interest rates, even when we don't have inflation here, we're almost forced to do it to some extent. But we're -- the long-term rates are moderating now. We're going to do our best to keep them at a rate that will sustain growth.

We've run way over, but does anybody else want to say anything? Well, I thank you. This has been a very good panel.

We're going to not take a 15-minute break, but just as however much time it takes for the panelists to change. But let me say this next panel is very important because we've been looking at this from the top down. Now we're going to look at it form the point of view of the families in themselves.

Thank you.
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SOUTHERN REGIONAL ECONOMIC CONFERENCE
SESSION III: INNOVATIONS IN EDUCATION AND TRAINING

Emory University
Atlanta, Georgia

1:13 P.M. EST

THE PRESIDENT: Good afternoon. The third session is obviously going to be on innovations in education and training. And there will be three presenters, and then I will call on several others to make comments.

Mark Musick of the Southern Regional Education Board, with whom I have worked for many years in my former life; Karen Fooks, the University of Florida and John Clendenin of Bell South. They will discuss, beginning with education reforms, then the impact of some of our higher education initiatives on higher education, and of course, Mr. Clendenin will discuss his perspective on the connections between school and work, something on which he's done wonderful work for many years now.

So let's begin with Mark.

MR. MUSICK: Thank you, Mr. President, Mr. Vice President. I've been asked today to give a perspective on education in the South that goes beyond the daily headlines that often give rise to cynicism, even despair, about education. At the Southern Regional Education Board, we've worked a good bit with higher education as well as the schools, but I'm going to confine my remarks today to the schools.

My perspective is one of hope. This is no time, in my view, for despair, frustration or cynicism. If you would allow the analogy, it may be a little like we're behind in education, yes, but maybe like an NCAA Division I basketball game where a team is behind by four seconds, and the other team has the ball, and there's still hope, and the team can still win.

We've heard today that more than a half century ago, another president focused attention on the South's economy. He correctly called the South the nation's number one economic problem. President Roosevelt might have declared that the South's number one economic problem was education.

Today, here on the campus of one of America's greatest universities, in a dynamic city that will soon be hosting the world's attention, it's obvious there's been some change for the better. And, yet, education is still the number one economic issue in the South.

Our problems are now a different magnitude. When President Roosevelt made the South's plight a national concern, southern educators weren't much worried about high school dropouts. They were preoccupied with an attendance rate of 75 percent, and hundreds of thousands of students who never came to school at all.

Today, we're rightfully concerned that five percent fewer southerners have a high school diploma than in the nation as a whole. That figure wouldn't have fazed our grandparents.

But it represents more than two million adults, and it's spurred us to work hard on dropout prevention.

The year President Roosevelt drew the nation's attention to the South, we were spending barely half as much as the nation to educate a student -- .53 for every dollar spent nationally. The endowments at Harvard and Yale were greater than those of all southern colleges and universities combined in 1938.

Mr. President, when you entered the first grade, the typical American adult living elsewhere in the nation had a high school diploma. The typical southerner did not. The typical southern African American adult was not likely to have even attended high school.

Today, the South is at 92 percent of the national average for adults who have attended college and worth 90 percent of the national average for adults with a college degree.

Mr. President, Secretary Riley, you know firsthand that the South was a hotbed of educational improvement in the efforts in the 1980s in your former life. And we needed to be. As a result, we now have kindergarten programs in every state, and more than 90 percent of our youngsters complete kindergarten. We worked hard to establish kindergarten, but we know that it isn't enough. More of our states are investing in preschool and early childhood programs to expand Head Start's reach.

More than half of our high school graduates today are taking four courses in English, three in science, three in mathematics and three in Social Studies. That's more required than any other states in the country.

That's not enough, but in the early 1980s, only one of seven of our high school graduates took that mix of courses, just in 1982. Most southern states have eliminated the general high school curriculum, a dead end for students. Now states are looking at programs such as the Southern Regional Education Board's "High Schools That Work" program that prepares students for jobs by blending together hands-on teaching and academic contents similar to that in college prep.

And these programs are bringing parents to schools to shape a learning contract for their children and teachers. The South is leading the nation in advanced placement programs, let high school students earn college credit and take college credit courses in high school.

More than half of the high schools in the South now have advanced placement programs, and Secretary Riley, you know that every high school in South Carolina has that program. But only one of nine students in the South is taking an advanced placement course.

Our efforts in the 1980s and early '90s came in a decade when we had 40 percent of the enrollment growth in this nation here in the South. We had 600,000 more college students, and half of the growth in the teacher work force in America was in our states, not an inconsequential figure.

The list of these educational accomplishments is not offered as an alibi for our shortcomings. We have problems and failures in some cases, because we know what to do and we haven't done it; in other cases where the answers aren't clear. But it's wrong to abandon the course, be cynical and believe we have made no significant progress; we have made a great deal of progress.

We've made less progress than southern governors of the 1980s and others of us hoped for. Frankly, we haven't set our standards high enough, although nearly every state is talking about doing so. We don't yet have the student achievement results we want. We've yet to reach all the three- and four-year-olds who need extra help getting ready for school. We need more emphasis on school-to-work programs, the kind of accelerated programs being pushed by John Clendenin and Bell South. These are programs that help those students who were previously floundering in the dead-end general curriculum.

We need more centers located adjacent to schools that provide a range of health and social services for young people and for their parents, as Secretary Riley has called "the most important partner in education." We need more alternative schools for youngsters that have discipline problems.

Now, the overarching question -- and I sense, although I was meeting with Tennessee legislators last night and early this morning -- I sense from your conversation that the question may be, can we keep our education improvement efforts in focus and on track with a high public priority. And I think enlightened business leadership, such as I see around this room today, may hold the answer to that.

We've had decades of catching up, and we are still catching up. I believe we will catch up if we keep education front and center. Goals 2000, Mr. Secretary, is the most flexible federal support I have seen in my 25 years to keep a focus on national goals and still help states pursue the initiatives and the goals they have set, the goals that states and the governors worked out in Charlottesville and then later on in state legislatures.

You've observed, Mr. President, somewhere in America, someone is dealing successfully with nearly every education problem we face. We will find enough of the right answers -- not all of them, but enough -- in our states if our education governors and our education-minded CEOs truly make education a high priority.

I believe that today is an important anniversary for Atlanta and for Emory University. One hundred and nine years ago today, John Pemberton, a druggist, mixed up a first batch of what was to become the world's most famous beverage. The most recent annual report of the Coca Cola Company begins with this message from the Chairman. I'll get straight to the point. The Coca Cola Company has momentum, and we have no intention of letting it go. I hope, Mr. President, when we leave here today, we leave with a sense of the momentum that was begun in the 1980s, and the Chairman's determination that we have no intention of letting that momentum go.

THE PRESIDENT: Thank you very much.

Karen.

MS. FOOKS: Thank you, Mr. President and Mr. Vice President. I'm very pleased to have the opportunity to talk to you about one of the education innovations in higher education, and that's the direct loan program. The University of Florida is a comprehensive public research institution of a student body of 37,000 students.

Last year, in 1993-94, 25,000 of those students received some sort of financial aid for a total of $144 million. Of that $144 million, $87 million was federal money, and of that $87 million, $70 million -- the federal student loan programs.

We have a default rate -- I'd prefer to call it a repayment rate. Our repayment rate on those loans right now is better than 95 percent, then I think we need to emphasize the repayment rate rather than the default rate.

Initially, we were skeptical of the direct loan program. Our prior experiences with the Department of Education had not been exemplary, to say the least, and we were reluctant to have them as our sole lender. However, the reality of the situation was that the existing family federal educational loan programs on our campus were broken beyond repair. We were totally out of control on that program.

Because we are so large and our student body so diverse, we were dealing with about 37 guarantee agencies and about 200 lending institutions, each of whom had their own forms, their own processes and their own deadlines. And it reached the point that when a student came in to see us, and asked about the status of their loan, we couldn't tell them with any certainty what their status was, when they would be paid, or in some cases, even how much they would be paid. And so as a result of that, we decided to go into the direct lending program.

I am very pleased to report to you that we consider the direct lending program to be an unqualified success. In fact, we sort of think we died and went to heaven and we're evangelists for the program now, if you will.

The benefits, the primary benefit, as far as we're concerned, is improved student service. The program is simple, it's easy for the students to understand, my staff understands that we're actually knowledgeable about the program again, and delivery is much faster to the students on the front end. Now, when a student comes to our customer service desk, we can say with reasonable certainty what their status is, when they'll be paid and have confidence that those things will happen the way that we say that they will.

There's only three people involved in the process: the student, the financial aid office, and the Department of Education, and one phone call can resolve a problem for us. Turnaround time on applications, from application to delivery, has improved from three to four to five weeks to under a week, and in emergency situations we can actually go from application to payment in 20 minutes if we have to. That was unheard of in the existing loan programs.

By the end of the first week in January, the first week of classes for the spring semester, we disbursed $26 million in loans. That was $10 million more than we had disbursed at the same point in time a year ago, and $24 million of that $26 million was paid in one day. This is just unheard of delivery on our campus.

As a result of the improved delivery, our traffic into the student aid offices dropped 20 percent. Students don't need to come in to see us. The improvements will continue as they finally believe it when we say "the check is in the mail" and it really turns out that it is.

I'm very pleased to have with me, in fact, one of our students, a Miss Rebecca Cummins, who is a fourth-year medical student at the university who is someone who has experienced the benefits of these programs, and she's sitting in the audience this afternoon.

In addition to the student service, we've benefitted in other ways as well. We've improved cash flow, the tuition and receivables go directly to the university before the student is paid, and we were able to increase our receivables the first week of classes through the aid system, from $4 million to $11 million.

In summary, we have a federal aid program that truly works. There are numerous repayment options for students, and even though none of our students are in repayment yet, we have had a number of students express interest in the number of options available to them; in particular, income contingent repayment that you mentioned earlier. As the debt load rises, many students were concerned about being able to make it

affordable, and this is one burden off of their backs. They know no matter what job they get, they'll be able to pay for it.

There are some improvements that can still be made, and I would encourage you to continue your efforts to reinvent government, to reduce the regulatory burden, and to increase performance-based standards in the regulations that are written so that we can see even further efficiencies. Thank you.

THE PRESIDENT: Thank you very much. That's very encouraging.

John.

MR. CLENDENIN: Mr. President and Mr. Vice President, education has been mentioned many, many times today, and there's been a lot of discussion about work force skills and work force skill shortages, and I would say amen to all that has been said.

You mentioned earlier that the Southern Growth Policies Board study which provided the great wake-up call for the South, a badly-needed wake-up call in education, had the title "Halfway Home And A Long Way To Go," in 1986, I would take a slightly contrary perspective and say, maybe today if we were to title that, we would give it the title "Halfway Home, But Still A Long Way To Go."

And the reason is that the work force skills required in this Information Age that we live in represent a moving target. It's a little like another old southern saying, "The hurrier I go, the behinder I get." Through, I think, successful and progressive leadership throughout the Southeast, I think our states have made a lot of progress in K through 12, but it's obvious they can no longer measure themselves in isolation. They must compare themselves to the world-class standards that this global economy demands.

That was certainly made evident by the leadership and effort that you and Secretary Riley put in to passage of the Goals 2000 legislation. So I would say we've made a lot of headway, but there's still a lot to do, in the Southeast and in the nation as a whole.

My observations will be three, and they are made from the perspective of a business that is very dependent on human resources, close to 100,000 people, most of whom are employed in the South, and from an industry that is facing tremendous change and the introduction of new technology, and from the perspective of the Bell South Foundation, which has, like one of the other corporations mentioned earlier today, devoted a great deal of money to education projects over the last few years, about $25 million in grants in the last eight years -- a lot of lessons learned from that, some successful, some not so.

Conclusion number one. I think our system of education must re-embrace its responsibility for preparing people for the world of work. It's fundamental to America's success. Now, clearly, schools must maintain and strengthen their purpose of preparing young people for citizenship; that's part of our democratic heritage. But, just as clearly, all young people must be prepared to support themselves and their families, and this is difficult. And as I mentioned, work skill requirements keep changing.

As Mark mentioned, many of our schools in the Southeast have eliminated the general track diploma and committed to moving every student from high school to either a career-oriented job, or to higher education.

But that commitment, I would argue, may remain just an ideal until employers do a more complete job of defining the careers and the skills of the competitive marketplace and open their doors for work-based training and work-based learning.

Now, that doesn't mean that schools, colleges in the Southeast or anywhere else should train students to walk on the job all ready, absolutely ready to work, but they can and should, it seems to me, share every student the experience of workplace technologies, assure every student the understanding of workplace relationships, and of the type of decision-making skills that let them adapt to work environments.

And these must be relevant in real time, in today's workplace, not to yesterday's jobs. And beyond this, as older employees need to retool or prepare for a new career, it seems to me that additional education must be accessible and affordable to them. Otherwise, we're wasting a lot of talent in this country.

Someone has noted that in today's fast-changing workplace, education and training never stops. So it's not K-12 or K-16 anymore, it's K-12 square, or K-16 square. That's what we need in this country.

Second conclusion. We and a lot of other businesses like us need to rethink our system of recruiting and training and make sure that it is integrated with schools and colleges. We've been examining our customer needs and our processes just as every other business has. We've been in the business of reengineering. That's the code word these days. And all businesses are doing it. We're learning that many jobs are no longer needed. And many jobs have evolved to require new skills. And some old jobs are needed in new places. The pace of change requires continuing investment in employee training and development. And this cost will always be with us. And that's okay. That's okay. But we can improve our productivity as a nation and lower our costs and be more competitive if we have an identified and skilled pool from which to recruit.

So it's right back to the skill shortages that were mentioned earlier this morning. And it's a terrific opportunity. By developing relationships with schools and technical institutes and colleges, businesses can develop qualified applicants who require considerably less initial training and orientation. And that's cost efficient in this global economy.

An anecdote -- when we hired some temporary electronic technicians last year to support a changeover in our technology, we found that the partnership colleges with which we had established a relationship were a source of technical school expertise that cut the training time in half. And that was a tremendous advantage for us.

We're pursuing right now four pilot apprentice-type training programs that we think will prove the case for education partnerships that will increase our productivity and our ability to compete.

Last point -- successful work-based learning I think hinges on successful classroom learning. And the place where our children work must have the advantages of the same information age technologies that are used by their parents in the workplace. A case for technology as a tool for learning seems so obviously. And states like Kentucky and Tennessee and Georgia and Florida and others in the southeast have allocated significant dollars for classroom technology over the next two or three years. But the case for technology as a tool for teaching and classroom management must receive greater emphasis.

We still have a lot of situations where the teachers workplace does not begin to compare to the average employee's workplace. We're still in a blackboard and printed material society. Our students in some cases regard their teachers and unskilled labor because of the lack of modern tools.

Technology offers education opportunity beyond the individual child to entire groups of children with less access to quality education. And we have seen the application of distance learning throughout the southeast prove that the new vision of education with today's information highway is an exciting opportunity for the future. Over 200 schools here in Georgia already participate in an interactive video network. And the Vice President can tell you that he participated in the cut-over of the North Carolina information highway a few months ago. And eventually there are going to be 3,000 schools with access ramps to the North Carolina information highway, which will make distance learning an opportunity that's spread throughout that state.

So clearly, access to technology must be a high priority if we're going to solve the education challenges that face this country.

So what can government do? I think that the joint effort of the Secretary of Education and Secretary of Labor in school-to-work partnerships and school-to-work transition is exactly the right direction to take. I think Goals 2000 represented a tremendous opportunity in a leadership display that needs to be given more teeth and more incentives as we go on.

And last but not least, Mr. President, I urge you to use the bully pulpit. We have got to continue to emphasize education. You need to make that the highest priority in this country, because in this information age and a global economy, it has to be the top of the list.

THE PRESIDENT: Thank you very much.

I'd like to move on now to first of a discussion of education reforms in the public schools and call upon the -- in order -- and ask you all to watch the red light, because we've got two sessions to get through this afternoon.

Benjamin Canada, the superintendent of the Atlanta public schools, Anne Jolly, the 1994 Alabama teacher of the year, and Secretary Riley.

MR. CANADA: Mr. President, Vice President, Secretary Riley, I feel like I -- having grown up in northeast Louisiana just a few miles south on Highway 65, in 1962 as a graduate. I've been a part of systemic reform all my life, because the country has continuously changed. And being in education has allowed me the opportunity to witness some of the issues that we have been confronted with change. John Clendenin just talked about the technology. And perhaps some of our teachers are being viewed as being illiterate almost as it related to their ability to deal with technology.

We have to continue to do some of the things that we were able to do in Mississippi and what we're doing here in Atlanta, and that is to get both local, state, federal governments working together with private enterprise and the local school system to talk abut what the mission is, what we see as the changes on the horizon, interact with the Department of Ed out of Washington, and then pool those resources to do more training. The Goals 2000 in terms of professional development that's there, we need to make sure that every state is doing that. We were successful in Mississippi in getting that successfully enacted. And we were able to get the benefits of that professional development.

Here in Atlanta, the business community has gone overboard to recognize not only the fact that economic recovery and sustained economic viability has a heart. And that heart is education itself. And so therefore they're working with us to strategize on where we want to do. We're setting high standards.

We're setting world class standards and saying that in addition to having those high-class world class standards, we also have to go out and seek qualified staff and leadership to implement those standards.

We're saying that we have to be accountable for the resources. Right now, for example, we're embarking on closing 18 schools. That's not a comfortable position to be in. But from an accountability standpoint to say that we will not take off the backs of children the money to pay for utilities, we will put that money into programs and to people to give them an opportunity for success. We will make those kind of decisions. But we need you to help us continue to vocalize a vision that talks about success for all children.

We can no longer have education for a few and training for the many. Success for all children has to be the foundation. Nothing less than the very best for every child, whether that's rural or an urban, is what we have to ask for. So we ask for your continued support on that.

Q This is something that's new with this administration. I would like to thank Secretary Riley for the amount of input that he allows for ordinary classroom teachers, people on the front line, because any kind of changing in education is going to happen one classroom at a time, one teacher at a time.

I never intended to be a teacher. I'm a research biologist, and I moved to Mobile; could not find a job in my field and so took a scattershot approach and applied for a lot of jobs, including teaching positions. I was hired as a teacher, left a pristine laboratory, went into a hot, dilapidated portable, teaching a group of 13-year-olds who really did not want to learn math. And I loved it. And I realized I was engaged in the most important profession in the world. And so, since then, I have been quite an advocate for it.

I'd like to tell you, the school I'm in now, we are a school which holds a strict 50-50 racial balance. We require every student -- it's a middle school -- every student by the end of the 8th grade must complete the first year of Algebra I. They must complete the first year of a high school foreign language. They must maintain a 70-percent average in all subjects. And they do that and they score very high on all of the achievement tests.

Some things enable that to happen. You can't just simply say we want that to happen and have it to happen. First of all, we provide them with good facilities. Our middle school students have laboratory assignments.

I want to read you just a sentence that was taken from a local newspaper, a letter to the editor written by a group of students in this: "Our physics class on the second floor averages 95 degrees daily. If you need a feel for what this might be like, climb into your attic on any given day and try to work a few physics problems." (Laughter.)

That's not an uncommon situation, unfortunately, in many schools today. Another thing -- I am delighted to hear my words coming out of so many other mouths here today. Teacher training technology, computer phobia with teachers -- we have been broadsided by the Information Age, and we desperately need some help. The Goals 2000 money can help to provide training for teachers. The Eisenhower funds, a big source of training for me personally -- and I hope that those will be stable again at some point.

Community partnerships have played a big role as far as enabling my school to function. We have parents with communities working together. As far as what you can do -- I see

the red light blinking and I usually respond to bells better, so I'll wind it up. But as far as what you can do at the national level, you're doing a couple of good things. The Resource and Development Lab that serves the Southeast has done a wonderful job of providing an electronic network for teachers through which we can kind of break down those classroom barriers. And they are trying to provide assistance as far as helping us get on line.

Now, something that I really want you to do --please try to hold the course on the Goals 2000 money and see that that money reaches -- that no strings attachment; now, there's an idea whose time has come -- reaches down into the local level like it should, because this "now you have it; now you don't" philosophy that seems to be going on right now is really hurting kids.

And to conclude, I'd just like to read the last part of this message that this group of students sent. They said, "People, this is your tax money at work. The power and the blame is in your hands. We students have no control or choice. Schools are the tools used to shape the next generation. Only we are being shaped with the wrong tools. Here's your chance to put forth your contribution. You can help change these tools, not just for my generation, but to all those that follow."

So I've made a flashcard, because I noticed that all -- a lot of people ahead of me had these nice charts and all and I didn't want to be left out. And so, being a teacher, I made a flashcard that I think kind of sums it up, and it's the word, "change." We're going to have to change the way we do things in education. Our theme song has been "It's Yesterday Once More," and we need to wake up in tomorrow. (Applause.)

THE PRESIDENT: Mr. Secretary.

SECRETARY RILEY: Mr. President, Mr. Vice President, I, like the two of you, am really here to listen and not to propose. I would observe, though, that we could call this well an education conference. I've listened carefully through the day and I think it's been a common thread that has run through.

I noticed you said this morning, talking about the South coming out of the Depression and the governors and you and I were two of them in the '80s looking at education and jobs and economic development, or the partnership, as you called it. And that really seemed to work. And the South, of course, has had good economic success. I think it's very clear today in everything everybody has said that this country now, the nation that was at risk in 1983, and the frustration that's out there -- the middle class frustration that you all have talked about -- very clearly says to me that education is the answer to all of that. And if we stood back and tried to think of a way, then, to have the federal government's national priorities set on education, to provide resources but leave the ingenuity and the way to do it to the state and local schools, I think we would come up with Goals 2000, which is in place and was signed by you about a year ago.

So I think we have that, and we have School-To-Work in place, and I think it's very consistent with the message that we've received in this conference.

THE PRESIDENT: Thank you very much. I just want to point out, since we've all been sort of dancing around it here a little bit, and since Anne Jolly brought it up, the Goals 2000 is one of the targets on the Contract hit list. And I just think it's part of a -- it's a classic case where I think the theory is overshadowing reality here. The argument against it is that, well, 95 percent of the money for public education comes from the state and local level; the federal government never did anything to make education better, so just get rid of it.

The truth is that if you look at the Elementary and Secondary Education Act which was passed last year with overwhelming bipartisan support, and the Goals 2000 legislation, which was passed with bipartisan support last year -- we have done more in the last couple of years to both set high standards, which all of you say we need, and give more flexibility, freedom and elbow room and decision-making authority to classroom teachers and principals at the grass-roots level than has been done since federal aid to education began three decades ago.

So we have tried to pursue both. And if we jerk this money back from Goals 2000 now, which is not a lot of money but is critical for the teacher training and the kinds of things -- if we want our schools to have high standards and be able to achieve them and to be able to operate on their own, this is a critical piece of that.

So I hope we will be able to be successful in restoring it. We feel very strongly about it, but it's always nice to hear people who actually are living on the other end of this in educating our children say that. I thank you, too, Mr. Canada, for what you said.

I'd like to talk a little bit now about accessibility and quality in higher education. And after that, we're going to talk a little about community colleges and then the role of business.

I want to call on, next, two educators and two students -- Johnnetta Cole, the President of Spelman College; Sybil Mobley, the Dean of the School of Business and Industry at Florida A & M, and then Rebecca Cummins, who was mentioned earlier, a fourth-year medical student at the University of Florida and Austin Branch, who is a member of Casa Verde and a national service volunteer.

So, could we start with you, Johnnetta?

MS. COLE: President Clinton, Vice President Gore and Secretary Riley. We think of educators as folk who bring forward facts and figures. I don't have any facts and figures today. I want to testify very briefly.

I want to testify about the sheer power of higher education in our nation. I testify out of my experience as the President of Spelman College, a historically black college for women. And I will say to you that I have a great fear about these very, very impressive young women. I'm afraid that we are educating them so well that one day I'm going to return to campus, and up on the top of Rockefeller Building will be at least 25 young Spelmen women flapping their arms, convinced that they can fly. (Laughter.) Because that's what education does. It convinces people that they have the possibility to do the impossible.

I need to testify, though, that at an institution known for its distinctive process of education, that close to 82 percent of these young women are receiving some form of financial assistance. For a government that helps to provide some of that assistance, I needed to come here today to say thank you.

I also want to testify momentarily for the experiences of so many young African American students in the 41 private colleges of the United Negro College Fund. I have the honor of serving at this moment, Brother President, as the chair of those 41 presidents. And so I've really gotten to know those institutions.

If we take away the possibility that these young folk can receive an education, because we say we can't pay for it now, we, then, will pay for it later. And the bill will be mighty high.

Finally, I want to testify out of the experience that I'm having now. As a president who has taught in the spring of each and every year that I have served at Spelman, but this year I decided I wouldn't teach Introduction to Anthropology, Introduction to Women's Studies and do it at Spelman, I decided I would walk out of those gates and into one of the poorest neighborhoods in our city, and that I would teach in the University in John Hope Holmes -- built in 1936 and 1937. I've done it in part because I try to emulate what you do, and that is to teach by example.

I wanted to say to Spelman students and faculty the power of service when it is connected to education. Just as you have said that in bringing to our nation the possibility that students, in fact, can help to pay for their education through service.

Well, I have learned an incredible amount about what it means when people who are poor are respected, with people who are said not to have dignity, have a chance to express it. The fact that we sit in an educational setting, in a setting where I respect these folk, is an empowering process not only for them as my students, the oldest of whom is 69, the youngest is about seven, it is an empowering process for me as a teacher.

Let me try to say that what I think is so essential in order for us to reproduce this enormous process called education, this empowering process, is exactly what I see happening in your administration. Because it's about access, number one; and it's about quality, number two.

When we talk about access, this is why we're so grateful to Governor Miller for that Hope Scholarship program. This is why we are so grateful for your leadership on the question of assisting middle-class families to send their children to colleges and to universities. This is why community colleges are so important, because they provide access to large numbers of Americans who would not otherwise go to college.

But I have to say that that is why the Pell Grants are absolutely essential. We cannot pull back now when, in fact, what we need to do is to move forward with more possibilities of educating our folk. And secondly, it's about quality. And I really applaud the leadership of Secretary Riley and of you and Vice President Gore in saying that our folk deserve the best, that we have got to have standards in education, that we must be accountable to how it is that we do educate. And that's what Goals 2000 is about. That's what I hope we in higher education will come to do even more of, and that is to monitor ourselves.

But I think quality is ultimately about expectation. It is about teachers who demand the best, and give the support for to come forward. It's about our saying that no child is incapable of learning, and then providing the means for the child to do so.

Let me conclude, Brother President, by saying that each of us could give a litany of what's wrong with higher education and with all forms of education in our country. But I'm reminded of someone who said to me in the middle of a setting where I was giving a litany of problems -- the brother said, why don't you just practice the Noah principle? And I asked what is the Noah principle? And he said, it's time to stop predicting the rain and build the arcs.

I want to say thank you for what I think has been an administration dedicated to building some arcs. We need some more arcs, but thank you for the ones that you've helped to build.

THE PRESIDENT: Thank you. (Applause.)

Dr. Mobley.

DR. MOBLEY: Just keep applauding through my time. I'd like to first indicate the comfort that this conference gives that with all your national and global concerns, this conference assures us that you're still putting people first. And the focus on regions gives us even further assurance. I think in today's global economy and where there are a lot of winners and a lot of losers, and everybody is a global citizen and every firm is a global concern, only the government is committed to look after the people. And putting people first is really the justification for this government. And I admire this effort.

My program is composed of exceptionally talented, academically advanced students. I call them monsters. (Laughter.) Yet over 200 of these monsters dropped out in January for financial reasons. Many of them said, I used to have two parents working and I have one. My parents used to make $30,000 a year, now they're on minimum wage.

Now, of course, I'll get around to John Clendenin and Hugh McColl, and somehow I'll get these kids back in school. (Laughter.) But this happens all over the nation. You know, schools go out and recruit the best of talent. They work hard to provide them the best programs. And they're falling out, even with direct loan and Pell. This is a great loss that we can't afford.

My program is business, so in terms of what the impact of losing assistance that we have would have on minority business, I would like to say it would be devastating. Education will be more crucial to minority business persons in the future than it has ever been in the past because it's an entirely different world. These minority entrepreneurs have to be global in perspective if they're just operating in Marietta, Georgia. They must be able to be flexible to deal with the current economy. The education that their parents got in business with and carried them through, it just won't work. Self-made minority businessmen won't get made.

Small business is the greatest source of employment in the country. And if minorities are denied the opportunity to participate, it will undo a lot of the social gains that we've made through the years. Without education, minority businessmen will only have the opportunity to fail, not to succeed. Ours is a continuance of the direct loan programs, the Pell Grants and all forms of aid, because it's the aid that will make the difference.

Thank you.

THE PRESIDENT: Thank you.

We have a couple more people I want to call on to discuss the college aid from a different perspective. One came here, is not with Karen Fooks but is not at the table -- Rebecca Cummins (phonetic) who's at medical school in Florida. I think she's in the audience. Are you here? There you are. You've got a microphone.

MS. CUMMINS (phonetic): I want to thank you, Mr. President and Mr. Vice President. I would first just like to express how important the student loan program is. Without student loans, my husband, who's here also, and he's a fourth-year medical student, and I never would have been able to have attended medical school directly out of college, and we wouldn't be graduating as physicians this spring.

I've experienced both the old loan program, and in the last year my school implemented the new federal direct loan program. Some of the problems with the old program that I experienced personally were, one, complexity of the application process itself. The application process involved filling out multiple forms. Frequently I would have to send the same forms them two or three times before my application was completed.

In addition, more significantly, I never received my loans on time. It was always two to three months into the semester before I received my loan payment. I was fortunate that my grandmother was able to send me money in the meantime so I could pay my rent and other expenses, otherwise I never would have been able to do that.

The new federal direct loan program, it's a much simpler process. I have over the last year, since it's been implemented, I've received my loan check the first week that we started the semester. In addition, the new federal direct loan program has more repayment options than the old loan program.

My husband and I will be graduating with a total debt of approximately $140,000. If we were to have paid back our loans on the standard repayment program, which was a set fee over a 10-year program, we would have -- during our residency, have been paying more than 50 percent of our net monthly income towards loan repayment. But now with the new income contingency plan, which is very appealing to both of us, we can pay a set percentage of our income towards loans. So when we're in residency and our salary is significantly less than when we're in practice, we'll be making smaller loans payments.

So I'm a big promoter of the new federal direct loan program. I think it's going to be a big benefit for students.

THE PRESIDENT: Thank you. (Applause.) Good for you. (Applause.)

Mr. Branch, tell us about yourself.

MR. BRANCH: Hello, Mr. President. I just wanted to start by saying thank you for starting up the American Institute for Learning Program, which has helped a lot of kids on the streets get out and get an education. And if you stay in this program for a year or more you can get up to a $5,000 grant or college. And that's the main reason I'm with the program today.

I mean, if I would have -- if it wouldn't have been for the grant, my only other option to go to college would have been the military, and that's not something that I really want to do. But I want to go on to law school, which is another option. And I just got my GED. So, I mean, there's not really much that I had options to do. I mean, if it wouldn't have been for the program that I'm with for AIL, I wouldn't -- we get training, on-site training, for construction.

THE PRESIDENT: Tell us about some of the things you're doing. What about the community service projects?

Q The community service projects we do, is we go out and do weatherization on houses, help old people, help handicapped people build ramps to get into their houses. We haven't been really working on much yet -- I just started about two months ago. So there's not -- we just started on our first house this week.

THE PRESIDENT: This young man is one of 20,000 Americans this year who are in various projects in our community service -- our AmeriCorps program. And they worked for approximately the minimum wage, but they pile up the same education credit -- roughly the same as the G.I. Bill, about $4,750 a year. And they can work for two years in community service programs and earn that much toward their college education. And then they can use it in the community college. They can use it in a training program. However they please, as

long as the credits have to be used for educational purposes. And in the meanwhile, they do service, not determined by some distant person in Washington, but based on an approved community program, a grass roots program. In all 50 states we have these projects.

And we now have as many -- more people in this program than ever served in the Peace Corps in any single year. And I believe it's turned out to be very cost effective -- the administrative cost is low. And we're getting a lot of things done in the country that wouldn't be done otherwise.

So I thank you.

I want to talk -- before we get off this higher education and go back to the role of business in education and training, which will be our last topic, I want us focus a moment, since it was said in the earlier panels this morning, that educating the adults and continually educating the adults is going to be critical to our future. I want us to talk a little about community colleges and adult education.

And I want to give three people in particular a chance to say a word. Nate Wells is a student adviser and former student at Indian River Community College. Virginia Moore, who is an accountant who plans to return to school apparently next year to get her degree. And Sandy Tilton, the president of a program called Call-a-Nurse. And I'd like for them to talk about adult education. And for those who -- where it's relevant, to community colleges.

Mr. Wells.

MR. WELLS: Thank you, Mr. President, Mr. Vice President. Working -- I appreciate the vote of job security when you said the president of Coca-Cola. Community college is most important in building skills. That -- integral part of that is working at the business development center, we would go out and work with -- in the work force to retraining workers.

But my experience was, I found myself hitting that glass ceiling, not being able to be promoted, even though I had the experience. I figured I'd have the potential to do better, but someone told me, well, you can't -- you need this degree; you need this piece of paper. So I went back to a community college at 25 years old to pursue my -- get that piece of paper that I had so desperately needed to move on.

And in doing that, it was the beginning of the rest of my life. It's been a charge. I was able to work full-time, go to school full-time, and at the same time be a husband and father of two children, and still get out with a 3.2 grade point average. But I would not have been able to do that because my wife was -- she wasn't employed at the time through certain illnesses. I would not have been able to do that at a university. It took a community college, right there, three miles from home to be able to do that.

And now as an adviser at the same college that I came through the system on, I have renewed respect for community colleges. And now I can pass on to the students who I serve just how important it is, how important the community colleges is. And I try to educate them on education.

Many people have these fears of coming back to school, whether they've been misplaced workers, laid off, and as myself, being -- coming back years later after high school, saying, well, I need a fresh start. They're afraid, and so was I. So, again, it's renewed respect for the community colleges and the adult learning process. And many people come in -- they don't know where to start, so we have career centers; we have financial aid in the community college that I work for. We have

it all in one small area. And within that area, we can just pick up the phone or walk across the hallway, and people are not --for the beginning we hold their hand. So in that -- it gives them a fresh new start. And they're able to go on confidently afterwards. And it feels good to see someone a semester later saying, well, I'm still doing it, and hollering at you in the hallway saying, Hi, Mr. Wells, I'm still here, and I'm doing it. And how's the classes going. They're appreciative of the start that we give them.

THE PRESIDENT: Good for you. Thank you. (Applause.) Very good. (Applause.)

Ms. Moore.

MS. MOORE: I'm a single mother of two children. And I'm also a recent college graduate. Last September I graduated with my associate's degree in accounting. Now that I know I can do it, I'm not satisfied with just an associate's degree. So this fall quarter I will return to college and start working on my bachelor's.

My children and I, we now have a wonderful, bright future to look forward to. But it wasn't always that way. Two years ago, I was classified as a high school dropout working in a gas station. I quit school when I was 15 because I was pregnant. And the gas station that I worked at was partly full-serve, which meant I was also a service attendant. I pumped gas. I washed windshields. I put air pressure in tires. I checked all that. And when I was through with that, I collected your money and sent you on your way.

I received a lot of encouragement to go back to school because I spent four years of my life working in the gas station. And I spent 11 years of my life running from education. As the gentlemen just said, you're scared to death. Number one, you've got to admit to yourself you need help. And, number two, you've got to admit to a total stranger, hey, I need help. Can I enroll in your classes?

Well, I found a wonderful school in Griffin, Georgia, that was happy to take me in. And within one quarter, I passed my GED. I spent 11 years running from something that would only take me three months to accomplish. It doesn't make much sense, does it? It truly doesn't.

But what the GED is is a second chance for adults who's made a mistake. And I really would like to thank America for having this wonderful classroom, and for giving adults like me a second chance.

Thank you very much. (Applause.)

THE PRESIDENT: Ms. Tilton.

MS. TILTON: I'm a graduate of the Job Corps. I graduated from Atlanta Job Corps in 1974. I have two words to say about Job Corps -- it's hope and opportunity. When I entered Job Corps, I was 16 years old, and I had completed the 9th grade. I spent approximately six months going through classes to receive my GED and my nurse's aid training. And the end of that six months, what I knew, everyone else realized, is that I was pregnant and I would have to leave the program, which I did for four months. When I reentered Job Corps, it was as a solo parent with my four-month-old son.

I went on to nursing school to obtain my nursing license. While I was in the Job Corps program, they provided me with classes on skills on how to be a parent. And I learned social skills. And I learned I wanted to be somebody.

and I learned social skills, and I learned I wanted to be somebody. As I received my LPN training, I worked for some of the local hospitals here in Atlanta, and I went to work for a company that supplied supplemental staffing nurses to hospitals.

After working for that company for eight years, I decided to do something I could do myself. I had a business partner, her name is Sue Lane; she's a nurse also. And she and I opened a Call-A-Nurse in 1986. We borrowed $15,000 and neither one of us were employed at the time.

In our first year of business, we billed out over $1 million. We've been in business for almost nine years, we've provided jobs to hundreds of health care workers here in this state, here in this city and other states as well. So I would like to say that the investment that the government made in me, and the faith that they had in me, especially as a young person being pregnant and a single parent, being an entrepreneur, a female minority business owner -- I've had many titles -- (laughter) -- that they have made a good investment, and I've been able to give back, and I continue to give back, and I thank you very much. (Applause.)

THE PRESIDENT: Well, I think what they said speaks more powerfully than any comments the rest of us could make. You know, I just want to say, when I was a governor back -- as I used to say, back when I had a life -- (laughter) -- at graduation time every year, I'd always give a couple of speeches, anyway, to GED classes.

And by the time I left office, we were spending more money per capita on GED, I believe, than any state in the country. And we were sending all of our adult education workers out to work places if they were over a certain amount of size. We couldn't make all of the service stations, but we were actually doing a lot of teaching in the factories.

It is the least expensive thing America can do to have the biggest short-term impact to get a GED to every person who doesn't have one. It is the least costly thing with the biggest impact. I am absolutely convinced of it. And you all were terrific. And I thank you for what you said about the Job Corps, too.

We had a Job Corps center in my state. I didn't have anything to do with that. That was all federal. But people used to complain about it was fairly expensive, but there were people there with real problems and enormous talent. And I don't know how much it costs, but whatever we spent on you, we got it back 100,000 times. And I thank you for what you said.

I'd like to now go back to the topic that Mr. Clendenin raised that, hopefully, with the view on getting some more specific suggestions on what we should do to speed this up. And I want to start with Thomas Malott, who is the President of Siemens Energy and Automation. And I think he has one of his student apprentices here. And I want to start with him for a specific reason. This company had a plant in my state; I was very familiar with it. But it's still there, and they're still making money, too -- isn't it? (Laughter.)

THE PRESIDENT: I told you it would never be the same when I left. (Laughter.) Let me make a point. Germany does a better job than any country. Siemens is a German company. And one of the things the Germans have been able to do better than any country in the world, I think, is to devise a system for the non-college-bound young people to get education and training beyond high school, tied to the workplace at very high skill levels, so that there is a sort of a seamless web that runs through the education and work experience as young people grow up and go into the workplace in ways that are not only better than the United States does, but better than anybody else does, too, as nearly as I can tell. And Siemens has probably done the best job of any company that I'm aware of, coming to the United States, being a good citizenship, a good corporate partner of ours, and trying to at least apply in an American way those lessons. And so, I think it very important for them to have a chance to be heard here today on this subject.

MR. MALOTT: Thank you, Mr. President, Vice President. We certainly appreciate your staff's offer to allow us to bring our apprentice to the program to see how government works in action, and I'd like to just take the opportunity to introduce Barry Broom, who is a junior at Milton High School, and he is our apprentice, one of our apprentices in the program.

I'd like -- before we spend a few minutes explaining how our program works here in the United States, I would like to say that the reason we're doing these programs is because we feel very, very strongly for us to compete in the global economy, we have to have highly skilled people on the factory floor.

Dr. Ratajczak, at this morning's presentation, indicated that he felt that there are only two types of employment left in the United States; you either have to have it in your head, if you didn't have it in your hands you were out of work. I think we would take a slightly different perspective on that position, because as long as we build things like automobiles, generators, electric motors in Arkansas, we have to have people who not only have intelligence in their heads, but the willingness and the ability to work with their hands.

In fact, I feel that if all the jobs get off into the corner where everyone needs a PhD to work, the problems we're talking about are going to be really difficult.

So in trying to solve this problem, we found that university graduates typically are not so interested in getting down into those areas of a factory, and that the high school graduates that were available to us simply didn't have the skills. So we brought over in principle, the programs that we have in Germany, but did want to tailor them to the issues in the United States, because the cultures are really quite different, and frankly, we wanted to make sure that what we were getting out of these programs were people that had the ability to work in teams and also pretty good social skills.

So we've set up four programs now; one in the State of Florida, one here in Georgia, one in North Carolina, one in Kentucky. We're developing people who have electronic technician skills on one area, another skill we're working on is tool and dye making and automation equipment assembly, which is a skill you can't find anymore in this country.

The programs -- and I would have to say, we're very pleased at the reaction that we've gotten from the local school systems, both the high school level and the community college level, and the federal level to support these ideas. In fact, what I think we found is that when they brought the idea forward, it was more or less a catalyst and people were waiting to grab hold of the idea, and we have had very, very good results, I think, in the support from every area that we've tried these programs.

The program basically is a combination of academic requirement. The people going through the program have to come out with basic mathematical skills -- science skills, and we combined 2,000 hours of work-related training. With that, there's a progression in the system where hours that they spend in general can be applied towards an associate degree, and most of them are going on to get associate degrees; it also allows them to link, obviously, to higher education if they want it.

We've brought over meisters -- these are the highest skill levels in the German system, to teach the hands-on, and we're using the academic base here in this country to support the educational side. We have about 200 people now involved in this training, and it will be accelerated.

In closing, I'd like to say that I've been personally involved over the years in talking -- involved in education in local areas, and these problems are talked about a lot. But the difference between talking about them and doing them is a big thing we've got to get over.

We feel we have to have these people. It doesn't need to come from government. If we don't have them, we're not going to be competitive. And the competition isn't waiting for us to get through these problems; they're coming at us every day. And so I think if there's one thing you might think about is that, frankly, our accounting systems and tax systems still are based on the idea that people are expendable and they're not capital, and we look at this as a capital investment, just as we buy a machine. But, unfortunately, our business practices don't allow us to look at it that way. It's something you might want to think about.

THE PRESIDENT: I think that is a very important suggestion, and I would like to make a request of you before I call on anyone else to write something to me, specifically suggesting how you think -- what you think the tax treatment should be.

This is -- it's a huge deal, and I will go back to something that happened in one of the earlier panels. This spurs not only your interest, but the interest I have in trying to encourage companies to make the most of their present employees to try to stabilized the lives of Americans seen their lives are being turned upside-down quite a lot as it is.

I'd like to call on Steve Jones next. He's the business manager of the International Association of Bridge, Structural and Ornamental Iron Workers. And I'm calling on him next for a specific purpose, which is for years and years in this country, all the apprenticeship training was done by the unions. And business -- this is really a place where business has sort of caught up to what the unions were doing before almost exclusively on their own, but are still heavily involved in. So I want to give Mr. Jones a chance to talk.

MR. JONES: Thank you, Mr. President and Mr. Vice President. I'm so honored to be here today, and I'm very appreciative of it. I represent 753 members and 100 apprentices of the Iron Workers Local Union here in Atlanta, and I understand from some of my members that some of the other people who were there before the reception last night, you had some kind words to say about Jack Falls, one of my members who was killed at the Olympic stadium. And on behalf of my members and his family, we do appreciate that.

What I want to talk to you about today is what I consider the best-kept secret in American education, which is apprenticeship training programs. Through a negotiated, collective bargaining agreement, a certain amount -- dollar amount or a few cents is set aside through a joint effort with management and labor to set up training programs -- in my case, construction training programs, whether it's the Iron Workers, Sheet Metal, Plumbers and Pipe Fitters, Mill Wrights, and I could go on. We all have training programs, whether it be four years, five years long -- where we do on-the-job training, where people are brought in, started at a certain wage, and they go to school at night, they complete the program, they get structured raises, and when they complete, they have a job when they're through at a wage where they have a skill where -- whether their work slows down here or anywhere else, they're able to go and do the job.

Our general president, Jake West, at Iron Workers International, has stressed cooperation between management and labor to make sure that we have good training programs and we keep journeyman upgrading programs, so that our membership is always abreast, always brought up to date on what the latest technology is.

Not only does the funding furnish the upgrading, but while they're going through the apprenticeship program they have health care. They've also started with a pension plan. And all this with private funding and no other money.

I heard this morning where it was said that Georgia is running out of -- or people in the South is running out of hands to do the work that needs to be done. I can tell you from the people who come through my door and apply for the program, that's true. They're older. They have been everywhere else. They've tried a lot of other things before they get to me.

I would like to see more emphasis put on apprenticeship training, the availability, and especially in high school level where they know this is an option. And it's been brought out time and time again here today. Not everybody's going to college. They're told that in school. We go into a career day. We know when we get there that they've been told, you go to school; you go to the armed services; or you go to technical school.

And what we offer is free. And we teach them a skill. And there are right now 325,000 people in different apprenticeships. In the construction trade there's 180,000. That number should be over a million in apprenticeship programs learning a skill.

In closing, I would like to say that I think apprenticeship programs, if this is stressed in high schools, can offer building blocks toward a meaningful career, not stumbling blocks. And I'd like to see more emphasis put on it.

Thank you.

THE PRESIDENT: Thank you.

I want to call on Peter Correll, the chairman of Georgia Pacific next. But before I do, I'd like to ask Secretary Riley to briefly in length, just two minutes, explain what we're trying to do with the school-to-work program to help support these kinds of transitions for the people who don't go on to four-year schools.

SECRETARY RILEY: Thank you, sir. This is, of course, a program that deals with really a restructuring of high schools, as we know them. And many states and many school districts are in that in one stage or another. We're working the program jointly with labor. Bob Reich and I and all the way down through our organizations, are handling it in a very joint way, which is working very well.

It says then -- it's similar in building from the tech-prep program, but it involves education in the classroom -- high level, technology, same high standards as Goals 2000. It's not a watered-down curriculum, but learning in a different way. Then the experience is also out of the classroom into the plant site or the hospital or the bank or wherever the general area -- career area is involved. And then it also calls for post-high school education. It is clear message that when you finish high school you're not through. Really we're talking about lifelong learning. But at least one or two years of community colleges or technical colleges. Then often people go on in, as you are doing, to get -- going in and get their bachelor's degree after they get into community college work.

So it's high standards and it's connecting work and school, and all those connections in between.

THE PRESIDENT: The reason I wanted to say that -- before I -- lest you think that the story that Virginia Moore or Sandy Tilton told us, are -- they're exceptional people, but their personal successes are statistically mandated almost. You ought to pickup a copy -- it's hard to read, but if you look at the '90 census, the 1990 census, which charts what happened to Americans and their income between 1980 and 1990, it is perfectly clear that while most of the jobs of the 21st century will not require a four-year college degree. Almost every job in the 21st century that has a growing income requires at least two years of further training after high school, which is why the community colleges are important, why the GED's important, why the Job Corps -- wall this stuff matters.

If you look at the census tracks, you look at all of our fellow Americans, and you just see it. It's just -- the numbers are breathtaking, the income trends, and absolutely not open to argument.

Mr. Correll.

MR. CORRELL: Thank you, Mr. President. Thank you, Mr. President. As you know, I serve on your Council for Sustainable Development. And your listening to me again today is above and beyond the call of duty. And I'm sure you've got about all the advice you want from this Georgia businessman.

But let me talk a little bit about our industry and our company because we are the rural South. We're a very special industry. We make forest products. And our strategy is pretty simple -- we're going to make it cheaper here than any place in the world, and we're going to sell it around the world. We don't manufacture any place else. We have 50,000 Georgia Pacific employees who make stuff here, and we sell it everywhere in the world, which means world competitiveness is everything to us.

And when we talk about what's the matter with the educational system, all that's very important. But what's more important to us is what employees do we have now, because we are the world's most capital intensive industry. We have built facilities to last 40 and 50 years, which means we hire employees to work for us --wage union members for 30, 40 years.

And when we moved into trying to upgrade our people and move the statistical process control and all those things, we found the programs didn't take. And we went into Crossett, Arkansas, a facility you know well -- one of the biggest forest products facilities in the world -- and found that 40 percent of our employees were functionally illiterate. In 1990, 40 percent of our employees were functionally illiterate. We launched major literacy centers, major adult literacy centers. We now have that number cut in half. That's not adequate, but 20 percent more people can read and write and then be trained to go on and compete today in Crossett, Arkansas, than they could be. And our goal is to drive that to zero.

So our emphasis is on train the people we've got, get them equipped to compete in the world because our strategy depends on that ability.

And it's not easy, but once we get them so we can compete at the basics, then the additional training is easy. That's high-return stuff. And the wonderful thing is we hold these facilities, we keep them open 24 hours a day, and families come, too. So a lot more people in the rural south now can read and write. And we're not unique.

As to what we would ask of government as we try to do this is two things: Keep the trade playing field fair and level. When I see our distribution here in Atlanta selling 40 percent of its product, Canadian lumber, while southern lumber mills are closing down, something's wrong. And keep the environmental regulations based on science, not based on emotion, but based on science, because if we're not overregulated and we have a fair field, we can fix the employee issues. Together, we can fix the employee issues and we can compete.

Thank you very much.

THE PRESIDENT: Wayne.

Q Mr. President, I want to say, listening to all of the things that I heard, my faith in America is restored. And it's uplifted, because one of the greatest concerns I've had is the growing gap between the haves and have-nots. And I feel like we'll overcome that.

There were a number of things, subjects covered this morning -- and I want to talk about education a minute. But, first, I want to make a couple of comments. Number one, there was criticism around the country, too, about government regulation. And there sometimes, I guess, it gets over the mark. But there are a lot of things, though, that require government regulation, such as health and safety in the workplace, environmental concerns, the minimum wage to help the bottom people, consumer safety, civil rights -- all of those things are government programs that protect us. so we shouldn't be down on our government. The government serves the people. And we ought to recognize that and accept it and applaud it.

One of the pieces of education that hasn't been talked about here -- we've covered a lot of things -- and I think we need to talk about it minute, and that is to teach management and labor to work together. Cooperative programs, jointness, whatever you call them. Pete and I, we have overcome those difficulties, and we've learned to get over an adversarial approach to work together. But I think we ought to just look for a minute how these programs work and what can government do to help. And there is something you can do. And I know President Clinton has spent a lot of time on this. He even had a conference in Chicago a year or two ago.

But I just -- take one example. I think Harley Davidson is a great success story. In the early 1980s, they were owned by AMF, and AMF spun them off. They weren't making money; they were losing; told them you're on your own; are you going to make it or not; you got to sink or swim. And the management of Harley Davidson set down with the union and the workers representatives, and they said, well, we've got a chance here; what can we do together. Together -- sometimes it takes a crisis before management recognizes they've got to do it together instead of by executive fiat. So they set down together and they asked the workers to make certain concessions and sacrifices in their benefits and pay. And they did.

And their product that they were making at that time was lousy. I mean, this is management's description of it. I got it from them, listening to their CEO. They couldn't sell it. And they couldn't compete. And in three years' time, through cooperative programs with the workers, they were turning out a good product. And they were selling it. In three years, the workers' benefits and pay and concessions were restored.

Today, there's a two-year waiting list to buy their product. They make the best machine made -- best motorcycle made today. All because the workers' contribution and management working together. Now, this is education where it counts. And the company is ready to expand their operations, and their workers are going to help in that decision-making process -- how they expand and where they expand.

And how did they do this. How can government help. The FMCS under John Wells, whom you appointed -- and I think he's doing a terrific job as director of the Federal Mediation Conciliation Service -- he put in his budget $10 million for training to help teach management and labor in America how to work together, how to run these cooperative programs. Now, that's taken out of his budget. I think it ought to be restored. And I would ask you gentlemen to look at that and see because that's really a small, small thing in the overall federal budget. But it's so important that management and labor work together. And I know Secretary Bob Reich, he's done a tremendous job on this. And I've heard him make a lot of speeches about it. And all of them are super. And I've heard President Clinton talk about it. And I know he knows and recognizes the importance of these things. I recognize it.

I've learned a heck of a lot, and I've been a union representative for 38 years. I didn't just come on the scene. I want you to know, I've learned a hell of a lot, because I didn't used to feel that way. But I've gotten smarter, that's what I'm saying. And we all need to get smarter, and we need to make these programs work, but we need to do it together.

So what I'm basically saying is we need an industrial policy in this country, a tripartite industrial policy that's management and labor and government working together. And that's my suggestion.

I just want to say one thing about something that was said this morning. And all the facts are not out here. It was some -- since I live in Nashville, I know what the facts are. There was a mention about the Opryland Hotel having to go outside the area or region to hire workers, and that's true. They went outside the country, not just outside the region. And they hired 150 workers. And, yes, they bought another hotel to put them in. And why? Because the -- one of my compadre's unions trying to organize -- the unions can't talk to the workers. And you can't talk to the on the job, because only management can do that. That's a captive audience kind of situation. They load them in vans, haul them to this hotel, which is also owned by Opryland, and the union organizers still can't speak to them. Now, there's something wrong with labor laws in this country that allow that kind of thing to happen. They're virtual prisoners. And that's not right. And it ought to be corrected.

THE PRESIDENT: I would like to -- I thought you were going to crack a joke about it. I thought you were going to say that we were promoting hotel sales through our union banks. (Laughter.) Thank you very much.

I want to call on, now, Mike Sturdivant from

Mississippi, and then I'd like to invite Karetta Hubbard to make a few remarks, from their experiences.

Mike.

MR. STURDIVANT: Mr. President, I certainly would like to comment to the fact that you featured education as a part of your economic program here today, because certainly I'm convinced that a sound educational system anywhere is absolutely critical to a sound, good, business economy.

It is interesting to me, as I've heard the different people speak -- the teachers and the presidents and certainly, I don't have any merits in that vein, or academic abilities, but I would like to ask -- to raise a point. You said you wanted some suggestions on how you might improve it.

What's been interesting to me as I've watched the school systems in Mississippi and over the South for that matter, how some of them seem to succeed and do well, consistently, and I mean the systems on the bottom end of the money side of the thing.

I would ask you -- and, yet, I'm looking at other systems where I've seen kids come out of there that really don't effectively know how to communicate. They can't write a decent letter or come up -- it's almost scary to me. But I would say to you, somehow or other, let's get involved and take those districts that are consistently doing well and go find out why. If it was my business, certainly I'd be doing that, and I'd be making that information available to the districts that aren't producing as they should.

I think, particularly of Charles Harrison of Panatack -- (phonetic), Mississippi, that has got an elementary school there today that's been recognized as one of the outstanding schools in the country. And he wins the state thing every year, and he does it in a district that's 40 percent minority, that's number two from the bottom in expenditures for students, so something's going on that's right. And I would say, go on in and find out, and let's see if we can't translate that a little more in the other areas of our state, and certainly the South. It's a pleasure to be with you.

THE PRESIDENT: Thank you.

MS. HUBBARD: Thank you very much for giving me the opportunity to talk about education and training in the workplace. My firm is a human resources consulting firm. We help companies and organizations manage the changing diverse work force. By the year 2000 and actually before then, 85 percent of the new work force will be women, minorities and immigrants. So education and training of that work force becomes a primary important component of our educational system and also our economic development in the country.

We, in our company, look at education and training in the work force. And with regard to women and minorities and immigrants, we still find that there are still glass ceilings for women and concrete ceilings for minorities. But we also find that these barriers can be broken. We find that smart companies that establish family-friendly policies, such as job-sharing, flexible work schedules, telecommuting systems, mentoring programs, coupled with education and training programs for all their employees, are the companies that are on the forefront of these issues, and also are the companies that are working in a progressive way.

Because, once these family-friendly policies are put in place, then these women and minorities are available to take advantage of education and training opportunity. And I'd also like to point out that the success of these programs is not only good for the employee, it's also good for the employer as well.

These programs, once established, create a tremendous amount of loyalty on the part of the employee. They, then, are so loyal to the employer that it reduces turnover and helps productivity. And as far as the companies are concerned, it enables them to better market their services and products in a competitive global marketplace.

Thank you very much.

THE PRESIDENT: Thank you. We're kind of running out of time. I want to hear from everybody else. I feel compelled to make a brief comment in response to what Mr. Sturdivant said, because as Mark Musick said in his opening remarks, I used to say all the time that every education problem in America had been solved by somebody, somewhere. But unlike the private sector where you would go broke if I.P. did something that you refused to do just because they did it, we don't have the same incentives in the education system.

Also, to be fair, a lot of these teachers and principles are just overloaded, which is why, going back to what Anne Jolly said, one of the reasons that Secretary Riley's worked so hard in this Goals 2000 program just to get these schools just some time to plan for excellence, not a lot of money, just time and space to plan for excellence, we once had two little schools that got national awards in my state at the same time. One of them reduced the dropout rate to zero in a very poor area by identifying troubled kids in the 8th and 9th grades, and making sure that they got their writing skills way up so that they could have high levels of self-expression.

So they did all this serious essay writing way out in the country from a gazillion miles from anywhere, and we couldn't get people to mimic it. We had another rural district that literally quadrupled the test scores of Chapter One kids in the early grades by going to smaller class sizes, having the kids mentor each other and not segregating them off and telling them they were stupid.

And we tried to pay districts to go to this district and look at it and learn from it and go back and put it in. And we had people who would hardly take the money. And I think it's because the schools are overloaded and not organized to plan for this. They're not given the space. So this is not something the federal government can do beyond what we're doing with Goals 2000, but I would say that every state here present, if I had stayed on as a governor, that's one thing I was going to devote the rest of my term to, is figuring out a way to institutionalize reforms of what works, to district, to district, to district. It is the single -- in my judgment, in some ways, the biggest problem in American education, because if you've got something that's working, it's terrible not to have it work everywhere.

I'd like to ask Michael Coles to talk now. He's got a remarkable story, and ask all of you to be as brief as possible. We'll go through Michael Coles, and then Gene Russo from the Communication Workers, and then we'll just have a couple more folks to hear from.

MR. COLES: Hi, Mr. President and Mr. Vice President. I appreciate the opportunity to speak. I've been reminded all day of something that I heard Governor Miller say about a year ago in a speech that he was giving. He said if you ever see a turtle on a fencepost, the one thing you could be sure of, it didn't get there by itself. (Laughter.)

When I think about the ability of government and business to work together, I think it's one of the important challenges that we all have. But I also think, and I can say this as the living proof that the American Dream is still alive in what my company has been able to accomplish. We really believe a strong commitment in giving back to the community, and I think that businesses have to really recognize that they have a responsibility to give back to that community that has helped build and make their businesses successful.

Our company has just initiated an apprenticeship program that's a little bit different than those that have been talked about today. We're in the cookie business, and most kids can really relate to that. We don't make battleships and we don't cut lumber. And we've launched a program which we call "Kid Blink," and we developed this program here in Georgia. We've now expanded it nationwide.

We're going to go into middle schools and kindergartens, and we're going to teach kids how to go into the cookie business. They can relate to it, they can understand it,

but more importantly, whether we teach them the cookie business or teach them any other business, we're really teaching them that there is a business that they can go into, that there is opportunity in this country and that they have to at least keep themselves focused on the fact that those opportunities do exist, and we can do that simply by showing them a simple business, at least apparently looks simple, that they might even be able to relate to. It's very much like going into the lemonade business, lemonade stand when they were on their own blocks.

The only other thing I would like to say is, we started this business during the Carter years, and there were incentives that business was given that no longer exist. And as I said, I'd like to see business and government be able to work together, and so I'd like to see some jobs bills that create a reason for businesses to go out and try to educate and hire people that they might not normally go out. It's good for everybody -- go out normally and higher -- it's good for everyone.

I also think that it's very important for businesses to have an incentive to develop child care, because I think as we grow as a nation, child care and, of course, education will be two of the most important problems that businesses will have to face with two working parents, and the ability to keep both of them on the job.

I'd like to thank you for the opportunity to speak, and I've really enjoyed the session. And as someone else said earlier, my faith in America has also been restored.

THE PRESIDENT: Thank you.

MR. RUSSO: Mr. President or Mr. Vice President, part of being with CWA, I was hired and worked my early career with Bell South. In the 15 years that I worked there, you can count on one hand the number of training programs that I went to. It wasn't because Bell South did not believe in the training, but the telephone technology in those days was slow and regulated.

Today, we're seeing the explosion of the Information Age, and the technology is changing so drastically that it is leaving some of our members and the employees of Bell South behind.

Fifty percent of all of the jobs that we are doing today did not exist 20 years ago in telecommunications. One-third of what jobs that my members have today will be obsolete in five years. But the most glaring thing is, 50 percent of the knowledge that my members have in Bell South today will be obsolete in three to five years.

We never discussed education in dealing in the collective bargaining process 20 years ago; you wouldn't have seen it. It now has become a great, big issue in bargaining, because we believe that is the security of our members' future. And in 1989, we felt we weren't doing enough, and Bell South and CWA came to an agreement -- it's called the Employment Security Partnership. And the name is very, very important, because it says employment security and partnership. And Bell South and CWA have been a true partner in that this partnership is run on a board of directors equally of CWA members and Bell South management.

We have three CWA members over the nine Southeastern states that are coordinators and counselors, helping or people understand what is happening in the future. Bell South made a tremendous commitment in agreement in bargaining that, in order for our people to take advantage of this education process, they must know about it. And they literally took 60,000 employees off the payroll for two hours just to orientate them what is going on

in the future than how they can education themselves for the jobs of the future.

We only worried about educating someone when they were surplus and their job was surplus, and now it's too late to do that. So we have joined forces with the American Community College Associations, and have them administer our education program through CWA and Bell South. And last year alone, Bell South portion of that, that they committed was $24 million. And we have literally taken people that had no hope in this technology age in the future and tried to reeducate them for the technology change that is coming in the future. Above that, that anybody who takes a course and completes it on their own time in the evening, we even throw in $50 a course, just for incidental expenses of going back and forth.

Our members understand the competition in our industry is coming full-fledged. We know our jobs have got to change, and we know we have to be reeducated. We understand when the company tells us that they have to reengineer to be competitive in the world market. And we accept it as a union. But we feel that reengineering cannot stop just at the downsizing phase. It has to continue to educate the present employees so that they can improve the process, which reengineering is all about, so that we believe that the employees on the payroll of Bell South and the CWA members can compete against anyone in the global market as long as we're trained to do it.

Thank you.

THE PRESIDENT: I'd like to ask the last three people for their brief comments. Linda Chavez Thompson, our good friend, former mayor Maynard Jackson, and Mr. Dennis Bakke. Would you go ahead.

MS. THOMPSON: Thank you, Mr. President, and Mr. Vice President. The buzz word in America today is redesigning and reinventing government. The public employees represented by our union, the American Federal of State, County and Municipal Employees want to be a part of that change. But we feel that we must be as front-line workers the initial -- to initial partnership with government in making those changes.

We believe that public managers can learn a great deal from the workers who are on the front lines. But we need components to be included in making those changes. We need to design a flatter, more responsive bureaucracy by cutting back the number of layers between decision-makers and front-line workers. We need to provide well-targeted, high-quality training to governments employees. And we need to develop partnerships between public employee unions and government to make the process work.

When you redesign or reinvent government, you're talking about public employee jobs and the elimination of job security for those public employees. Therefore, the partnership provides them the opportunity, knowing full well that there are less dollars. There are going to be even lesser dollars if the current mood of the Congress is to cut back on those dollars that come to cities and states and counties. And we need to teach our members the skills that will help them do their jobs better, which means that if they learn how to do their jobs better, the government can do its job better as well.

We have several examples where AFSCME has joined together in partnerships with states, cities and counties across this nation to reinvent government at the state level, at the county level, add at the city level. In Ohio, our AFSCME affiliate, OCSCA, is in fact training workers now, today, for jobs in the future and entering into the 21st century.

We also are part of the Department of Housing and Urban Development's Step-Up program, where AFSCME and other AFL-CIO unions are in fact taking housing residents and training them in building maintenance jobs. And the successes in programs in Baltimore, Chicago, Phoenix and Huntington, West Virginia, now is leading the opportunity for opening more programs in other places, in other cities. These people who graduate from these programs will be offered permanent positions after serving their apprenticeship programs through these programs, in those housing authorities.

AFSCME affiliate, local 1199 in Philadelphia, was recently placed with massive layoffs due to the restructuring of the city's medical college hospital system. Local 1199 worked with those housing -- with those hospital officials to set up a labor management council to address training and job placement issues. This collaborative process identifies workers who are at risk of displacement and provides specifically-tailored training services to help place these at-risk workers in vacant positions with the hospital system. Once you eliminate a position, that person has had no training to move into other positions, that person is out of a job. They're back on welfare; they're on unemployment; they are not a productive worker.

In D.C. 37, AFSCME D.C. 37 in New York City, a training program was set up 20 years ago to provide training funds for workers that were displaced or who needed additional training. In one particular case we had a worker who was having problems in picking up people through the EMS program, simply because they did not understand sign language. The program provided him the additional training that he needed to be able to learn sign language and perform his job better. Many other places we have in New York City as well, a training program to help -- to have welfare recipients in full-time positions eventually with a type of training.

AFSCME as an organization has decided to make the redesigning and the reinventing of government a top priority simply because with the lesser dollar, with the American public now looking at how their tax dollars are being spent, they want a more streamlined government. It cannot be done unless the partnership includes the workers that are doing the job because it is their services to the public that are needed. But at the same time, it is also their dollars and it should be well spent.

Thank you.

THE PRESIDENT: Thank you very much.

As I call on Maynard and Dennis, I just told the Vice President something. As I was listening to Linda talk, there's one group of people here we haven't -- we didn't have represented today that we should have. We had people who had been unemployed who lost their jobs, who worked their way back into it. We had remarkable stories of people who had personal adversity and then worked their way back into the work force. But one of the things that is happening today, I'm getting this is letters from friends of mine and reading in the newspapers, is the combination of reinventing government, downsizing the national government. And a lot of the national corporations striving for greater efficiency means that perhaps the biggest squeeze on people who are in danger of losing something they got and not getting it back again are middle level managers.

I noticed, for example, there was an article that I showed the Vice President the other day on -- one of these endless articles now being written about affirmative action. And I don't want to get into that now, but the -- but there was one -- I thought about it because it was here in Atlanta. I think it was an EPA employee who was a middle level manager, who said, well, we've got a lot of white, middle level managers who are losing their jobs. And they think they're being discriminated against now. And I got a letter from a guy I grew up with who had lost his job in a Fortune 500 company, one of three 50-year-old engineers who had been basically downsized or reengineered or whatever.

There's a whole class of people in our society who have played major roles in their communities and their families, been very stabilizing influences, and they think they're being rendered obsolete. And they don't know what they're going to do or whether they'll ever get back the jobs that they had.

I think in the state, county and municipal workers, because of the work you're doing and because we're pushing more responsibilities down to the local level, your membership will probably swell, and probably those that in the management positions in most state and local governments will probably be all right. But if you look at the combination of what is happening rightly in the federal government and of necessity in a lot of the big companies, we may be creating a group of people out here with great talents who are all -- and enormous years of ahead of them, who don't have any place to go.

And we don't have those people represented. And we're going to try to get them at the next meeting. And I just wanted to kind of put that out there. But I thank you, Linda, for what you and AFSCME are doing.

Maynard.

MR. JACKSON: Mr. President, Mr. Vice President, and Secretary Riley, Governor Miller and all the distinguished members of the Cabinet and the staff, we welcome you to Atlanta, which is America's greatest city, with the possible exception, of course, of Little Rock. (Laughter.) Atlanta is not perfect, it's just best. (Laughter.) And that's what I think about America -- it's not perfect, it's just the best.

We are a greatly troubled country, I believe, and I think one of the questions we are facing today is how do we translate what used to be the question in Atlanta, "Is it good for Atlanta?" into the question for America, "Is it good for America?" That was the rationale that had CEOs all across Atlanta for many generations not looking at the bottom line, but despite the bottom line, saying whatever it took to build this great city, that's what we're going to do. Is it good for Atlanta; is it good for America.

How do we inspire and give hope? How do we uplift America and all Americans? How do we, Mr. President, take your phrase -- how do we preserve the American idea? And I believe that the first thing we have to do is set a premise here; one is, no more studies. We've got studies enough to choke a horse. I think the time is for action.

Number two, we cannot consider education and training in a vacuum. Dr. Canada wants to know and the Teacher of the Year, Ms. Jolly, wants to know what's walking through that school door in the morning. Where did they sleep at night? Did they have something to eat? Was it a decent home? Is mama employed? Is there a mother? Is daddy employed? Is there a father? So we cannot consider these in a vacuum.

Therefore, I recommend some of the following considerations. As the former CEO of a major multibillion dollar customer-based organization know as the City of Atlanta, my orientation is toward problem solving. I cannot guarantee you that I've got the answers, but I'm like the guy who was in law school; the teacher said, I cannot guarantee to clear up the confusion, but I can guarantee to make the confusion clear. (Laughter.)

The first thing I'd recommend, Mr. President, Mr. Vice President, is a conference of national urban policy. We live in a nation where 80 percent of the people live on two percent of the land. There is no road map. You have supported that. You have never received the level of support from the Congress that you should have received on that issue, and I think we need to get it. We need to have a conference of national urban policy.

What would it touch on? Number one, the need for more local governments to go into public entrepreneurism. We cannot keep on raising taxes. Local government now must move to a new theme. As James Russell Lowell said, "New occasions teach new duties, and time makes ancient good uncouth." What is the new thing? It's public entrepreneurism. Leveraging the assets owned by the taxpayers. Putting local government into business for the benefit of taxpayers.

Number two, infrastructure investment. We've neglected our infrastructure to our detriment. Billions of dollars need to be invested. There are four bills pending before the Congress now that will let that happen without raising taxes. The Rebuild America Coalition, which I had the pleasure of chairing for three years, 60 national organizations, labor and management, made these recommendations.

Next, I think we need an improved employment and training program. They killed CETA, the Competent Employment and Training Act, a program that was having, in my opinion outstanding results with a seven-percent failing factor -- thievery, whatever it was -- waste and the whole bit. Right? Compare that to the S&L situation and that seven percent on CETA pales by comparison. We need a stronger employment and training act.

I think we need more youth foundations. I have a Maynard Jackson Youth Foundation three years old. We're moving out of peer training. We've graduated Class A -- Class A has been hired now to come back and help us to train Class B -- poor children, Atlanta public high schools, and they must have leadership potential in the opinion of their teachers.

The next thing, I think we need to move to an education that's incentivized -- public education management. Management. The speed of the boss is the speed of the crew. Good boss, good crew. Bad boss, bad crew. We need to pay teachers more money and we need to give them bonuses over and above the base salary. We need to have site-based management with the principals given the authority to make that school work. And they ought to be paid consistent with their success. We do it in business; we need to do it, in my opinion, in education.

We need to repeal the '86 Tax Act insofar as it affects housing mortgage bonds. If we want to know what happened to homelessness, took 80 percent of the federal money out of housing and then sent it to the private sector -- no more incentives to build housing. We need to change that.

The next point would be equal economic opportunity. Equal economic opportunity. In my opinion, affirmative action is going to be redefined -- I don't care what they call it, but it's not preferences. It's not quotas. The question on the California ballot is a trick. Nobody is for preferences. So that's a case -- and everybody is for that proposition. Yet nobody is for that proposition in their right mind because they know what is intended.

It is my opinion that we must seek to empower what, in effect, is the ninth largest gross national product "nation" in the world, and that's black America. Bigger than Canada and Mexico put together. Not 8,000 miles away, but right across town. A Third World nation in the ghettos and barrios of

America. Can be enabled to be economically empowered to trade with America, with American goods and American services, to pay their own way. It's like James Brown once said, a great Georgian, "I don't want nobody to give me nothing. Just open up the door and I'll get it myself." (Laughter.)

I think we also need -- and I'll hurry on here -- I think we need to understand that the South is where it is economically because we are an extraordinary region. By some convoluted methodology, southern integration, comparatively speaking, is more successful than other regions of the United States. The joke goes in the North, whites don't care how close blacks get as long as blacks don't get too high. And that in the South, whites don't care -- I'm sorry, opposite. Whites don't care in the North how high up you go as long as you don't get to close; and the opposite of that is true in the South. Whatever the reason, the bottom line is that could it be only a coincidence? And the answer is, no, it could not be that here in this region, dynamic-economically, we have an example of how integration ought to work. It's far from being perfect, but it is definitely beyond what it used to be.

And the three most educationally integrated states in America are Mississippi, Alabama and Georgia. I believe there's a tie-in. I believe there is a causal connection.

Finally, I think we need an aggressive, no-nonsense plan to make capital available to African Americans, Hispanic Americans, other minorities, and women to grow this economy. If there is no ladder to success that works, if hope is another empty promise, we won't have to worry about the so-called angry white man, but we will have to worry about the angry black man, in my opinion.

In closing, I will remind us of what Mr. Justice Cardozo once said. He said, "Danger invites rescue, and a cry of distress is a summons to relief."

Mr. President, the cry of distress is out there. I thank you and the Vice President for leading us toward relief. Educationally, I think we need to teach tolerance everywhere, and this is an excellent start in the right direction. Thank you. (Applause.)

THE PRESIDENT: Dennis?

MR. BAKKE: Mr. President, following the basketball analogy, having to follow Maynard Jackson on his home court is no fair. (Laughter.)

I guess it's probably inevitable that at an economic conference we take everything from an economic prospective -- education, health care, jobs, quality of life. I hope, Mr. President, you will remind us that virtues, character, principles, values and faith, even in this context, are more important to life and to our future than money and economics.

Three quick comments. One, in the area where we have the most learning possibility that takes place in the early years especially, we need a lot more emphasis in keeping fathers in the home, fathers and husbands taking care of their responsibilities. And I wish we could continue to talk about that. I have no idea how to do it, but we've got to have more fatherhood responsibility in this country.

Second is on our public schools; it's related. We need to encourage our parents to take more responsibility back for their children's education. And that may be at the expense of professional school administrators and educators, but we need to make that happen. It may mean that we're going to have to break up our huge school districts and our big schools -- break them up and give them back to the communities and to parents. We may even have to use and experiment with vouchers -- not for

private school, but for public schools, to get more diversity and more experimentation, more power in the hands of parents.

And while we're at it, why don't we go back to a curriculum that integrates math, science, literature with more important things like teaching right and wrong, responsibility, virtues, and character development.

Last point. In the workplace -- and I think everybody said, in the workplace, probably, other than the first few years of life, the biggest potential for learning that we have -- Mr. President, I love your new voucher initiative, because it puts the power for the education in the hands of the trainee instead of the trainer. We need a lot more of that.

We all know that we learn a whole lot more from when we are experiencing -- actually doing a job. I dare say you learned more in the first month of your presidency than all the years -- about government -- than you learned in all your years at Georgetown. I'm not sure you learned a lot -- no, it's a good school. (Laughter.) Right across the street.

But we can't take advantage of this phenomenon in the workplace, it seems to me, unless we accelerate the transformation of our workplaces into rich learning environments by radically decentralizing decision-making and broadening responsibility for all working people.

Now, Ms. Thompson mentioned some of this. We don't need more training classes nearly -- not nearly as much as we need to eliminate the classic management-labor structure in organizations and systems. I mean, get rid of the words labor and management, and go to a place -- these are the systems that came out of the Industrial Revolution assumptions about people who seek to control and protect and take care of workers, and in so doing, we dehumanized people. We minimized decision-making and responsibility, and thus, we reduce learning.

The greatest possible learning opportunity we have -- one you're doing in government -- we have a lot of talk about costs and even efficiency, which I don't like very well, either, as a word for organization because we're talking about people, not machines -- effectiveness. But the learning opportunity comes from people being empowered and being able to make decisions and have experience in that. And we need a lot more work on that, both in the government and the private sector.

Thank you.

THE PRESIDENT: Good job. He always makes me think about things, too. (Laughter.)

This is a fascinating panel. I thank you all.
We're going to have no more than a five-minute break, and the Vice President is going to lead the last panel.
END3:16 P.M. EST

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Virginia M. Terzano (TERZANO_V) (WHO)

CREATION DATE/TIME:11-APR-1995 11:46:31.28

SUBJECT: gt

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:11-APR-1995 11:46:38.94

TEXT:
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==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE:11-APR-1995 11:44:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Virginia M. Terzano

TEXT:

PRINTER FONT 12_POINT_ROMAN
April 10, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Doug Sosnik
RE: Georgia Political Background
POLITICAL OVERVIEW

The GOP tide is sweeping through Georgia which, until 1992, was strongly controlled by Democrats on the state and federal levels. The trend began in 1992, when Paul Coverdell (R) unseated Senator Wyche Fowler (D) in a general election runoff, despite the fact you won the state. In 1994, Democratic Governor Zell Miller was elected to a second term with 51% of the vote, thanks only to the strong message and organization of his campaign. In addition, Georgia's 11-member congressional delegation took a turn in 1994-95 from a seven Democrat majority to a eight member GOP majority. Incumbent Representatives Buddy Darden and Don Johnson lost their seats, and the open eighth district seat was captured by Republican Saxby Chambliss. Just yesterday Representative Nathan Deal (CD09) announced his switch to the GOP. There had been increasing speculation in the state that Deal would leave the Democratic Party; but, he staunchly denied the rumors, stating that he was elected a Democrat and would call for a special election should he decide to change affiliation. Deal had allegedly been told by the state GOP that they would run state Senator Steve Stancil (R) in the Ninth District if Deal remained a member of the Democratic Party. Ed Jenkins (D), the former representative from this district, questioned the benefits of a party change, describing the north Georgia district as "mainstream...not agenda driven."

The state's once solidly Democratic state cabinet was heavily impacted in 1994 with the defeat of Insurance Commissioner Tim Ryles (D) and Education Superintendent Werner Rogers (D). Attorney General Mike Bowers, who switched to the GOP in 1993, was re-elected last November. The state legislature suffered a net loss of 14 Democratic seats in the House and two Democratic seats in the Senate.

The general consensus among state GOP leaders is that they are riding a wave that has not yet crested. Many Democrats believe this theory and are running scared. During the 1994 legislative session, which ended March 11th, Democratic members of the legislature actually consulted their local Christian Coalition representatives before certain votes to determine which roll calls would be included in the organization's next report. Unfortunately, statewide redistricting, which may occur this year, is not expected to bring much relief to the state Democrats. The Supreme Court is hearing a case on the lines drawn and approved by the Justice Department in 1991-1992 as part of reapportionment. Georgia's '92 redistricting plan led to the creation of additional GOP and majority/minority districts on both the state and federal levels. The court may rule that the 1992 lines are unconstitutional, particularly the 11th district which runs from the suburbs of Atlanta to Savannah, and is represented by Cynthia McKinney.

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COLUMBUS/MUSCOGEE COUNTY

Former city councilmember Bobby Peters (D) was inaugurated Mayor of Columbus/Muscogee County in January of this year. Peters was easily elected with 63 percent of the vote against city councilmember Steve Hyles (D). Peters is known for being one of the first founders of a racially integrated law firm in Columbus with partner John Allen, who is now a Superior Court Judge.

Peters ran for Sheriff of Muscogee County (Columbus) in the 1980s and was soundly defeated. He later ran for and won a position on the city council. Peters has never been part of the Columbus "establishment" but has been a strong grassroots organizer in the community.

Peters replaces former Columbus Mayor Frank "Butch" Martin, who did not seek re-election for a second term. As you will recall, Butch Martin served as a Co-Chair of the 1992 Clinton/Gore Campaign in Georgia. Peters has charged Martin with destroying official documents prior to his departure from office. A district court judge from outside Muscogee County will be brought in to try the case in May. Martin is currently practicing law in Columbus.

1996 ELECTIONS

'96 Republican Presidential Primary. Phil Gramm has already begun forming his primary campaign organization in his home state of Georgia. He has finalized negotiations with former state GOP chair Alec Poitevint to head his Georgia campaign effort. Longtime Democratic supporter Dan Amos, the President of AFLAC Healthcare Company, has

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If Nunn decides not to run in 1996, the odds are against the Democrats holding onto the seat. Republicans who have already shown interest in an open race include Republican Representatives Jack Kingston, Mac Collins and John Linder. The 1994 GOP gubernatorial nominee, Guy Millner, is also rumored to be considering a 1996 Senate bid in the case of an open seat; however, Millner is more likely to wait until 1998 and make another run for the statehouse. For the Democrats, their best hope in an open Senate race would likely be Secretary of State Max Cleland, a quadriplegic and Vietnam Veteran who scores high ratings among Georgia voters. Lt. Governor Pierre (pronounced "pier") Howard, once thought to be the de-facto successor to "one term" Governor Miller, has suffered several recent set-backs, but could be another strong contender. The best hope for the Party remains a Nunn re-election in 1996, which would virtually lock in the seat for the Democrats for another term.
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Jack Kingston (R-1)	Newt Gingrich (R-6)
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Mac Collins (R-3)	Saxby Chambliss (R-8)*
John Linder (R-4)	Nathan Deal (R-9)
John Lewis (D-5)	Charlie Norwood (R-10)*
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PRINTER FONT 12_POINT_ROMAN_ITALIC
[*denotes newly elected member.]
PRINTER FONT 12_POINT_ROMAN
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Don Johnson (CD10) were defeated in their '94 re-election bids. Former U.S. Attorney Bob Barr defeated Darden 52 percent to 48 percent, with a 5,000 vote advantage. Dentist Charlie Norwood defeated Johnson by the overwhelming margin of 66 percent to 34 percent. For the open eight district seat, vacated by retiring Democrat J. Roy Rowland, Republican businessman Saxby Chambliss defeated Democrat Craig Mathis 63 percent to 37 percent. Newt Gingrich defeated Democratic challenger Ben Jones by a 64 percent to 36 percent margin.

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State Legislature. Following the 1994 election, the make-up of the state House is 114 Democrats and 66 Republicans. The state Senate consists of 35 Democrats and 21 Republicans. Lt. Governor Pierre Howard is the President of the Senate and Representative Tom Murphy is Speaker of the House. Murphy is the longest serving Speaker of the House in the country and exerts an extraordinary amount of influence in state politics.

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OTHER ISSUES OF INTEREST

Robins Air Force Base. Governor Miller recently testified before members of BRAC during regional hearings regarding the future of the Robins Air Force Base in Warner Robins, GA. More than 13,000 civilian workers are employed at the base, which has a yearly economic impact in middle Georgia of approximately $2.1 million. Miller strongly

emphasized the facility's recent ranking as the best base in the Air Force, as well as its military value and benefit to the state.
Gingrich under Ethics Investigation. As you know, the House Ethics Committee is investigating a myriad of charges filed against Newt Gingrich. The Committee has put its investigation on hold until after the House recess.

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================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Karen L. Anderson (ANDERSON_KL) (WHO)

CREATION DATE/TIME:21-APR-1995 09:10:03.76

SUBJECT: Correct verson

TO: Karen L. Hancox (HANCOX_K) (WHO)
READ:21-APR-1995 09:57:52.19

TEXT:
This is the correct version of the Ga briefing. Please ignore the other one!
=================== ATTACHMENT 1 ==================
ATT CREATION TIME/DATE:21-APR-1995 09:09:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Karen L. Anderson

TEXT:

PRINTER FONT 12_POINT_ROMAN
April 20, 1995

MEMORANDUM FOR LEON PANETTA

FROM: Doug Sosnik
RE: Georgia Political Background
POLITICAL OVERVIEW

The GOP tide is sweeping through Georgia which, until 1992, was strongly controlled by Democrats on the state and federal levels. The trend began in 1992, when Paul Coverdell (R) unseated Senator Wyche Fowler (D) in a general election runoff, despite the fact you won the state. In 1994, Democratic Governor Zell Miller was elected to a second term with 51% of the vote, thanks only to the strong message and organization of his campaign. In addition, Georgia's 11-member congressional delegation took a turn in 1994-95 from a seven Democrat majority to a eight member GOP majority. Incumbent Representatives Buddy Darden and Don Johnson lost their seats, and the open eighth district seat was captured by Republican Saxby Chambliss. Earlier this month Representative Nathan Deal (CD09) announced his switch to the GOP. There had been increasing speculation in the state that Deal would leave the Democratic Party; but, he staunchly denied the rumors, stating that he was elected a Democrat and would call for a special election should he decide to change affiliation. Deal had allegedly been told by the state GOP that they would run state Senator Steve Stancil (R) in the Ninth District if Deal remained a member of the Democratic Party. Ed Jenkins (D), the former representative from this district, questioned the benefits of a party change, describing the north Georgia district as "mainstream...not agenda driven." Deal's switch means

Nunn is the only white Democrat left in the delegation.
The state's once solidly Democratic state cabinet was heavily impacted in 1994 with the defeat of Insurance Commissioner Tim Ryles (D) and Education Superintendent Werner Rogers (D). Attorney General Mike Bowers, who switched to the GOP in 1993, was re-elected last November. The state legislature suffered a net loss of 14 Democratic seats in the House and two Democratic seats in the Senate.
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AUGUSTA/RICHMOND COUNTY

The Mayor of Augusta is Charles DeVaney (D), a strong ally of Governor Miller. DeVaney, who was re-elected in 1993, played an active role in the 1992 Clinton/Gore campaign in Georgia. Richmond County is divided among the 10th and 11th congressional districts, represented by Charles Norwood (R-10) and Cynthia McKinney (D-11). In 1992, the 10th district voted in favor of the Bush/Quayle ticket, giving the GOP 47 percent of the vote, compared with 39 percent for Clinton/Gore and 14 percent for Perot. The 11th district voted overwhelming in favor of the Democratic ticket, giving the Clinton/Gore campaign 67 percent of the vote and Bush/Quayle only 24 percent. Perot received nine percent of the vote.

During the 1994 campaign, former Representative Don Johnson (D-10) faced incredible opposition from William Billy Morris, the owner of Morris Communications and the Augusta Chronicle. Morris, a 1988 supporter of Pat Buchanan, made a vocal point of opposing Johnson and the Clinton Administration in 1994, which was reflected in the Chronicle's editorials.

The most significant employers of Richmond County residents are Fort Gordon, the Savannah River Site, and the Medical College of Georgia.

According to local Democrats, the city of Augusta and Richmond County have proclaimed Friday, April 21st as "Leon Panetta Day."

OTHER ISSUES OF INTEREST

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================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: 73030.21@compuserve.com@INET@EOPMRX

CREATION DATE/TIME: 2-AUG-1995 19:14:00.00

SUBJECT: USN Recap for 08/02

TO: see end of body (distribution:;@compuserve.com@INET@EOPMRX)
READ:NOT READ

IND_TO: Rica F. Rodman (RODMAN_R) (WHO)
READ: 4-AUG-1995 10:48:10.92

TEXT:
U.S. Newswire Washington Recap -- Wednesday, August 2
To: Assignment Desk
Contact: U.S. Newswire, 202-347-2770

RECAP:

Following is a recap of U.S. Newswire's Washington file for Wednesday, August 2 through 7 p.m. EST:

WASHINGTON -- Environmental Working Group Statement on Phase-Out of Cyanazine

WASHINGTON -- Virginia 'One-Gun-A-Month' Law Stopping Gun Trafficking to Other States

WASHINGTON -- Whitewater Quotes of the Day

LOS ANGELES -- UNCF Introduces Eight New Students to 'Ladders of Hope' Scholarship Program

WASHINGTON -- Conservationists Outraged Over Back-Door Campaign by Alaska Legislators to Open 'America's Serengeti' to Oil Drilling

ALEXANDRIA, Va. -- Catholic Charities USA Supports Portions of Dole Welfare Bill that Won't Deny Assistance

WASHINGTON -- President Clinton, Vice President Gore Release Regulatory Reform Reports

WASHINGTON -- Transcript of White House Press Briefing by Mike McCurry

ADVISORY -- Schedule for Tipper Gore Thursday, August 3

WASHINGTON -- Statement by the White House Press Secretary on the Visit of Luxembourg Prime Minister Juncker

WASHINGTON -- Texas Receives 2nd Year GOALS 2000 Funds

BOGOTA, Colombia -- Colombia's Defense Minister Botero Resigned

ADVISORY -- Yonkers to Get Loan Fund to Help Local Business;
HUD Assistant Secretary to Announce Economic Development Loan
Fund

-0-
/U.S. Newswire 202-347-2770/

%%% overflow headers %%%
To: bailey <bailey_b@a1.eop.gov>, carlsen <carlsen_j@a1.eop.gov>,
crumley <crumley_a@a1.eop.gov>, daveand <anderson_d@a1.eop.gov>,
easy <62955104@eln.attmail.com>, ewynn <ewynn@ostp.eop.gov>,
finney <finney_k@a1.eop.gov>, fox <fox_j@a1.eop.gov>,
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terzano <terzano_v@a1.eop.gov>, tnewell <tnewell@ostp.eop.gov>,
voles <voles_l@a1.eop.gov>
%%% end overflow headers %%%
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 2-AUG-1995 19:10:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V4.3-13 #6879)
id <01HTLX4EK32O001XEW@PMDF.EOP.GOV>; Wed, 02 Aug 1995 19:13:45 -0400 (EDT)
Received: by gatekeeper.eop.gov (5.65/fma-120691); id AA24646; Wed,
2 Aug 95 19:08:42 -0400
Received: from dub-img-3.compuserve.com by STORM.EOP.GOV (PMDF V4.3-12 #6879)
id <01HTLWXOVYZK000K7E@STORM.EOP.GOV>; Wed, 02 Aug 1995 19:08:29 -0700 (MST)
Received: by dub-img-3.compuserve.com (8.6.10/5.950515) id TAA25259; Wed,
2 Aug 1995 19:09:36 -0400
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Michael A. Ash (ASH_M) (WHO)

CREATION DATE/TIME:13-MAY-1996 13:25:50.14

SUBJECT: LOTTERY SCHOLARSHIPS: A go, but no dough in Florida.

TO: Remote Addressee (glickman@econ.berkeley.edu@inet)
READ:NOT READ

TEXT:

LOTTERY SCHOLARSHIPS: A GO, BUT NO DOUGH IN FLORIDA

Fla. lawmakers passed legislation creating a scholarship program using lottery funds (Date, ORLANDO SENTINEL, 5/7). The program is based on Ga.'s HOPE scholarship. Any high school graduate who earned a 3.0 average in college preparatory work would receive free tuition at a state community college or university and $300 for books, under the plan. Students could receive up to $2,000 a year.

The lottery scholarship program is scheduled to go into effect for the 1997-1998 school year. However, it is up to next year's Legislature to find the funds for the program. "It's a good idea, but there's no money," said state universities Chancellor Charlie Reed.

Lawmakers who endorse the bill promise to fully fund the program next year. The SENTINEL reports that it would take $16.5M to pay for an estimated 25,000 community college and state university scholarships. The figure would increase after three years to nearly $80M a year.

Currently, the lottery's $830M pays for operating expenses at public schools, community colleges and state universities, writes the paper. Lawmakers would have to find money in the state budget to fund these expenses if part of the lottery proceeds are earmarked for the scholarship program.

Rep Dean Saunders (D) fashioned his bill after Ga.'s lottery program, which pays for prekindergarten classes, technology and the scholarship program, reports the paper.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Christopher C. Jennings (JENNINGS_C) (WHO)

CREATION DATE/TIME: 3-JUN-1996 21:08:37.09

SUBJECT: medicare talking points

TO: Annette E. Johnson (JOHNSON_AE) (WHO)
READ: 4-JUN-1996 08:45:18.17

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 3-JUN-1996 20:12:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Christopher C. Jennings

TEXT:
PRINTER FONT 14_POINT_ROMAN
Paying For America's HOPE Scholarship Tax Cut

PRINTER FONT 12_POINT_ROMAN
Balanced Budget Framework. The President's new America's HOPE Scholarship Tax Cut proposal is completely paid for with specific budget savings so that the President's overall plan continues to reach balance in fiscal year 2002.

Current Education Tax Deduction: $35 Billion FY 1997

-2002. The
President's current education tax cut -- $10,000 deduction -- costs $35 billion over 6 years (FY 1997

-2002) and is paid for within the
balanced budget plan that has been certified as reaching balance in 2002 by the Congressional Budget Office.

New Proposal: $42.9 Billion FY 1997

-2002. The new combined
proposals would be $42.9 billion. The breakout of these costs are as follows:

#9

FY 1997

-2002 Cost

$8

#8

America's HOPE Scholarship Tax Cut

#9

$25.1 Billion

$8

#8

$10,000 Education Tax Deduction

#9

$17.8 Billion

$8

#8

TOTAL COST

#9

$42.9 Billion

$8

The additional $7.9 billion in net new costs are paid for with specific savings listed below:

#8

#9

FY1997

-2002
Savings

$8

#8

Reduction of Sales Source Rule
Benefits

#9

$3.5 Billion

$8

#8

International Departure Fee

#9

$2.3 Billion

$8

#8

Auction Radio DARS Spectrum

#9

$2.1 Billion

$8

#8

TOTAL SAVINGS

#9

$7.9 Billion

$8

PRINTER FONT 11_POINT_ROMAN
NOTE: While the President's new America's HOPE Scholarship Tax Cut has gross costs of $25.1 billion over FY 1997 to 2002, the net increase in the President's overall education tax cut is only $7.9 billion because of savings that take place in the President's $10,000 education tax deduction.

? Most of those savings ($10.7 billion) come from families choosing the HOPE tax credit over the $10,000 education tax deduction.

?? The remaining savings ($6.5 billion) come from lowering the phase out income limits for joint filers from $120,000 to $100,000 to conform to the Administration's expanded IRA proposal.

================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: ACCOUNT, BEAUBAIRE_D1 (BEAUBAIRE_D1) (WHO)

CREATION DATE/TIME: 4-JUN-1996 13:56:56.81

SUBJECT: Hope Scholarships Talking Points

TO: Remote Addressee (HOWARD.SCHLOSS@TREAS.SPRINT.COM@INET)
READ:NOT READ

TO: Remote Addressee (CHRIS.PEACOCK@TREAS.SPRINT.COM@INET)
READ:NOT READ

TO: Remote Addressee (DIBARTOL@JUSTICE.USDOJ.GOV@INET)
READ:NOT READ

TO: Remote Addressee (LISA_GUIDE@IOS.DOI.GOV@INET)
READ:NOT READ

TEXT:

PRINTER FONT 12_POINT_ROMAN

AMERICA'S HOPE SCHOLARSHIPS
A TAX CUT TO MAKE 14 YEARS OF EDUCATION
THE STANDARD FOR ALL

June 4, 1996

PRESIDENT CLINTON ANNOUNCES THE HOPE SCHOLARSHIP PLAN TO MAKE 14 YEARS OF EDUCATION -- AT LEAST TWO YEARS OF COLLEGE -- THE STANDARD FOR ALL AMERICANS. President Clinton's HOPE Scholarship Tax Cut makes clear that 2 years of college should be as universal as high school and builds on his comprehensive program to guarantee that a college education is both accessible and affordable to all Americans at any time in their life. To further this guarantee, the President announced the following proposals:

* NEW AMERICA'S HOPE SCHOLARSHIP TAX CUT -- Guarantees 2 Years of Tuition at the Average Community College for Any Student Who Earns a B Average. Modeled on the successful Georgia HOPE Scholarship program, this new proposal provides all students with a $1,500 refundable tax credit for full-time tuition in their first year ($750 for half-time), and another $1,500 in their second year if they work hard, stay off drugs, and earn at least a B average in their first year. This $1,500 tax credit will pay for more than the full cost of tuition at the national average-priced community colleges -- and a downpayment at more expensive four-year schools.
* $10,000 Tax Deduction for All Education and Training. The President maintains his $10,000 tax deduction for tuition for college, graduate school, community college, certified training and technical programs. This encourages lifetime

investment in higher education.
* Scholarship Increases (Pell Grants) for Lower-Income Students: The President announced that his balanced budget plan increases Pell Grants each year. Indeed, the maximum Pell Grant award will increase by 33% from fiscal 1995 to fiscal 2002. The proposed increase in fiscal 1997 is the largest in the program's 25-year history.

BUILDS ON PRESIDENT'S PLAN FOR GUARANTEED ACCESS TO COLLEGE.
The above initiatives build on the President's plan to guarantee that college is both accessible and affordable to every person -- through loans with pay-as-you-can repayment, grants, scholarships, and work study.

* With the increased Pell Grant program support, students have access to up to $5,100 in Pell Grants and student loans for their first year in college, and much more in future years.
* The new Direct Student Loan program enacted as part of the President's 1993 Economic Plan is allowing millions of students to borrow in a simpler, less bureaucratic way, and to pay back their loans as a share of their income, and part of the savings from Direct Lending will be returned to students in the form of lower interest payments on their loans.
* New Direct Loans With Pay-As-You-Can Option: Will account for 50% of loans
* National Service -- AmeriCorps: 30,000 students earning up to $4,725 for service
* Pell Grants: Provides for 7-year expansion, increasing maximum award to $3,128 in 2002
* $10,000 Education Deduction: 16.5 million students get deduction for their tuition
* Work Study Expansion: Proposes expansion to 1 million participants by FY2002
    * Honors Scholarships: Proposes $1,000 scholarship for top 5% of every high school class
* IRAs for Education: Proposal allows penalty-free withdrawals for education
    * Skill Grants: Proposed $2,600 Skill Grants to enable dislocated workers to get needed skills

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jason S. Goldberg (GOLDBERG_JS) (OPD)

CREATION DATE/TIME: 4-JUN-1996 08:11:49.26

SUBJECT: Q and A on HOPE Scholarship Tax Cut

TO: pauline M. Abernathy (ABERNATHY_P) (OPD)
READ: 6-JUN-1996 09:36:37.13

TO: Karin J. Abramson (ABRAMSON_K) (WHO)
READ: 4-JUN-1996 11:34:54.95

TO: John C. Angell (ANGELL_J) (WHO)
READ: 4-JUN-1996 09:11:38.62

TO: Kenneth S. Apfel (APFEL_K) (OMB)
READ: 4-JUN-1996 08:19:59.99

TO: Donald A. Baer (BAER_D) Autoforward to: Kristin Leight (LEIGHT_K) (WHO)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) (WHO)
READ: 4-JUN-1996 08:33:06.99

TO: Jeremy D. Benami (BENAMI_J) (WHO)
READ: 4-JUN-1996 08:59:29.87

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ: 4-JUN-1996 08:53:56.15

TO: Emily Bromberg (BROMBERG_E) (WHO)
READ:NOT READ

TO: Susan Brophy (BROPHY_S) Autoforward to: Stacey L. Rubin (RUBIN_S) (WHO)
READ: 4-JUN-1996 08:28:53.81

TO: Molly Brostrom (BROSTROM_M) (WHO)
READ: 4-JUN-1996 10:41:17.92

TO: Gabrielle M. Bushman (BUSHMAN_G) (WHO)
READ: 4-JUN-1996 11:27:25.84

TO: Phillip M. Caplan (CAPLAN_P) (WHO)
READ: 4-JUN-1996 09:31:19.42

TO: Laura Capps (CAPPS_L) (WHO)
READ: 4-JUN-1996 08:11:47.43

TO: Kathleen (Kate) Carr (CARR_K) (WHO)
READ: 5-JUN-1996 17:15:32.10

TO: Barbara C. Chow (CHOW_B) (WHO)
READ: 4-JUN-1996 10:08:57.75

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:17-JUN-1996 09:52:40.20

TO: William Curry (CURRY_W) (WHO)
READ: 4-JUN-1996 09:24:50.39

TO: Paul R. Dimond (DIMOND_P) (OPD)
READ: 4-JUN-1996 09:32:59.48

TO: Mary Dixon (DIXON_M) (WHO)
READ: 4-JUN-1996 10:30:37.68

TO: Chris Dorval (DORVAL_C) (OPD)
READ: 4-JUN-1996 08:46:47.73

TO: DONALD K. DUNN (DUNN_D) (WHO)
READ: 5-JUN-1996 10:47:27.93

TO: Nicole Elkon (ELKON_N) (WHO)
READ: 4-JUN-1996 09:15:23.22

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Deborah L. Fine (FINE_D) (OPD)
READ: 4-JUN-1996 08:48:39.50

TO: Martha Foley (FOLEY_M) (WHO)
READ: 4-JUN-1996 08:14:11.83

TO: Ben Freeland (FREELAND_B) (WHO)
READ:NOT READ

TO: Craig Gardenswartz (GARDENSWAR_C) (WHO)
READ: 4-JUN-1996 08:48:27.05

TO: Mary Ellen Glynn (GLYNN_M) (WHO)
READ: 4-JUN-1996 09:19:59.48

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ: 4-JUN-1996 11:55:33.40

TO: William A. Halter (HALTER_W) (OMB)
READ: 4-JUN-1996 09:28:27.19

TO: Karen L. Hancox (HANCOX_K) (WHO)
READ: 4-JUN-1996 08:42:01.93

TO: John P. Hart (HART_J) (WHO)
READ: 4-JUN-1996 09:25:52.78

TO: Kathryn Higgins (HIGGINS_K) Autoforward to: Elizabeth M. Toohey (TOOHEY_E) (WHO)
READ: 4-JUN-1996 08:39:56.54

TO: Elgie Holstein (HOLSTEIN_E) (OPD)
READ: 4-JUN-1996 11:06:24.06

TO: Russell W. Horwitz (HORWITZ_R) (WHO)
READ: 4-JUN-1996 09:02:39.89

TO: Helen P. Howell (HOWELL_H) (WHO)
READ:NOT READ

TO: Heidi Kukis (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Christopher C. Jennings (JENNINGS_C) (WHO)
READ: 4-JUN-1996 09:12:24.20

TO: Annette E. Johnson (JOHNSON_AE) (WHO)
READ: 4-JUN-1996 10:52:43.66

TO: Brian J. Johnson (JOHNSON_BJ) (CEQ)
READ:NOT READ

TO: R. Lawton Jordan III (JORDAN_RL) (WHO)
READ: 4-JUN-1996 09:26:59.22

TO: Jack M. Quinn (Jack M. Quinn@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Yusuf A. Khapra (KHAPRA_Y) (WHO)
READ:NOT READ

TO: Charles E. Kieffer (KIEFFER_C) (OMB)
READ: 4-JUN-1996 11:14:55.53

TO: Angus S. King (KING_A) (WHO)
READ: 4-JUN-1996 10:32:10.08

TO: Jennifer L. Klein (KLEIN_J) (OPD)
READ: 4-JUN-1996 08:12:09.43

TO: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ: 4-JUN-1996 10:18:48.69

TO: Lisa Kountoupes (KOUNTOUPES_L) (OMB)
READ: 4-JUN-1996 10:30:34.72

TO: David J. Lane (LANE_D) (OPD)
READ:NOT READ

TO: Patricia F. Lewis (LEWIS_PF) (WHO)
READ: 4-JUN-1996 08:12:12.99

TO: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

TO: Evelyn S. Lieberman (LIEBERMAN_E) (WHO)
READ: 4-JUN-1996 08:16:46.48

TO: Gordon Li (LI_G) (WHO)
READ: 4-JUN-1996 08:27:56.24

TO: Gaynor R. McCown (MCCOWN_G)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) (WHO)
READ: 4-JUN-1996 08:32:52.36

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 4-JUN-1996 11:05:43.58

TO: Joseph Minarik (MINARIK_J) (OMB)
READ: 4-JUN-1996 08:16:56.12

TO: Nancy-Ann E. Min (MIN_N) (OMB)
READ: 4-JUN-1996 08:33:27.04

TO: Julia Moffett (MOFFETT_J) (WHO)
READ: 4-JUN-1996 16:47:25.76

TO: Janet Murguia (MURGUIA_J) Autoforward to: Annette E. Johnson (JOHNSON_AE)
(WHO)
READ: 4-JUN-1996 10:52:43.66

TO: Lucie F. Naphin (NAPHIN_L) (WHO)
READ:NOT READ

TO: Jennifer L. Nelson (NELSON_JL) (WHO)
READ:NOT READ

TO: Erin A. O'Connor (OCONNOR_E)
READ:NOT READ

TO: Thomas O'Donnell (ODONNELL_T) (WHO)
READ: 4-JUN-1996 08:52:55.12

TO: Jonathan Orszag (ORSZAG_J) (OPD)
READ:NOT READ

TO: Peter R. Orszag (ORSZAG_P) (WHO)
READ: 5-JUN-1996 10:34:00.40

TO: Bruce N. Reed (REED_B) (WHO)
READ: 4-JUN-1996 17:16:07.09

TO: Cheryl S. Rodman (RODMAN_C)

READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ: 4-JUN-1996 17:31:11.64

TO: Stuart Schear (SCHEAR_S) (WHO)
READ: 4-JUN-1996 08:53:00.23

TO: Richard L. Siewert (SIEWERT_R)
READ:NOT READ

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:NOT READ

TO: Wendy L. Smith (SMITH_WL) Autoforward to: Wendy A. Heistad (HEISTAD_W)
(WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(WHO)
READ:NOT READ

TO: Patrick M. Steel (STEEL_P) (WHO)
READ: 4-JUN-1996 08:43:42.27

TO: George Stephanopoulos (STEPHANOPO_G) Autoforward to: Laura Capps (CAPPS_L)
(WHO)
READ: 4-JUN-1996 08:11:47.43

TO: Todd Stern (STERN_T) (WHO)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) (WHO)
READ: 4-JUN-1996 09:50:01.17

TO: Shana E. Tesler (TESLER_S) (WHO)
READ: 4-JUN-1996 09:06:09.36

TO: Barry J. Toiv (TOIV_B) (WHO)
READ: 4-JUN-1996 09:11:31.63

TO: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (ODONNELL_T)
(WHO)
READ: 4-JUN-1996 08:52:55.12

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Christopher F. Walker (WALKER_C) (WHO)
READ: 4-JUN-1996 09:49:51.97

TO: Anne Walley (WALLEY_A)
READ:NOT READ

TO: Michael Warren (WARREN_M) (OPD)
READ: 4-JUN-1996 09:08:46.00

TO: Dena B. Weinstein (WEINSTEIN_D) (WHO)
READ: 4-JUN-1996 08:30:35.35

TO: William White (WHITE_WI) (WHO)
READ: 4-JUN-1996 09:02:03.09

TO: Teresa Wildman (WILDMAN_T) (WHO)
READ: 4-JUN-1996 08:48:13.07

TO: Chantale Wong (WONG_C) (OMB)
READ: 4-JUN-1996 09:29:06.29

TO: Marilyn Yager (YAGER_M) (WHO)
READ: 4-JUN-1996 09:34:41.89

TO: Jason S. Goldberg (GOLDBERG_JS) (OPD)
READ:NOT READ

TO: Kris Balderston (BALDERSTON_K) (WHO)
READ: 4-JUN-1996 10:03:46.57

TO: Sheila D. Turner (TURNER_S) (WHO)
READ:NOT READ

TO: LeeAnn Inadomi (INADOMI_L)
READ:NOT READ

TO: John O. Sutton (SUTTON_J) (WHO)
READ:NOT READ

TO: Harold Ickes (ICKES_H) (WHO)
READ:NOT READ

TO: Janice A. Enright (ENRIGHT_J) (WHO)
READ: 4-JUN-1996 10:05:14.81

TO: Allison Wilkie (WILKIE_A) (WHO)
READ: 4-JUN-1996 08:45:58.16

TO: Peggy A. Lewis (LEWIS_P) (WHO)
READ: 4-JUN-1996 09:35:01.85

TO: Julia R. Green (GREEN_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: 4-JUN-1996 09:04:18.96

TO: Brenda Anders (ANDERS_B) (WHO)
READ: 4-JUN-1996 08:32:44.56

TO: Roger V. Salazar (SALAZAR_R) (WHO)
READ: 4-JUN-1996 08:36:11.81

TO: Lori L. Anderson (ANDERSON_L) (WHO)
READ: 4-JUN-1996 09:43:19.76

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Paul K. Engskov (ENGSKOV_K) (WHO)
READ: 4-JUN-1996 16:42:27.95

TO: Jeremy Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Julie E. Mason (MASON_J) (WHO)
READ: 4-JUN-1996 08:12:40.95

TO: Michael McCurry (MCCURRY_M) (WHO)
READ: 4-JUN-1996 16:28:51.66

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: 4-JUN-1996 10:13:22.44

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 5-JUN-1996 09:50:57.26

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ: 4-JUN-1996 12:07:29.74

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TEXT:
Attached.
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 4-JUN-1996 08:10:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Jason S. Goldberg

TEXT:
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: counties@ca-dem.org@INET@EOPMRX

CREATION DATE/TIME: 4-JUN-1996 22:29:00.00

SUBJECT: California Campaign Field Gram 6/4/96

TO: President (President@Whitehouse.GOV@INET@EOPMRX)
READ:NOT READ

IND_TO: Paul R. Carey (CAREY_P) (WHO)
READ:11-JUN-1996 17:33:56.53

TEXT:
CALIFORNIA DEMOCRATIC VICTORY '96: FIELD GRAM
Phone: (213) 653-1996
Fax: (213) 966-2528
E-mail: counties@ca-dem.org
Tuesday, June 4,1996: 156 Days Left_ _Bob Dole has been in CA: 27 hours in the last 72 days!

PRESIDENT CLINTON: RIGHT FOR CALIFORNIA'S WORKING FAMILIES

IN THE NEWS...
GOP Offers More Extreme Cuts To Medicare
As time goes by, extremist cuts to Medicare are the same old GOP story. Newt Gingrich went on TV Sunday, trying to fool the American people into believing that the GOP's extremist cuts to Medicare are not cuts at all. Newt thinks that if the GOP says it often enough and loud enough that the American people can be fooled into thinking a $167 billion Medicare cut is really an increase. It didn't work when the GOP shut down the government twice, trying to force the President to accept their plan to cut Medicare by $270 billion to finance a huge tax break for the super-rich.

It's Still the Same Old Story: Benefits Are the Bottom Line.

When its comes to Medicare benefits, a cut is still a cut. Gingrich's ongoing obfuscation is the same extremist GOP plan that calls for a Medicare budget that doesn't keep pace with inflation, population growth, or reality, and cuts benefits to the elderly. This, he contends, is an increase. And then, in his inimitable, statesman like way, he goes on to call everyone who disagrees with him a liar. We've heard all this before. Extremist Medicare cuts are cruel and unnecessary; they go far beyond what is required to ensure the stability of the Medicare trust fund. These cuts are necessary to fund a tax cut for the rich.

Not a penny of the GOP cuts goes to improve health services for our seniors

Fundamental Things Apply: GOP Cuts Cause Structural Damage to Medicare.
The American Academy of Physicians warns, "that cuts of this magnitude call into question our ability to provide world-class medical care." The American Hospital Association echoed those sentiments, saying that extreme GOP cuts, "will jeopardize the ability of our hospitals to deliver quality care, not just to those who rely on Medicare and Medicaid, but to all Americans."

GOP Extreme Medicare Cuts: On That You Can Rely...
National Economic Advisor Laura Tyson said it best yesterday: "Rather than joining President Clinton in passing common savings in Medicare to strengthen the Trust Fund and balance the budget, Speaker Gingrich has chosen to reargue and defend the extreme Medicare cuts and policies...that President Clinton already vetoed and the American people soundly rejected."

THE LATEST...
President Clinton's New Ideas Mean Real Solutions
President Clinton is announcing today his Hope Scholarship Plan to make the first two years of college as universal as high school. These tax cuts help working families send their children to college as part of the President's fight to give all Americans the tools they need to lead better lives as we move into the next century.

NEW HOPE FOR STUDENTS: The Hope Scholarship Tax Cut

Guarantees 2 years of tuition at the average community college for any student who earns a B average.

Provides all students with a $1,500 refundable tax credit for full-time tuition in their first year ($750 half-time).

Provides another $1,500 in their second year if they work hard, stay off drugs, and earn at least a B average in their first year.

This $1,500 credit will pay for more than the full tuition cost at the average community college free for most students.

As Bob Dole travels around the country trying to find a reason for his campaign, President Clinton is working to expand access to college for more Americans -- giving our people higher incomes and a brighter future, and guaranteeing our nation greater economic growth.

"Clinton/Gore" Banner Available
If so, Victory '96 wants to help your local visibility! We have a campaign banner available to loan out to your Democratic club or committee. This banner is ideal for county fairs festivals, or any big event. If your club or committee is interested, please call the County Operations Department of Victory '96 at 213.653.1996.

The Field Fax is compiled by the County Operations Department of Victory '96. Questions or suggestions can be directed to Claude Taylor, Director of County Operations, or Mike Altschule, Assistant Director, at 213.653.1996.
Also, you can contact Robin Engel, the Bay Area Director of County Operations in our San Francisco office at 415.674.0411.

California Democratic Party -- Victory '96
8425 W 3rd Street, Suite 400
Los Angeles, CA 90048
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 4-JUN-1996 22:32:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01I5IZEYAKSW015XCR@PMDF.EOP.GOV>; Tue,
04 Jun 1996 22:29:21 -0400 (EDT)
Received: from 204.250.78.10 (204.250.78.10)
by STORM.EOP.GOV (PMDF V5.0-7 #6879) id <01I5IZIBQ7A600007K@STORM.EOP.GOV>;
Tue, 04 Jun 1996 22:32:06 -0700 (MST)
Received: from ccc.ca-dem.org ([204.177.17.84])
by cyclops.dsphere.net (8.7.5/8.6.12) with SMTP id SAA15412; Tue,
04 Jun 1996 18:14:11 -0700 (PDT)
Organization: California Democratic Party - Victory '96
X-Mailer: Pegasus Mail for Windows (v2.23)
Comments: Authenticated sender is <dem030@mail.cogent.net>
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jason S. Goldberg (GOLDBERG_JS) (OPD)

CREATION DATE/TIME: 4-JUN-1996 08:15:44.41

SUBJECT: Background on the GEORGIA HOPE Scholarship Program

TO: pauline M. Abernathy (ABERNATHY_P) (OPD)
READ: 6-JUN-1996 09:36:48.24

TO: Karin J. Abramson (ABRAMSON_K) (WHO)
READ: 4-JUN-1996 11:35:05.49

TO: John C. Angell (ANGELL_J) (WHO)
READ: 4-JUN-1996 09:11:27.18

TO: Kenneth S. Apfel (APFEL_K) (OMB)
READ: 4-JUN-1996 08:20:45.37

TO: Donald A. Baer (BAER_D) Autoforward to: Kristin Leight (LEIGHT_K) (WHO)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) (WHO)
READ: 4-JUN-1996 08:33:02.06

TO: Jeremy D. Benami (BENAMI_J) (WHO)
READ: 4-JUN-1996 08:59:36.94

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ: 4-JUN-1996 08:54:19.58

TO: Emily Bromberg (BROMBERG_E) (WHO)
READ:NOT READ

TO: Susan Brophy (BROPHY_S) Autoforward to: Stacey L. Rubin (RUBIN_S) (WHO)
READ: 4-JUN-1996 08:31:17.65

TO: Molly Brostrom (BROSTROM_M) (WHO)
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TO: Gabrielle M. Bushman (BUSHMAN_G) (WHO)
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TO: Phillip M. Caplan (CAPLAN_P) (WHO)
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TO: Laura Capps (CAPPS_L) (WHO)
READ: 4-JUN-1996 08:48:29.86

TO: Kathleen (Kate) Carr (CARR_K) (WHO)
READ: 5-JUN-1996 17:15:42.98

TO: Barbara C. Chow (CHOW_B) (WHO)
READ: 4-JUN-1996 10:22:58.88

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TO: Mary Dixon (DIXON_M) (WHO)
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READ: 4-JUN-1996 08:46:56.38

TO: DONALD K. DUNN (DUNN_D) (WHO)
READ: 5-JUN-1996 10:47:40.50

TO: Nicole Elkon (ELKON_N) (WHO)
READ: 4-JUN-1996 09:16:38.01

TO: Rahm Emanuel (EMANUEL_R) (WHO)
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READ: 4-JUN-1996 09:58:57.95

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READ:NOT READ

TO: Craig Gardenswartz (GARDENSWAR_C) (WHO)
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TO: Mary Ellen Glynn (GLYNN_M) (WHO)
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TO: Kathryn Higgins (HIGGINS_K) Autoforward to: Elizabeth M. Toohey (TOOHEY_E)
(WHO)
READ: 4-JUN-1996 08:40:35.67

TO: Elgie Holstein (HOLSTEIN_E) (OPD)
READ: 4-JUN-1996 11:06:50.92

TO: Russell W. Horwitz (HORWITZ_R) (WHO)
READ: 4-JUN-1996 09:03:09.93

TO: Helen P. Howell (HOWELL_H) (WHO)
READ:NOT READ

TO: Heidi Kukis (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

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READ:NOT READ

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READ: 4-JUN-1996 09:26:45.68

TO: Jack M. Quinn (Jack M. Quinn@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Yusuf A. Khapra (KHAPRA_Y) (WHO)
READ:NOT READ

TO: Charles E. Kieffer (KIEFFER_C) (OMB)
READ: 4-JUN-1996 11:15:02.43

TO: Angus S. King (KING_A) (WHO)
READ: 4-JUN-1996 10:32:22.52

TO: Jennifer L. Klein (KLEIN_J) (OPD)
READ: 4-JUN-1996 08:27:05.80

TO: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ: 4-JUN-1996 10:19:08.71

TO: Lisa Kountoupes (KOUNTOUPES_L) (OMB)
READ: 4-JUN-1996 10:31:21.36

TO: David J. Lane (LANE_D) (OPD)
READ:NOT READ

TO: Patricia F. Lewis (LEWIS_PF) (WHO)
READ: 4-JUN-1996 08:39:53.45

TO: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

TO: Evelyn S. Lieberman (LIEBERMAN_E) (WHO)
READ: 4-JUN-1996 08:16:54.54

TO: Gordon Li (LI_G) (WHO)
READ: 4-JUN-1996 08:28:14.47

TO: Gaynor R. McCown (MCCOWN_G)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) (WHO)
READ: 4-JUN-1996 08:32:58.38

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 4-JUN-1996 11:05:58.51

TO: Joseph Minarik (MINARIK_J) (OMB)
READ: 4-JUN-1996 08:19:13.09

TO: Nancy-Ann E. Min (MIN_N) (OMB)
READ: 4-JUN-1996 08:33:35.31

TO: Julia Moffett (MOFFETT_J) (WHO)
READ: 4-JUN-1996 16:40:42.17

TO: Janet Murguia (MURGUIA_J) Autoforward to: Annette E. Johnson (JOHNSON_AE)
(WHO)
READ: 4-JUN-1996 10:52:55.72

TO: Lucie F. Naphin (NAPHIN_L) (WHO)
READ:NOT READ

TO: Jennifer L. Nelson (NELSON_JL) (WHO)
READ:NOT READ

TO: Erin A. O'Connor (OCONNOR_E)
READ:NOT READ

TO: Thomas O'Donnell (ODONNELL_T) (WHO)
READ: 4-JUN-1996 08:53:10.23

TO: Jonathan Orszag (ORSZAG_J) (OPD)
READ:NOT READ

TO: Peter R. Orszag (ORSZAG_P) (WHO)
READ: 5-JUN-1996 10:34:10.87

TO: Bruce N. Reed (REED_B) (WHO)
READ: 4-JUN-1996 17:16:30.21

TO: Cheryl S. Rodman (RODMAN_C)

READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ: 4-JUN-1996 17:31:16.49

TO: Stuart Schear (SCHEAR_S) (WHO)
READ: 4-JUN-1996 08:53:45.44

TO: Richard L. Siewert (SIEWERT_R)
READ:NOT READ

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:NOT READ

TO: Wendy L. Smith (SMITH_WL) Autoforward to: Wendy A. Heistad (HEISTAD_W)
(WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(WHO)
READ:NOT READ

TO: Patrick M. Steel (STEEL_P) (WHO)
READ: 4-JUN-1996 08:43:50.70

TO: George Stephanopoulos (STEPHANOPO_G) Autoforward to: Laura Capps (CAPPS_L)
(WHO)
READ: 4-JUN-1996 08:48:29.86

TO: Todd Stern (STERN_T) (WHO)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) (WHO)
READ: 4-JUN-1996 09:49:45.52

TO: Shana E. Tesler (TESLER_S) (WHO)
READ: 4-JUN-1996 09:06:41.28

TO: Barry J. Toiv (TOIV_B) (WHO)
READ: 4-JUN-1996 09:11:39.37

TO: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (ODONNELL_T)
(WHO)
READ: 4-JUN-1996 08:53:10.23

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Christopher F. Walker (WALKER_C) (WHO)
READ:NOT READ

TO: Anne Walley (WALLEY_A)
READ:NOT READ

TO: Michael Warren (WARREN_M) (OPD)
READ: 4-JUN-1996 09:09:38.32

TO: Dena B. Weinstein (WEINSTEIN_D) (WHO)
READ: 4-JUN-1996 08:30:42.77

TO: William White (WHITE_WI) (WHO)
READ: 4-JUN-1996 09:02:14.76

TO: Teresa Wildman (WILDMAN_T) (WHO)
READ: 4-JUN-1996 08:48:16.68

TO: Chantale Wong (WONG_C) (OMB)
READ: 4-JUN-1996 09:37:21.49

TO: Marilyn Yager (YAGER_M) (WHO)
READ: 4-JUN-1996 09:35:04.58

TO: Jason S. Goldberg (GOLDBERG_JS) (OPD)
READ:NOT READ

TO: Kris Balderston (BALDERSTON_K) (WHO)
READ: 4-JUN-1996 10:04:38.19

TO: Sheila D. Turner (TURNER_S) (WHO)
READ:NOT READ

TO: LeeAnn Inadomi (INADOMI_L)
READ:NOT READ

TO: John O. Sutton (SUTTON_J) (WHO)
READ:NOT READ

TO: Harold Ickes (ICKES_H) (WHO)
READ:NOT READ

TO: Janice A. Enright (ENRIGHT_J) (WHO)
READ: 4-JUN-1996 10:05:26.09

TO: Allison Wilkie (WILKIE_A) (WHO)
READ: 4-JUN-1996 08:46:06.01

TO: Peggy A. Lewis (LEWIS_P) (WHO)
READ: 4-JUN-1996 09:35:30.55

TO: Julia R. Green (GREEN_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: 4-JUN-1996 09:42:02.89

TO: Brenda Anders (ANDERS_B) (WHO)
READ: 4-JUN-1996 08:33:00.50

TO: Roger V. Salazar (SALAZAR_R) (WHO)
READ: 4-JUN-1996 08:36:15.87

TO: Lori L. Anderson (ANDERSON_L) (WHO)
READ: 4-JUN-1996 09:43:36.71

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Paul K. Engskov (ENGSKOV_K) (WHO)
READ: 4-JUN-1996 16:42:38.40

TO: Jeremy Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Julie E. Mason (MASON_J) (WHO)
READ: 4-JUN-1996 09:48:16.83

TO: Michael McCurry (MCCURRY_M) (WHO)
READ: 4-JUN-1996 16:29:05.30

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: 4-JUN-1996 10:13:27.22

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 5-JUN-1996 09:51:04.45

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ: 4-JUN-1996 12:07:41.01

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TEXT:
Attached background on the Georgia program upon which ours is somewhat modeled.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 4-JUN-1996 08:13:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Jason S. Goldberg

TEXT:
PRINTER FONT 12_POINT_ROMAN

SECRETARIAL DIRECTIVE FOR EMERGENCY TIMBER SALVAGE SALES

? emphasizes emergency nature of salvage program under rider that was used to warrant exemptions from normal law and thus impose extra responsibility on agency to administer program in a manner that sustains the public's confidence;

? this is interim guidance until receiving report and recommendation of interagency salvage review team (to be out in August);

? directs action to respond to public concerns, provide guidance to Forest Service on particular terms used in salvage rider and to better inform public of actions taken under the rider;

? no salvage sales will be advertised in roadless areas, except those that would qualify as "imminently susceptible to fire" under the directive;

? priority will be given to selecting sales that minimize new road construction or reconstruction;

? sales that were prepared as green sales or that were withdrawn for environmental reasons would not be advertised as salvage sales under the rider;

? "imminently suspectible to fire" is defined as trees located in areas with high fuel loading, where there is a high fire risk rating for the specific habitat type, and near local communities or occupied structures;

? "imminently susceptible to insect attack" means trees located in areas that have a high risk of incurring insect attack in 3 years or less (using risk rating system as appropriate);

? "associated trees" must be removed only to the extent necessary to provide access, ensure safety or to improve the forest stand conditions and must be subordinate to the objective of salvaging "diseased, or insect

-infested, dead, damaged or down trees or trees imminently suspectible to fire or insect attack".

? there are more detailed public involvement provisions for explaining the purpose and content of proposed sales;

? all sales for which is significant public concern remains or sales which have a component of associated trees greater than 25% will be reviewed by the Chief for compliance with the directive and interagency MOA;

? timber sales that do not meet the directive may continue to be prepared under normal authorities.

================ END ATTACHMENT 1 ================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Angus S. King (KING_A) (WHO)

CREATION DATE/TIME: 4-JUN-1996 10:24:05.82

SUBJECT: For those of you who didn't get Jason's attachment,

TO: Adam R. Kreisel (KREISEL_A) (WHO)
READ: 4-JUN-1996 10:24:36.07

TO: John O. Sutton (SUTTON_J) (WHO)
READ:NOT READ

TO: Barry J. Toiv (TOIV_B) (WHO)
READ: 4-JUN-1996 10:46:57.36

TO: Laura Capps (CAPPS_L) (WHO)
READ: 4-JUN-1996 10:25:16.85

TO: Marlene A. MacDonald (MACDONALD_M) (WHO)
READ: 4-JUN-1996 10:24:51.97

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Mary Ellen Glynn (GLYNN_M) (WHO)
READ: 4-JUN-1996 10:38:07.35

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: 4-JUN-1996 12:32:56.07

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 4-JUN-1996 12:01:34.55

TO: Julie E. Mason (MASON_J) (WHO)
READ: 4-JUN-1996 11:29:54.13

TO: Teresa Wildman (WILDMAN_T) (WHO)
READ: 4-JUN-1996 10:29:38.62

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 4-JUN-1996 11:22:16.98

TO: Gordon Li (LI_G) (WHO)
READ: 4-JUN-1996 10:28:55.15

TO: Karen L. Hancox (HANCOX_K) (WHO)
READ: 4-JUN-1996 10:26:41.71

TO: Margo L. Spiritus (SPIRITUS_M) (WHO)
READ: 4-JUN-1996 11:12:04.25

TO: Steven J. Naplan (NAPLAN_S) (NSC)
READ: 4-JUN-1996 10:50:09.01

TO: Patricia A. McHugh (MCHUGH_P) (WHO)
READ: 4-JUN-1996 10:27:42.21

TO: Stacey L. Rubin (RUBIN_S) (WHO)
READ: 4-JUN-1996 11:07:21.96

TO: R. Lawton Jordan III (JORDAN_RL) (WHO)
READ:15-JUN-1996 07:40:27.84

TO: Jennifer D. Dudley (DUDLEY_J) (WHO)
READ:NOT READ

TO: Ruby G. Moy (MOY_R) (WHO)
READ: 4-JUN-1996 12:53:27.17

TO: Jason S. Goldberg (GOLDBERG_JS) (OPD)
READ: 4-JUN-1996 10:33:07.34

TO: Daniel Taberski (TABERSKI_D) (OPD)
READ: 4-JUN-1996 11:54:54.33

TO: Julie E. Demeo (DEMEO_J) (OPD)
READ: 4-JUN-1996 10:56:07.67

TO: Dena B. Weinstein (WEINSTEIN_D) (WHO)
READ: 4-JUN-1996 12:08:30.49

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ: 4-JUN-1996 13:11:58.89

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ: 4-JUN-1996 16:06:41.10

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ: 4-JUN-1996 10:35:54.13

TO: Julia R. Green (GREEN_J) (WHO)
READ:NOT READ

TO: Allison Wilkie (WILKIE_A) (WHO)
READ: 4-JUN-1996 10:26:02.61

TO: Peggy A. Lewis (LEWIS_P) (WHO)
READ:NOT READ

TO: Lauren J. Boyd (BOYD_L) (OA)
READ: 4-JUN-1996 11:25:24.96

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:26-JUN-1996 17:00:52.89

TO: Chris Dorval (DORVAL_C) (OPD)
READ: 4-JUN-1996 11:12:01.98

TO: Marilyn Yager (YAGER_M) (WHO)
READ: 4-JUN-1996 10:32:52.16

TO: Kevin M. O'Keefe (OKEEFE_K) (WHO)
READ: 4-JUN-1996 10:53:22.97

TO: Evelyn S. Lieberman (LIEBERMAN_E) (WHO)
READ: 4-JUN-1996 11:56:01.66

TO: Brenda B. Costello (COSTELLO_B) (WHO)
READ: 4-JUN-1996 10:24:43.20

TO: William C. Hornish (HORNISH_W) (OA)
READ:NOT READ

TO: Jeremy D. Benami (BENAMI_J) (WHO)
READ: 4-JUN-1996 12:16:22.14

TO: Deborah L. Fine (FINE_D) (OPD)
READ: 4-JUN-1996 13:46:55.05

TO: David S. Beaubaire (BEAUBAIRE_D) (WHO)
READ: 4-JUN-1996 11:26:21.38

TO: Russell W. Horwitz (HORWITZ_R) (WHO)
READ: 4-JUN-1996 11:28:06.03

TO: Alexandra Quinn (QUINN_A) (WHO)
READ:NOT READ

TO: Gabrielle M. Bushman (BUSHMAN_G) (WHO)
READ: 4-JUN-1996 11:28:02.92

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Michelle Crisci (CRISCI_M) (WHO)
READ: 4-JUN-1996 10:24:23.61

TO: Craig Gardenswartz (GARDENSWAR_C) (WHO)
READ: 4-JUN-1996 10:24:23.70

TO: Stacy L. Forster (FORSTER_S) (WHO)
READ: 4-JUN-1996 10:29:35.13

TO: Natalie L. Mayer (MAYER_N) (WHO)
READ: 4-JUN-1996 10:24:20.87

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ: 4-JUN-1996 11:30:50.00

TO: Eric Eve (EVE_E) (WHO)
READ: 4-JUN-1996 10:28:22.27

TO: DONALD K. DUNN (DUNN_D) (WHO)
READ: 5-JUN-1996 10:47:59.46

TO: David Wofford (WOFFORD_D) (WHO)
READ: 4-JUN-1996 11:54:06.66

TO: Cookab Hashemi (HASHEMI_C) (WHO)
READ: 4-JUN-1996 10:25:43.85

TO: Ray Martinez (MARTINEZ_R) (WHO)
READ: 4-JUN-1996 10:45:06.68

TO: Joe Trahern (TRAHERN_J) (WHO)
READ: 4-JUN-1996 10:55:04.85

TO: Linda L. Moore (MOORE_L) (WHO)
READ: 4-JUN-1996 10:40:15.11

TO: Wendy A. Heistad (HEISTAD_W) (WHO)
READ: 4-JUN-1996 10:26:56.66

TO: Marsha Scott (SCOTT_M) (WHO)
READ:NOT READ

TO: Paul Yandura (YANDURA_P) (WHO)
READ:NOT READ

TO: Kathleen (Kate) Carr (CARR_K) (WHO)
READ: 5-JUN-1996 17:16:11.00

TO: Lee A. Satterfield (SATTERFIEL_L) (WHO)
READ: 4-JUN-1996 11:29:37.66

TO: Patricia F. Lewis (LEWIS_PF) (WHO)
READ: 4-JUN-1996 11:09:51.48

TO: Brenda Anders (ANDERS_B) (WHO)
READ: 4-JUN-1996 10:27:40.42

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ: 4-JUN-1996 11:18:36.98

TO: Lori L. Anderson (ANDERSON_L) (WHO)
READ: 4-JUN-1996 10:39:30.77

TO: Michael Warren (WARREN_M) (OPD)
READ: 4-JUN-1996 10:37:57.56

TO: Diana M. Fortuna (FORTUNA_D) (OPD)
READ: 4-JUN-1996 12:33:58.31

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: 4-JUN-1996 10:49:29.14

TO: Karin Kullman (KULLMAN_K) (WHO)
READ: 4-JUN-1996 10:38:44.22

TO: Jonathan Orszag (ORSZAG_J) (OPD)
READ:NOT READ

TO: Katharine M. Button (BUTTON_K) (WHO)
READ: 4-JUN-1996 10:49:25.87

TO: Remote Addressee (carmen.lomellin@opm.gov@INET)
READ:NOT READ

TEXT:
here's a slightly shorter version.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 4-JUN-1996 10:23:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Angus S. King

TEXT:
PRINTER FONT 14_POINT_ROMAN
AMERICA'S HOPE SCHOLARSHIPS
PRINTER FONT 12_POINT_ROMAN
A TAX CUT TO MAKE 14 YEARS OF EDUCATION THE STANDARD FOR ALL
June 4, 1996

PRESIDENT CLINTON ANNOUNCES THE HOPE SCHOLARSHIP PLAN TO MAKE 14 YEARS OF EDUCATION -- AT LEAST TWO YEARS OF COLLEGE -- THE STANDARD FOR ALL AMERICANS. President Clinton's HOPE Scholarship Tax Cut makes clear that 2 years of college should be as universal as high school and builds on his comprehensive program to guarantee that a college education is both accessible and affordable to all Americans at any time in their life. To further this guarantee, the President announced the following proposals:

* NEW AMERICA'S HOPE SCHOLARSHIP TAX CUT -- Guarantees 2 Years of Tuition at the Average Community College for Any Student Who Earns a B Average. Modeled on the successful Georgia HOPE Scholarship program, this new proposal provides all students with a $1,500 refundable tax credit for full

-time tuition in their first year
($750 for half

-time), and another $1,500 in their second year if they work hard, stay off drugs, and earn at least a B average in their first year. This $1,500 tax credit will pay for more than the full cost of tuition at the national average

-priced community colleges -- and a downpayment at more expensive four

-year schools.

* $10,000 Tax Deduction for All Education and Training. The President maintains his $10,000 tax deduction for tuition for college, graduate school, community college, certified training and technical programs. This encourages lifetime investment in higher education.
* Scholarship Increases (Pell Grants) for Lower

-Income Students: The President announced that his balanced budget plan increases Pell Grants each year. Indeed, the maximum Pell Grant award will increase by 33% from fiscal 1995 to fiscal 2002. The proposed increase in fiscal 1997 is the largest in the program's 25

-year history.

BUILDS ON PRESIDENT'S PLAN FOR GUARANTEED ACCESS TO COLLEGE. The above initiatives build on the President's plan to guarantee that college is both accessible and affordable to every person -- through loans with pay

-as

-you

-can repayment, grants, scholarships, and work study.

* With the increased Pell Grant program support, students have access to up to $5,100 in Pell Grants and student loans for their first year in college, and much more in future years.
* The new Direct Student Loan program enacted as part of the President's 1993 Economic Plan is allowing millions of students to borrow in a simpler, less bureaucratic way, and to pay back their loans as a share of their income, and part of the savings from Direct Lending will be returned to students in the form of lower interest payments on their loans.
* New Direct Loans With Pay

-As

-You

-Can Option: Will account for 50% of loans
* National Service -- AmeriCorps: 30,000 students earning up to $4,725 for service
* Pell Grants: Provides for 7

-year expansion, increasing maximum

award to $3,128 in 2002
* $10,000 Education Deduction: 16.5 million students get deduction for their tuition
* Work Study Expansion: Proposes expansion to 1 million participants by FY2002
* Honors Scholarships: Proposes $1,000 scholarship for top 5% of every high school class
* IRAs for Education: Proposal allows penalty

-free withdrawals for education
* Skill Grants: Proposed $2,600 Skill Grants to enable dislocated workers to get needed skills

================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Lisa Kountoupes (KOUNTOUPES_L) (OMB)

CREATION DATE/TIME: 4-JUN-1996 22:12:51.97

SUBJECT: more

TO: Annette E. Johnson (JOHNSON_AE) (WHO)
READ: 4-JUN-1996 22:13:10.10

TEXT:

==================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 4-JUN-1996 08:04:00.00

ATT CREATOR: Jason S. Goldberg

ATT SUBJECT: How the HOPE Scholarship Tax Cut is Paid For

ATT TO: pauline M. Abernathy (ABERNATHY_P)

ATT TO: Karin J. Abramson (ABRAMSON_K)

ATT TO: John C. Angell (ANGELL_J)

ATT TO: Kenneth S. Apfel (APFEL_K)

ATT TO: Donald A. Baer (BAER_D)

ATT TO: David S. Beaubaire (BEAUBAIRE_D)

ATT TO: Jeremy D. Benami (BENAMI_J)

ATT TO: Jill M. Blickstein (BLICKSTEIN_J)

ATT TO: Emily Bromberg (BROMBERG_E)

ATT TO: Susan Brophy (BROPHY_S)

ATT TO: Molly Brostrom (BROSTROM_M)

ATT TO: Gabrielle M. Bushman (BUSHMAN_G)

ATT TO: Phillip M. Caplan (CAPLAN_P)

ATT TO: Laura Capps (CAPPS_L)

ATT TO: Kathleen (Kate) Carr (CARR_K)

ATT TO: Barbara C. Chow (CHOW_B)

ATT TO: Daniel P. Collins (COLLINS_D)

ATT TO: William Curry (CURRY_W)

ATT TO: Paul R. Dimond (DIMOND_P)

ATT TO: Mary Dixon (DIXON_M)

ATT TO: Chris Dorval (DORVAL_C)

ATT TO: DONALD K. DUNN (DUNN_D)

ATT TO: Nicole Elkon (ELKON_N)

ATT TO: Rahm Emanuel (EMANUEL_R)

ATT TO: Deborah L. Fine (FINE_D)

ATT TO: Martha Foley (FOLEY_M)

ATT TO: Ben Freeland (FREELAND_B)

ATT TO: Craig Gardenswartz (GARDENSWAR_C)

ATT TO: Mary Ellen Glynn (GLYNN_M)

ATT TO: LAWRENCE J. HAAS (HAAS_L)

ATT TO: William A. Halter (HALTER_W)

ATT TO: Karen L. Hancox (HANCOX_K)

ATT TO: John P. Hart (HART_J)

ATT TO: Kathryn Higgins (HIGGINS_K)

ATT TO: Elgie Holstein (HOLSTEIN_E)

ATT TO: Russell W. Horwitz (HORWITZ_R)

ATT TO: Helen P. Howell (HOWELL_H)

ATT TO: Heidi Kukis (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Christopher C. Jennings (JENNINGS_C)

ATT TO: Annette E. Johnson (JOHNSON_AE)

ATT TO: Brian J. Johnson (JOHNSON_BJ)

ATT TO: R. Lawton Jordan III (JORDAN_RL)

ATT TO: Jack M. Quinn (Jack M. Quinn@EOP_OVP@CCGATE@EOPMRX)

ATT TO: Yusuf A. Khapra (KHAPRA_Y)

ATT TO: Charles E. Kieffer (KIEFFER_C)

ATT TO: Angus S. King (KING_A)

ATT TO: Jennifer L. Klein (KLEIN_J)

ATT TO: Charles S. Konigsberg (KONIGSBERG_C)

ATT TO: Lisa Kountoupes (KOUNTOUPES_L)

ATT TO: David J. Lane (LANE_D)

ATT TO: Patricia F. Lewis (LEWIS_PF)

ATT TO: Jacob J. Lew (LEW_J)

ATT TO: Evelyn S. Lieberman (LIEBERMAN_E)

ATT TO: Gordon Li (LI_G)

ATT TO: Gaynor R. McCown (MCCOWN_G)

ATT TO: Anne E. McGuire (MCGUIRE_A)

ATT TO: Lorraine McHugh (MCHUGH_L)

ATT TO: Joseph Minarik (MINARIK_J)

ATT TO: Nancy-Ann E. Min (MIN_N)

ATT TO: Julia Moffett (MOFFETT_J)

ATT TO: Janet Murguia (MURGUIA_J)

ATT TO: Lucie F. Naphin (NAPHIN_L)

ATT TO: Jennifer L. Nelson (NELSON_JL)

ATT TO: Erin A. O'Connor (OCONNOR_E)

ATT TO: Thomas O'Donnell (ODONNELL_T)

ATT TO: Jonathan Orszag (ORSZAG_J)

ATT TO: Peter R. Orszag (ORSZAG_P)

ATT TO: Bruce N. Reed (REED_B)

ATT TO: Cheryl S. Rodman (RODMAN_C)

ATT TO: Rica F. Rodman (RODMAN_R)

ATT TO: Stuart Schear (SCHEAR_S)

ATT TO: Richard L. Siewert (SIEWERT_R)

ATT TO: Stephen B. Silverman (SILVERMAN_S)

ATT TO: Wendy L. Smith (SMITH_WL)

ATT TO: Gene B. Sperling (SPERLING_G)

ATT TO: Patrick M. Steel (STEEL_P)

ATT TO: George Stephanopoulos (STEPHANOPO_G)

ATT TO: Todd Stern (STERN_T)

ATT TO: Lisa Jordan Tamagni (TAMAGNI_L)

ATT TO: Shana E. Tesler (TESLER_S)

ATT TO: Barry J. Toiv (TOIV_B)

ATT TO: Laura D. Tyson (TYSON_L)

ATT TO: Lorraine A. Voles (VOLES_L)

ATT TO: Michael Waldman (WALDMAN_M)

ATT TO: Christopher F. Walker (WALKER_C)

ATT TO: Anne Walley (WALLEY_A)

ATT TO: Michael Warren (WARREN_M)

ATT TO: Dena B. Weinstein (WEINSTEIN_D)

ATT TO: William White (WHITE_WI)

ATT TO: Teresa Wildman (WILDMAN_T)

ATT TO: Chantale Wong (WONG_C)

ATT TO: Marilyn Yager (YAGER_M)

ATT TO: Kathryn Higgins (HIGGINS_K)

ATT TO: Stephen B. Silverman (SILVERMAN_S)

ATT TO: Jason S. Goldberg (GOLDBERG_JS)

ATT TO: Kris Balderston (BALDERSTON_K)

ATT TO: Shana E. Tesler (TESLER_S)

ATT TO: Sheila D. Turner (TURNER_S)

ATT TO: LeeAnn Inadomi (INADOMI_L)

ATT TO: John O. Sutton (SUTTON_J)

ATT TO: Harold Ickes (ICKES_H)

ATT TO: Janice A. Enright (ENRIGHT_J)

ATT TO: Allison Wilkie (WILKIE_A)

ATT TO: Peggy A. Lewis (LEWIS_P)

ATT TO: Rica F. Rodman (RODMAN_R)

ATT TO: Julia R. Green (GREEN_J)

ATT TO: Laura D. Schwartz (SCHWARTZ_L)

ATT TO: Joshua N. Silverman (SILVERMAN_J)

ATT TO: Brenda Anders (ANDERS_B)

ATT TO: Roger V. Salazar (SALAZAR_R)

ATT TO: Lori L. Anderson (ANDERSON_L)

ATT TO: Steven A. Cohen (COHEN_SA)

ATT TO: Anne M. Edwards (EDWARDS_A)

ATT TO: Paul K. Engskov (ENGSKOV_K)

ATT TO: Jeremy Gaines (GAINES_J)

ATT TO: Mary Ellen Glynn (GLYNN_M)

ATT TO: Julie E. Mason (MASON_J)

ATT TO: Michael McCurry (MCCURRY_M)

ATT TO: Lorraine McHugh (MCHUGH_L)

ATT TO: Kathy McKiernan (MCKIERNAN_K)

ATT TO: APRIL K. MELLODY (MELLODY_A)

ATT TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A)

ATT TO: Virginia M. Terzano (TERZANO_V)

TEXT:
Attached.
================= END ATTACHMENT 1 =================

=================== ATTACHMENT 2 ===================
ATT CREATION TIME/DATE: 4-JUN-1996 08:04:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Jason S. Goldberg

TEXT:
PRINTER FONT 14_POINT_ROMAN
Paying For America's HOPE Scholarship Tax Cut

PRINTER FONT 12_POINT_ROMAN
Balanced Budget Framework. The President's new America's HOPE Scholarship Tax Cut proposal is completely paid for with specific budget savings so that the President's overall plan continues to reach balance in fiscal year 2002.

Current Education Tax Deduction: $35 Billion FY 1997

-2002. The
President's current education tax cut -- $10,000 deduction -- costs $35 billion over 6 years (FY 1997

-2002) and is paid for within the
balanced budget plan that has been certified as reaching balance in 2002 by the Congressional Budget Office.

New Proposal: $42.9 Billion FY 1997

-2002. The new combined
proposals would be $42.9 billion. The breakout of these costs are as follows:

#8

#9

FY 1997

-2002 Cost

$8

#8

America's HOPE Scholarship Tax Cut

#9

$25.1 Billion

$8

#8

$10,000 Education Tax Deduction

#9

$17.8 Billion

$8

#8

TOTAL COST

#9

$42.9 Billion

$8

The additional $7.9 billion in net new costs are paid for with specific savings listed below:

#8

#9

FY1997

-2002
Savings

$8

#8

Reduction of Sales Source Rule
Benefits

#9

$3.5 Billion

$8

#8

International Departure Fee

#9

$2.3 Billion

$8

#8

Auction Radio DARS Spectrum

#9

$2.1 Billion

$8

#8

TOTAL SAVINGS

#9

$7.9 Billion

$8

PRINTER FONT 11_POINT_ROMAN
NOTE: While the President's new America's HOPE Scholarship Tax Cut has gross costs of $25.1 billion over FY 1997 to 2002, the net increase in the President's overall education tax cut is only $7.9 billion because of savings that take place in the President's $10,000 education tax deduction.

? Most of those savings ($10.7 billion) come from families choosing the HOPE tax credit over the $10,000 education tax deduction.

?? The remaining savings ($6.5 billion) come from lowering the phase out income limits for joint filers from $120,000 to $100,000 to conform to the Administration's expanded IRA proposal.

================ END ATTACHMENT 2 ================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Joshua Silverman (SILVERMAN_J) (WHO)

CREATION DATE/TIME: 4-JUN-1996 09:49:18.78

SUBJECT: FYI

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 4-JUN-1996 12:02:09.44

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: 4-JUN-1996 10:13:55.77

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ: 5-JUN-1996 07:58:32.53

TO: Mary Ellen Glynn (GLYNN_M) (WHO)
READ: 4-JUN-1996 10:20:37.45

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ: 4-JUN-1996 10:05:12.36

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ: 4-JUN-1996 14:03:49.72

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ: 4-JUN-1996 09:49:22.83

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 4-JUN-1996 11:06:07.24

TO: Peggy A. Lewis (LEWIS_P) (WHO)
READ:NOT READ

TO: Julia R. Green (GREEN_J) (WHO)
READ: 4-JUN-1996 18:20:41.61

TO: Allison Wilkie (WILKIE_A) (WHO)
READ: 4-JUN-1996 09:50:57.86

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ: 4-JUN-1996 11:16:53.27

TO: Brenda Anders (ANDERS_B) (WHO)
READ: 4-JUN-1996 10:17:05.08

TO: Lori L. Anderson (ANDERSON_L) (WHO)
READ: 4-JUN-1996 10:14:02.80

TO: Roger V. Salazar (SALAZAR_R) (WHO)
READ: 4-JUN-1996 09:49:32.86

TO: Jennifer Senan (SENAN_J) (WHO)
READ: 4-JUN-1996 22:44:12.22

TO: Stuart Schear (SCHEAR_S) (WHO)
READ: 4-JUN-1996 09:53:31.26

TO: Patricia F. Lewis (LEWIS_PF) (WHO)
READ: 4-JUN-1996 09:56:25.88

TEXT:
If you receive any press requests for Governor Zell Miller or for any participants in the Georgia Hope Scholarship Program you can contact the Governor's Press Secretary, Rick Dent, at 404-651-7774.
Rica/Vickie -- Rick said that he would be happy to work with you to get some of these people on radio.
That's it.
JNS