

**THE TRIP OF  
THE PRESIDENT  
TO  
LOS ALAMOS, NEW MEXICO  
SAN DIEGO, CALIFORNIA  
&  
LOS ANGELES, CALIFORNIA**

Monday, May 17, 1993

through

Tuesday, May 18, 1993

Staff Copy

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MONDAY, MAY 17, 1993

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**SCHEDULE OF THE PRESIDENT  
FOR  
MONDAY, MAY 17, 1993  
FINAL DRAFT**

tba

**JOG**

7:30 am

**THE PRESIDENT** departs White House via Marine 1 en route Andrews Air Force Base  
[flight time: 10 minutes]

7:40 am

**THE PRESIDENT** arrives Andrews Air Force Base

7:50 am

EDT

**THE PRESIDENT** departs Andrews Air Force Base via Air Force 1 en route Kirtland Air Force Base, Albuquerque, NM  
[flight time: 3 hours, 40 minutes]

9:30 am

MDT

**THE PRESIDENT** arrives Kirtland Air Force Base, Albuquerque, NM  
**POOL PRESS**

9:45 am

**THE PRESIDENT** departs Kirtland Air Force Base, Albuquerque, NM, via Marine 1 en route Los Alamos Airport, Los Alamos, NM  
[flight time: 30 minutes]

10:15 am

**THE PRESIDENT** arrives Los Alamos Airport, Los Alamos, NM, and proceeds to motorcade

10:25 am

**THE PRESIDENT** departs Los Alamos Airport via motorcade en route Los Alamos National Laboratory  
[drive time: 5 minutes]

10:35 am

**THE PRESIDENT** arrives Los Alamos National Laboratory and proceeds to tour

10:35 am-  
11:15 am

**TOUR** of Los Alamos National Laboratory Plasma Implantation Facility (TA-31)  
**LOS ALAMOS NATIONAL LABORATORY**

11:15 am

**THE PRESIDENT** departs Los Alamos National Laboratory via motorcade en route supercomputer center  
[drive time: 5 minutes]

11:20 am

**THE PRESIDENT** arrives supercomputer center and proceeds to tour

11:20 am-  
11:50 am

**TOUR** of world's largest supercomputer center  
Staff Contacts: Tom Kahlil, Bob Bell



|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11:50 am-<br>12:10 pm | <b>MEETING</b> with Lab Management<br>ROOM 319, SUPERCOMPUTER CENTER<br>Staff Contacts: Tom Kahlil, Bob Bell                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 12:10 pm-<br>12:30 pm | <b>LUNCH/PRIVATE TIME</b><br>ROOM 324, SUPERCOMPUTER CENTER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 12:30 pm              | <b>THE PRESIDENT</b> departs supercomputer center via motorcade en route Los Alamos High School football field<br>[drive time: 5 minutes]                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 12:35 pm              | <b>THE PRESIDENT</b> arrives Los Alamos High School football field                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 12:35 pm-<br>1:25 pm  | <b>SPEECH</b> to Los Alamos community<br>SULLIVAN FIELD<br>Los Alamos High School<br>Remarks: Carolyn Curiel<br>Staff Contact: David Dreyer<br><b>OPEN PRESS</b><br><br><ul style="list-style-type: none"> <li>-- While <b>THE PRESIDENT</b> holds offstage, Sen. Bingaman introduces Rep. Richardson, Sen. Domenici, and Gov. King for brief remarks.</li> <li>-- Gov. King introduces <b>THE PRESIDENT</b>.</li> <li>-- <b>THE PRESIDENT</b> enters and works ropeline while proceeding to stage.</li> <li>-- <b>THE PRESIDENT</b> makes remarks</li> </ul> |
| 1:25 pm               | <b>THE PRESIDENT</b> departs Los Alamos High School via motorcade en route Los Alamos Airport<br>[drive time: 10 minutes]                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 1:35 pm               | <b>THE PRESIDENT</b> arrives Los Alamos Airport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1:40 pm-<br>2:10 pm   | <b>LOCAL INTERVIEWS</b><br>LOS ALAMOS AIRPORT<br>Staff Contact: Jeff Eller<br><b>CLOSED PRESS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 2:10 pm-<br>2:15 pm   | <b>PHOTO OP</b> with local police<br>LOS ALAMOS AIRPORT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2:15 pm-<br>2:20 pm   | <b>PHOTO OP</b> with volunteer drivers<br>LOS ALAMOS AIRPORT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                      |     |                                                                                                                                                                           |
|----------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2:20 pm              |     | <b>THE PRESIDENT</b> departs Los Alamos Airport, Los Alamos, NM,<br>via Marine 1 en route Kirtland Air Force Base, Albuquerque, NM<br>[flight time: 30 minutes]           |
| 2:50 pm              |     | <b>THE PRESIDENT</b> arrives Kirtland Air Force Base                                                                                                                      |
| 3:00 pm              | MDT | <b>THE PRESIDENT</b> departs Kirtland Air Force Base via Air Force 1<br>en route North Island Naval Air Station, San Diego, CA<br>[flight time: 2 hours with interchange] |
| 4:00 pm              | PDT | <b>THE PRESIDENT</b> arrives North Island Naval Air Station and<br>proceeds to welcome event                                                                              |
| 4:00 pm-<br>4:45 pm  |     | <b>SAN DIEGO TARMAC WELCOME</b><br><b>NORTH ISLAND NAVAL AIR STATION</b><br>Remarks: Carter Wilkie<br>Staff Contact: Tony Lake<br><b>OPEN PRESS</b>                       |
| 4:50 pm              |     | <b>THE PRESIDENT</b> departs North Island Naval Air Station via<br>motorcade en route Hotel Del Coronado<br>[drive time: 10 minutes]                                      |
| 5:00 pm              |     | <b>THE PRESIDENT</b> arrives Hotel Del Coronado and proceeds to suite                                                                                                     |
| 5:05 pm-<br>6:40 pm  |     | <b>PHONE AND OFFICE TIME</b><br><b>HOTEL SUITE</b><br>Hotel Del Coronado                                                                                                  |
| 6:40 pm              |     | <b>THE PRESIDENT</b> departs Hotel Del Coronado via motorcade en<br>route KGTV Studios<br>[drive time: 20 minutes]                                                        |
| 7:00 pm              |     | <b>THE PRESIDENT</b> arrives KGTV Studios                                                                                                                                 |
| 7:00 pm-<br>10:00 pm |     | <b>A TOWN MEETING WITH BILL CLINTON</b><br><b>KGTV-SAN DIEGO</b><br>Staff Contact: Jeff Eller                                                                             |
| 7:00 pm              |     | <b>Event Prep</b><br><b>GENERAL MANAGER'S OFFICE</b>                                                                                                                      |
| 7:55 pm              |     | <b>Proceed to Studio</b>                                                                                                                                                  |
| 8:00 pm              |     | <b>Town Meeting</b><br><b>KGTV STUDIO</b>                                                                                                                                 |

|                         |         |                                                                                                                    |
|-------------------------|---------|--------------------------------------------------------------------------------------------------------------------|
|                         | 9:00 pm | <b>Greeting of Participants</b><br>KGTV STUDIO                                                                     |
|                         | 9:20 pm | <b>Warm-down</b><br><br>-- Photo-op with 6 police officers                                                         |
|                         | 9:30 pm | <b>Reception</b><br>PARKING LOT TENT                                                                               |
| 10:00 pm                |         | <b>THE PRESIDENT</b> departs KGTV Studios via motorcade en route<br>Hotel Del Coronado<br>[drive time: 15 minutes] |
| 10:15 pm                |         | <b>THE PRESIDENT</b> arrives Hotel Del Coronado                                                                    |
| <b>BC AND STAFF RON</b> |         | <b>HOTEL DEL CORONADO</b><br><b>SAN DIEGO, CA</b>                                                                  |

VISIT OF THE PRESIDENT  
TO  
LOS ALAMOS, NEW MEXICO

**EVENT:** Tour of Los Alamos Labs - Plasma Implantation Facility

**DATE:** Monday, May 17, 1993

**TIME:** 10:35 - 11:15 a.m.

**ATTENDEES:** Lab Director Sig Hecker; Several Presenters

**PRESS:** Tight Pool

**SCENARIO:** THE PRESIDENT is met at the airport by Los Alamos Lab Director Sig Hecker and the directors of the three other national laboratories. Dr. Hecker accompanies THE PRESIDENT into the Plasma Implantation Facility, along with John Nuckols (Director, Lawrence Livermore National Lab) and Al Narath (Director, Sandia National Lab). THE PRESIDENT will then proceed to tour 6 stations inside the facility. At each station, he will be met by a lab scientist and an industry partner to make the presentation.

Dr. Hecker will make a general presentation about defense conversion before proceeding down the line of exhibits.

1. Oil Recovery -- energy security and domestic oil production and recovery is the best model for partnership with industry.
2. Human Genome -- importance of lasers in environmental/biomedical applications.
3. Waste Management -- development of technologies for waste management separation and minimization.
4. Automotive Fuel Cells -- work with General Motors in development of environmentally sound and energy efficient fuel cells.
5. Air Quality -- project to measure the particles in the air to determine air quality.

6. Ion Implantation -- use of ions upon surfaces to chemically alter their structure to produce stronger and harder cars and machines. After viewing this exhibit, THE PRESIDENT will proceed up a set of stairs to examine the ion implantation device.

**VISIT OF THE PRESIDENT  
TO  
LOS ALAMOS, NEW MEXICO**

**EVENT:** Los Alamos National Lab - Supercomputer Facility

**DATE:** Monday, May 17

**TIME:** 11:20 - 11:50 a.m.

**ATTENDEES:** Lab Director and Staff Presenters

**PRESS:** Tight Pool

**Scenario:** THE PRESIDENT is met curbside by lab employees Hassan Dayem and Andrew White, who will explain what goes on in the complex and lead him upstairs to the third floor for the tour.

Once inside the room with the world's largest supercomputer, THE PRESIDENT will proceed to three exhibits:

1. Three high school students and their teacher. The team was the winner of the New Mexico supercomputing challenge.
2. An exhibit on nuclear non-proliferation.
3. Uses of the supercomputer to examine internal combustion engines, global climate research and oil and gas conservation.

After the presentation, THE PRESIDENT will proceed to the third floor conference room for a meeting with Secretary O'Leary, the three lab directors, Governor King, Senators Bingaman and Domenici and Representatives Richardson and Schiff. The focus of the meeting will be on how the national laboratories can help to improve American industrial performance.

After the meeting, THE PRESIDENT will proceed to his holding room (also on the third floor) for

lunch, and then downstairs to the motorcade to  
proceed to the speech site.

THE WHITE HOUSE

WASHINGTON

May 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: TOM KALIL  
NATIONAL ECONOMIC COUNCIL

SUBJECT: BACKGROUND FOR TRIP TO LOS ALAMOS NATIONAL  
LABORATORY

**Background:**

- Los Alamos, with an FY94 budget of \$1.1 billion and 7,600 employees, is one of the three Department of Energy nuclear weapons labs. It is owned by the government but managed by the University of California.
- Los Alamos' total budget has actually increased from \$844 million in FY87, although a much greater portion of its budget now goes to environmental clean-up performed by outside contractors, as opposed to R&D. With the cutbacks in nuclear weapons R&D in FY94, total employment at the lab will decline by 300-400 in FY94, mostly through early retirement.
- Los Alamos is celebrating their 50th anniversary with the motto, "A proud past and an exciting future." The lab directors of Los Alamos, Sandia and Lawrence Livermore wrote to you during the transition, and offered "the help of our three labs where science and technology can make a difference."
- Scientists in Los Alamos are now conducting joint research projects with the designers of Russia's nuclear warheads -- a milestone in the post-Cold War era.
- President Kennedy visited Los Alamos 30 years ago, and praised Los Alamos for making a "direct contribution not only to the freedom of this country, but to those thousands of miles away."
- One controversial budget issue is funding for the LAMPF, the Los Alamos Physics Meson Facility. The Administration's budget contains funds to decommission the facility, which is 24 years old. Congress may try to add money to keep it open for another year because of requests from the nuclear physics community.



### **Role of Los Alamos in defense conversion:**

- Although a large part of their budget will continue to be devoted to national security needs (non-proliferation, maintaining the nuclear weapons stockpile) -- Los Alamos and the other labs are interested in devoting a greater percentage of their resources to tackling civilian and commercial challenges, such as developing new environmental technologies or working with the U.S. auto industry.
- Los Alamos has roughly 100 partnerships with industry. Technology developed at Los Alamos has led to the creation of 30 new businesses, including one industry that is now \$800 million in size.
- During the campaign and in the February 22nd statement on technology policy, you set a goal of having the labs devote 10 to 20 percent of their budget to partnerships with industry.
- The Administration's FY94 budget has \$200 million for the Department of Energy's Technology Transfer Initiative. This set-aside funds partnerships between DOE defense labs and industry.
- DOE is one of the participating agencies in the ARPA-led Technology Reinvestment Project, which has \$470 million for FY93. Federal laboratories are eligible to participate in many of the partnerships that will be funded by the Technology Reinvestment Project.

### **Tour:**

Your tour will consist of three stops: (1) a "show and tell" with lab and industry scientists on specific lab-industry partnerships; (2) a plasma implantation facility now being used cooperatively with the auto industry; and (3) the world's largest supercomputer facility.

### **#1: Lab-Industry Partnerships:**

- Lab and industry scientists will give 5 minute presentations on partnerships that are creating jobs and converting technologies developed for defense or other purposes to civilian use:
- **Oil Recovery:** Los Alamos and Sandia are working with 28 companies to develop technologies that will boost domestic production, such as improved "stripper well" production, drilling technologies, and seismic imaging. This project is important because U.S. production has been declining at 5 to 10

percent per year, and 300 billion barrels of oil located in the U.S. can't be recovered with today's technology.

- **Environmental Cleanup:** The lab is working with Lockheed to develop "magnetic waste separation" techniques for removing metals like uranium from contaminated soils. This technology could reduce remediation costs at sites like Rocky Flats and Hanford by as much as 75 percent.
- **Biomedicine:** Biomedical technology ("flow cytometry") developed at Los Alamos has led to the creation of an \$800 million-a-year business for three U.S. companies. This technology analyzes and sorts single biological cells. Clinical applications include AIDS and leukemia diagnosis.
- **Fuel Cells:** Los Alamos is working with General Motors to develop "clean car" technologies. An engine that can convert non-petroleum fuels like methanol into electricity will reduce emissions by 90 percent, reduce U.S. dependence on foreign oil, and create jobs in the auto industry.
- **Atmospheric Pollution:** Los Alamos has developed a "miniature LIDAR" (light detection and ranging) capable of detecting and analyzing atmospheric pollution. It is been used to understand the effect of auto emissions on air quality in Barcelona, Mexico City, and Albuquerque.

## **#2: Los Alamos Plasma Implantation Facility:**

- One of the facilities you will see is the Los Alamos Plasma Implantation Facility. A steel vacuum chamber containing high energy ions is used to harden the surface of products such as auto parts and machine tools.
- This facility was originally developed for DOE's research on magnetic fusion and the Strategic Defense Initiative.
- It is now being used for a \$13 million, 4-year partnership with General Motors to manufacture stronger, lighter auto parts and molds for stamping body parts. GM is contributing \$8 million, with a \$5 million commitment from DOE's Technology Transfer Initiative. If this manufacturing process proves to be cost-effective, it will also pose fewer environmental problems than current techniques, such as chrome plating.

## **#3: Central Computing Facility:**

- You will tour the Central Computing Facility, the largest and most advanced supercomputer facility in the world. This is the first time that

this classified facility has been open to the public. The nuclear weapons labs have been one of the leading customers for supercomputers. Deputy Commerce Secretary-Designate John Rollwagen, formerly CEO and Chairman of Cray Research, once stated that "without Los Alamos there would be no Cray Research."

- The most powerful supercomputer in the facility has enough power to solve 128 billion multiplication problems in one second.
- You will meet with the winners of the New Mexico High School Supercomputing Challenge. The challenge pairs teams of students with "mentors" in Los Alamos and Sandia to do projects using the labs' supercomputers. The winners developed a simulation of how temperatures inside a house are affected by changes in temperatures outside a house -- useful for energy conservation.
- Los Alamos is increasingly using its supercomputers for civilian and industrial purposes. You will see several applications of supercomputing technology developed at Los Alamos:
  - **Global Climate Models:** These models can be used to predict "global warming" and other environmental phenomena.
  - **Modeling of Combustion Engines:** Los Alamos has worked with the U.S. auto industry to develop the "KIVA" computer code. GM, Chrysler, Ford and Cummins Engine now use this code to test new designs for more efficient engines, which is much faster and less costly than building and testing an actual engine.
  - **Oil and Gas Computational Technology:** Los Alamos is working with companies like Mobil and Chevron to model underground environments, which will allow them to improve the management of oil fields and extract oil at reasonable costs. The oil companies believe this technology will enable them to perform these calculations one hundred times faster.
  - **Nonproliferation:** Los Alamos and the other labs are also using supercomputers to help the early detection of clandestine weapons programs. With the end of the Cold War, the proliferation of nuclear, chemical, and biological weapons is one of the greatest threats to America's national security.

VISIT OF THE PRESIDENT

TO

LOS ALAMOS, NEW MEXICO

EVENT: Speech at Los Alamos High School Football Field

DATE: Monday, May 17

TIME: 12:35 - 1:15 p.m.

ATTENDEES: General Public and Invited VIPs

PRESS: Open

Scenario: THE PRESIDENT is met curbside by school Superintendent David Barbosa and Principal Cheryl Pomgratz, as well as Carlos Ramirez of the University of New Mexico. The off-stage announcer will announce THE PRESIDENT, accompanied by Sec. O'Leary, Rep. Richardson, Sen. Domenici, Sen. Bingaman, and Gov. King, and they will enter the field and proceed to the stage left stairs. THE PRESIDENT and the others will take their seats on stage, and Sen. Bingaman will act as MC, welcoming the crowd and introducing Rep. Richardson. Sen. Bingaman will return to introduce Sen. Domenici and return again to introduce Gov. King. Gov. King will introduce THE PRESIDENT.

At the conclusion of the speech, THE PRESIDENT will exit stage right and work the rope line in front of the stage to the exit and the motorcade.

**President of the United States**  
**Remarks at Los Alamos High School Football Field**  
**May 17, 1993**

[Acknowledgements]

Doctor Hecker, Governor Bruce King, Senator Bingaman, Senator Domenici, Congressman Richardson, Congressman Schiff, distinguished guests... all of our friends here in New Mexico.

We also have with us here the senior class of Los Alamos High School. If I may say a special word to them: I got your invitation, but I don't think I'll be able to come to your graduation. I'm sorry and I wish I could.

It's always a pleasure to return to your glorious state, a place that holds a particularly warm spot in my heart. My good friend Governor King was the first governor to endorse my candidacy last year. And fittingly, our last campaign swing came through New Mexico. It was pitch dark because we were barnstorming through the night before election morning... but what a welcome we got here. I'll never forget New Mexican hospitality.

Today, we've returned in the light of day, here in the shadow of the Jemez [pronounced HAY'-muss] Mountains, to mark a historic occasion... the 50th anniversary of Los Alamos National Laboratory. For your first half-century of dedicated service, you were the leading edge of security for our nation. Now, as you enter your next half-century, you will be the leading edge for our prosperity... developing and nurturing the technology that will put Americans at the front of a new race... the jobs race.

New Mexico can be proud to be the home of Los Alamos and Sandia... two of America's finest national laboratories. America... indeed, the entire democratic world... owes a huge debt of gratitude to these laboratories and to Lawrence Livermore National Laboratory in California.

When our nation needed the military muscle to end a global war... we looked to the scientific brain trust that worked here, beside the ancient volcano in these mountains. And the answer was the Manhattan Project.

Then came the Cold War. It was long and costly... but the ideological lines were clear... our mission was directed... and our country had a focus, an enemy called Communism. That focus drove us in many areas... not just in determining what our country spent on defense, but also on education, and on our highways and on our people.



Throughout that long struggle against Communism and the threat then posed by the Soviet Union, the people at these national security laboratories worked relentlessly for America and democracies around the world. The toil from these labs gave our nation the core of its nuclear deterrent...essential to our strategy of containment after the Second World War.

From the Berlin crisis in 1946 to the Berlin celebration in 1989... your work helped to ensure America's might... our unblinking resolve.... and an unambiguous end to the Cold War.

As you mark your 50th anniversary at Los Alamos, you grasp better than most the enormity of this evolution. Perhaps it was best illustrated by our new friends, the Russians. I understand that the scientific directors of the Russian nuclear weapons laboratories recently gave Director Hecker a special gift: a dismantled Russian warhead inscribed: "From Russia, With Love."

Now that the world has changed, we face very different challenges... challenges of an ever-more competitive global economy, of environment, of diseases that know no borders.

How we will do depends on making the tough choices now... and that's what we are doing. For more than a decade... Washington practiced politics as usual... and many of our nation's needs were not addressed. But under our leadership, we are making Washington seize this moment, this juncture of change...because if we don't, we all risk falling behind.

We began with an economic strategy that lowers the deficit by 500-Billion dollars in five years...and we guaranteeing those savings by locking them in a Deficit Trust Fund. That is America's trust fund for our future. And we plan to take further savings by cutting waste and applying that to programs that will keep America technologically vital and help us create jobs for all Americans who want to work.

All of this will help us face the challenges at our door... and it will help to make sure that yesterday's national security victors do not become tomorrow's economic victims.

So yes, the world has changed. And now, when we look beside the ancient volcano, what we find here is a powerful weapon for our **economic** arsenal.

Today... we have a historic opportunity to renew the magnificent missions of Los Alamos and our other national laboratories... to apply their cumulative knowledge to where it urgently matters today... in the areas of economy, energy, environment and education.

Because the world has changed and is still changing, we, as a nation must set the pace...by gearing ourselves for tomorrow. You will play a key role in getting that job done, because we know this: **Genius is adaptable.**

Already, we have seen the beginnings of a great adaptation, in which the innovative spirit and prowess of these labs is being harnessed in partnerships with private industry.

With the visionary leadership on technology policy matters provided by Senator Bingaman, national laboratories like Los Alamos have been forming these collaborative efforts... and they promise to boost competitiveness of industries critical to creating the high-wage, high-skill economy of the future.

At Los Alamos alone, there are about 100 partnerships with industry. Technology produced here has led to the creation of more than 30 new businesses. Before coming here to this field today, I took a look at some of the projects underway... and they are our doorways to the future.

One facility handles plasma ion implantation. Despite its name... it has nothing to do with the body... not a human body, anyway. It involves a steel vacuum chamber containing high-energy ions... and they are used to harden the surface of products like auto parts and machine tools. The result: stronger, lighter cars and machines that are more resistant to corrosion.

This technology is a direct outgrowth of research for the SDI. This defense technology is now being used as part of a four-year partnership with General Motors.

Another Los Alamos project with G-M involves "clean-car" technology. They're working on a fuel cell to convert non-petroleum fuels like methanol into electricity to reduce emissions by 90 percent and reduce U-S dependence on foreign oil.

So, while we build cleaner, more energy efficient cars, we'll create more jobs for Americans, we'll have a safer environment... and **we'll prove that you can have a cleaner environment and build opportunity at the same time. It can be done, and we're starting to do it.**

There's much more. Biomedical technology developed at Los Alamos analyzes and sorts single biological cells using lasers. It has valuable applications for AIDS and leukemia diagnosis... and it has led to the creation of an 800-million-dollar a-year business for three American companies.

There are also projects underway for efficient oil recovery... environmental cleanup... and air pollution analysis.

With these partnerships with industry and others like them... we can fuel technology-based development and growth. In this economic chain reaction... the result will be high-paying jobs here in New Mexico and across our nation in a wide-range of fields becoming ever more critical to America.

Supercomputers, developed to design nuclear weapons, are now being used to improve the fuel efficiency of engines... and help the oil industry find more oil here in the United States. They're used to educate youngsters in ways we could never have dreamed of just a few years ago. I met some of those students earlier today... and they were actually developing programs for energy conservation using the world's largest supercomputer facility.

My Administration will be counting on the national labs to make significant contributions in these and other areas of technological need that arise out of the labs' energy and national security missions -- from developing new technologies for the health-care industry to shedding light on the issue of global warming. In these tasks, the laboratories will be helping not only Americans, but our fellow citizens around the world.

Let there be no mistake: As these laboratories play a growing role in civilian research and development... we must not let down our guard. There will remain an absolute necessity to continue pushing advances in defense-related technologies and in other technologies that will enable us to maintain confidence in the safety and reliability of our nuclear deterrent. Other important work will focus on new technologies to counter proliferation, dismantle nuclear weapons, verify arms control agreements and clean up the environmental legacy of 50 years of weapons production.

Our job is to remain vigilant and clear-headed regarding the defense of democracy and of our national interests... and your role in that regard is of utmost importance.

Like all Americans, I am proud of the national laboratories... for what they've done, what they are, and what they can become. I think the motto that Los Alamos has adopted says it best: "A proud past and an exciting future." And although that future will require considerable change, we are in the position to make that change work for you and for all Americans.

The national labs boast some of the world's finest scientists and engineers. There are more Ph-D's per capita packed onto this strip of mesa here at Los Alamos than on any place on the planet.



These labs run the most powerful computers, lasers and accelerators. They house some of the world's best materials facilities. They create and utilize the most sophisticated diagnostics. The national labs are truly crown jewels in America's technological infrastructure.

Under the technology policy that I have proposed, the labs, while continuing their vital role in the nation's security infrastructure, will be put to work addressing new challenges that will result in more jobs, more competitive industries, a cleaner environment, and greater energy security. Working with the Departments of Commerce and Defense, we will sustain the constant innovation that is needed to secure our economic future.

The labs will be key players in my technology policy and our investment for the future for several very good reasons.

They represent a national scientific and technological asset, staffed by first-rate scientists and engineers, world-class and often one-of-a-kind facilities and equipment and a unique interdisciplinary team approach. All this allows the labs to address large-scale, complex technical needs. These labs have built up scientific and technological competencies in areas like high-performance computing, advanced materials, lasers, advanced manufacturing and diagnostics... and a host of other areas that are truly cross-cutting in their application.

The expertise and horsepower in the field of high-performance computing at Los Alamos and its sister labs, for example, are pre-eminent in the world. Already you have taken this expertise... which designed our nuclear arsenal... and you've applied it in startling ways toward new discoveries in new spheres....modeling global atmospheric change, charting the human genome, and designing more fuel-efficient automotive engines.

This facility and its sister labs are the products of national investment for more than half a century. Our investment will continue because it will help move America's technology into the new millenium.

My Administration has been fighting on several fronts to ensure that we get on the path to long-term economic growth.

We won approval of the earliest budget resolution in 17 years. And now, Congress is hard at work turning our blueprint into law. Last Thursday, you could hear our budget crash through the gridlock: 13 committees in the House of Representatives took bold action and passed my budget plan out of committee with only minor changes. Soon the entire House will vote on the plan.

And when it passes, we'll be taking another big step toward making the turnaround that Americans demanded last November: to change our priorities so that we invest in people... reward hard work... restore fairness... and recognize our families and communities as the cornerstones of America's strength.

There have been tough choices along the way, and there'll be more to come, no doubt about it. We inherited a debt that in the last 12 years, went from 1-Trillion dollars to 4-Trillion dollars... and it will continue to grow until the deficit itself is reduced to zero.

So, we've had to ask everyone to be responsible and to help us. Over half -- 250-Billion dollars -- of our deficit-reduction plan comes from spending cuts. Of every three dollars in spending cuts we make, one dollar goes to investment... two dollars go toward reducing the deficit.

A lot of people are unhappy about some of what we've done. I'm not happy with some of it, myself. But making these tough choices now is the only responsible thing to do... and in the end, the tougher way to go is to do nothing.

And if we make these tough choices now, we'll help our government stop draining private investments that generate jobs and lift incomes... we'll be able to lay the foundation for growth with long-overdue, long-term public investments, and they will increase the productivity of our people and businesses.

And very importantly, our budget plan will enable us to invest in an integral part of defense conversion.

This year alone, we have earmarked a total of 1.7-Billion dollars for defense conversion... and we'll invest a total of 20-Billion dollars over the next five years for that purpose... because we want the Americans like you who won the cold war to have the skills, the training, the jobs and the support you need to thrive in the post-Cold War economy.

The change that all of us put into motion now will propel America forward. It won't be easy and it won't happen overnight. And along the way, as we've already seen, we'll face battles from the old Washington crowd... the people who put special interest over national interest. But if we don't change, if we only sit on our hands, if we maintain the status quo... we guarantee that the best we will do is stagnate. The cost of doing nothing is just too great. That's why we're working so hard for change.

As Americans, we must all pull together to restore the American dream... and to guarantee that our children's generation is not the first to do worse than their parents'.



Part of our strategy must be to enlist our unsurpassed scientific and technological muscle... to facilitate bringing government and industry together to ensure that our industries can compete against foreign competitors that are often actively supported by their governments.

The immense scientific resources we have accumulated over the Cold War must now be turned to strengthening the U-S economy for the 21st Century. We need to think and act not just for the moment... but for our time.

Just over 30 years ago, President Kennedy stood in this very field and saluted the great patriots of Los Alamos. He said in part:

"We want to express our thanks to you. It is not merely what was done during the days of the second war, but what has been done since then, not only in developing weapons of destruction which, by irony of fate, help maintain the peace and freedom, but also in medicine and in space, and all the other related fields which can mean so much to mankind... if we can maintain the peace and protect our freedom."

Now, peace and freedom are more firmly anchored... in large part because of you. And so we look to other fields where different battles rage with various degrees of urgency... against cancer... threats to environment... and to our place in the global economy.

And perhaps, many years from now, another President will be able to stand here and offer thanks again... for contributions made and progress charted for all of America, here beside the volcano.

Thank you and God bless you.

THE WHITE HOUSE

WASHINGTON

May 14, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Peter Yu<sup>WY</sup>  
National Economic Council

SUBJECT: Background Information for Visit to New Mexico

This memorandum presents background information about current conditions and issues in New Mexico. It addresses (i) the economic situation in the State, and (ii) issues of major concern in the State, including relevant Administration policies and initiatives.

I. ECONOMIC CONDITIONS IN NEW MEXICO

- New Mexico is a **relatively poor** State, with a poverty rate of 20.90% (third in the Nation), and a median household income of \$26,540 (compared to a national median of \$30,126).
- The largest sectors in the New Mexico economy are **mining** (the State is the Nation's largest producer of uranium), **petroleum**, **agriculture**, and **tourism**.
- The **recession was not as severe** in New Mexico as elsewhere. The March unemployment rate in the State was 6.9% (compared to 7.0% nationally). New Mexico ranked 12th in job creation, creating jobs 3 times as fast as the national economy.

II. MAJOR ISSUES IN NEW MEXICO

The primary issues on the State agenda that implicate federal policy include:

- Grazing fees -- Ranchers (and Gov. King) are opposed to the proposed **increases in grazing fees**. Secretary Babbitt has held a number of open meetings on the subject, including one in New Mexico. He has pledged to develop a plan by mid-summer (the plan will most likely involve an Executive Order and not legislation). **Improved land stewardship obligations** for lessees will likely be part of the plan.
- Indian gaming -- Several tribes are seeking rights to operating **casinos and other**

**gambling facilities.** The Governor is opposed to such facilities and has expressed that opposition to Secretary Babbitt, who holds the ultimate decisional authority.

- Base closings/Defense downsizing -- Although New Mexico was not affected by the 1993 base closing recommendations, there is some concern in the State about defense downsizing. During an earlier visit, Secretary O'Leary indicated that some consideration was being given to a plan to move research functions at **Los Alamos** to Livermore Labs in California. There was a severe political reaction to this and the proposal has not been mentioned since. Overall, however, the heavy dependence of the various laboratories on defense spending indicates that some **conversion toward energy and environmental technology is necessary**. The Administration's defense conversion plan will play a critical role in this transition.
- Oil & gas issues -- Although New Mexico's oil and gas firms are opposed to the **BTU tax**, their primary emphasis has been in moving collection of the tax away from the wellhead and toward the consumer.
- Hazardous waste disposal -- The WIPP (Waste Isolation Pilot Plant) is a federally funded project for the **storage of low-level radioactive (primarily uranium-derived) waste**. The plant, which is located in Carlsbad, is almost operational. EPA has indicated that it will proceed slowly with the final approvals; the Governor and the Carlsbad community would prefer a more rapid start-up, anticipating that the plant will create a large number of jobs.
- Health care -- Access to health care is an important issue in New Mexico. The State's **rate of "un-insurance" is 21.5%**, second only to Texas (and well above the national rate of 14.1%).
- Appointments -- The State is genuinely proud of its several Administration appointees, including Assistant Attorney General-designate **Anne Bingaman**. (However, the Governor's son, state Representative Gary King, was an unsuccessful candidate for a position at the Department of Energy.)

THE WHITE HOUSE

WASHINGTON

May 16, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Linda Moore, Political Affairs

RE: New Mexico Politics

1992 ELECTION RESULTS

|         | <u>New Mexico</u> | <u>Bernalillo County (Albuquerque)</u> |
|---------|-------------------|----------------------------------------|
| Clinton | 46%               | 45%                                    |
| Bush    | 37%               | 39%                                    |
| Perot   | 16%               | 16%                                    |

The last time New Mexico supported a Democratic presidential candidate was Lyndon Johnson in 1964.

REACTION TO THE ECONOMIC PLAN

Senator Domenici (R) came out against the economic program and predicted that it would fail. He made a special point to say that New Mexico would lose large numbers of jobs from two of the biggest employers in the state, Sandia Laboratories and Los Alamos National Laboratories. Numbers as high as 5,000 lost jobs at Sandia and 3,000 lost jobs in Los Alamos were bandied about.

1994 GUBERNATORIAL RACE

Governor Bruce King will run again in 1994 and wants you to campaign for him. If you agree to do this, we could work it into your trip to Colorado for Governor Romer. It is expected that Governor King will do all of the necessary fence-mending and get his campaign on track. Right now though, his popularity is not high.

Indian gaming has become a big issue for the Governor. The Indians have proclaimed absolute sovereignty in this matter and have charged that Governor King has failed to negotiate in good faith. Some have said that they will search for someone to run against the Governor in '94. Congressman Bill Richardson, who is very popular among Native Americans, chairs the House committee studying this question.



There is some speculation that **Richardson** will run against Governor King but this unlikely. In working with the Governor's office on this trip, it was apparent to me that his political staff is nervous about Richardson.

On the Republican side former Gov. Gary Carruthers is a likely candidate. John Dendahl, a former member of Carruthers' administration is also a possibility. Carruthers is likely to win the nomination.

## **1994 SENATE RACE**

Senator Bingaman is up for re-election in 1994. Our Legislative Affairs office has made a tentative commitment for you to attend a New Mexico fundraiser for the Senator. As of now he is a solid choice and no possible opponents have surfaced yet. One name which could turn up for the Republicans is Collin McMillan. He is a former state representative from the southern part of the state who served in the Defense Department under the Bush Administration.

## **ISSUES OF CONCERN**

**NAFTA.** Governors King (NM), Symington (AZ) and Wilson (CA) and representatives of Governor Richards (TX) and the six Mexican states they border ended a conference on 4/23 on NAFTA in unanimous support for the agreement. Organized labor in New Mexico has expressed the traditional concerns about the agreement but expect it to be passed. The hope is that increased commercial activity between Mexico and New Mexico will make up for any loss of jobs along the border or a reduction in salaries in that corridor.

**Human rights.** The gay rights movement worked hard to pass an amendment to New Mexico's Human Rights Act to include gay/lesbian/bisexual people among those protected against discrimination. There was a very strong anti-gay campaign against it. The whole thing got so ugly that all of the politicians ran for cover. It was narrowly passed by the Senate but did not pass the House. About 100 of the 3-4,000 members of the gay and lesbian community who supported your campaign are becoming more actively involved in state politics and are forming a PAC. They are still very supportive of you and have great faith in your ability to deal effectively with their issues.

**Military budget cuts.** A large portion of the state's economy is supported by the federal military budget. Of particular concern is the Los Alamos National Laboratory and the potential for downsizing the work force.

**State revenues.** The fiscal crunch has hit New Mexico, particularly in the area of education funding. A gasoline tax was passed this session, with the help of the State Democratic Party Chairman, to deal with the issue. Governor King signed the legislation but is now saying that perhaps a special session should be held to reconsider it.

**Drunk driving.** The topic of drunk driving was a hot issue due to a Christmas Eve accident which killed a mother and her three little girls. To make matters worse, the driver was a Navajo Indian. New Mexico has one of the worst DWI problems in the country. The legislature toughened up the state's DWI law and the Governor signed the legislation. It embraces stiffer, mandatory penalties including jail time for multiple offenders, the confiscation of their vehicles under certain circumstances, sterner controls over drivers under the age of 21, etc. It is one of the toughest DWI statutes in the country.

### **1993 ALBUQUERQUE MAYORAL RACE**

The Mayor of Albuquerque is **Louis Saavedra**. He is a Democrat, but New Mexico does not have partisan elections for municipal offices. Many people have found his first term a disappointment. He has hinted that he will not seek a second term. He has a reputation for being very secretive and has been criticized for his unwillingness to appear on radio and television talk shows. Many candidates from both parties have already entered the race.

### **THE CONGRESSIONAL DELEGATION**

Senator Jeff Bingaman (D)  
Congressman Steve Schiff (R)  
Congressman Bill Richardson (D)

Senator Pete Domenici (R)  
Congressman Joe Skeen (R)

All winners were incumbents.

### **STATE LEGISLATURE**

Both the Senate and the House are controlled by the Democrats. The Speaker of the House is Raymond Sanchez. The President Pro Tem of the Senate is Manny Aragon. The legislature is in session for one month in even years and two months in odd years.

### **STATE DEMOCRATIC PARTY**

The party chairman is **Ray Powell**. He won re-election easily in January with the support of Governor King and other party leaders.

THE WHITE HOUSE

WASHINGTON

May 15, 1993

LOCAL INTERVIEWS WITH SAN FRANCISCO TELEVISION AND RADIO STATIONS

DATE: May 17, 1993  
LOCATION: Los Alamos Airport  
TIME: 1:30pm - 2:00pm  
FROM: Lisa Mortman  
Ashley Adams

I. PURPOSE

You will be conducting a six-on-one interview with San Francisco television and radio stations. The purpose of these interviews are to reach out to the San Francisco media market during your trip through California. This will be the first time you have spoken to San Francisco since you've become President.

II. BACKGROUND

A. ANCHORS

Terilyn Joe (KGO-TV) is a native of Canada, and spent almost 14 years reporting on Canadian airwaves. This will be the first time she has interviewed you. We expect her to ask you about the California economy and health care, although NAFTA is a likely issue to come up as well.

Brian Banmiller (KTVU Fox), the anchor for KTVU, also hosts a syndicated show called "On the Money with Brian Banmiller" which airs in top 10 markets. This is the first time he has interviewed you, and is expected to concentrate his questioning on defense spending and the California (and national) economy.

Harry Fuller (KPIX CBS) has interviewed you two other times -- once after the San Francisco Town Hall Meeting, and again at the Fairmont Hotel. He is going to concentrate on the California economy.

Pete Wilson (KRON NBC) also interviewed you at the Fairmont Hotel. We expect him to question you about the administrations policy in Bosnia, your initiatives on health care, and the California economy.

Rebecca Corral (KCBS-AM Radio) has been an anchor for KCBS for five years. She will also concentrate on the economy, health care, and California's defense industry.

Ed Baxter (KGO Radio) is also expected to ask about the economy, health care, and possibly NAFTA.

**B. SAN FRANCISCO ISSUES**

**1. THE ECONOMY:** One of the primary concerns facing Northern Californian's right now is the depressed California economy. The San Francisco area has a 5.9% unemployment rate -- not as high as other areas in the state. Californian's are concerned about the impact of your economic plan, and the heavy burden their state will carry. On the upside, California is in a great position to benefit from budget changes, because a lot of money is going towards defense conversion in terms of jobs and long term growth.

You should know that Californian's are very pessimistic about their future, and are extremely dissatisfied with the state Government according to a recent poll conducted by KGO-TV and six other news organizations. (News article attached) The poll showed California residents were frustrated with a faulty criminal justice system (2/3), fair-to-poor school system (72%), a bad economy, inadequate health care system (2/3), high racial tensions and a dysfunctional state government (72%). Almost 58% of those surveyed rated the quality of life in California as fair or poor, and 75.3% said they expected nothing better than more of the same for the next year. The bottom line is, you should recognize that California is in poor shape and California will benefit under your initiatives. San Francisco has been chosen as a site for Summer of Service, defense conversion funds will help create new jobs, ~~the public works stimulus program is expected to pump about 50,000 new jobs in California~~, and reiterate that the nation cannot rebound from a recession without a strong California.

**2. NAFTA:** You will probably be asked question concerning the North American Free Trade Agreement similar to the question Ms. Hunt (KGTU) asked you the other day. You are committed to pass a North American Free Trade Agreement, provided there are side agreements made with the Canadian and the Mexican Government over environmental and labor issues. California, as well as states like Michigan and Texas, stand to benefit from the trade agreement.

**3. DEFENSE INDUSTRY:** Defense-related layoffs have been heavy in California with a large portion of military bases located in Northern California like Alameda, Treasure Island and McClellan.

**4. ENVIRONMENT:** It is unlikely you will receive a question about this, but the EPA and the DOT is threatening to sanction California due to non-compliance of EPA "Smog Check" regulations. If held to these sanctions, California will be cut off from some crucial Transportation money totaling \$1.6 billion. Brownner has given California a deadline of November 15 to comply with EPA's guidelines.



**5. IMMIGRATION:** The problem of undocumented immigration is an extremely sensitive and volatile issue in California. Immigration places a heavy financial burden on California in terms of health care, welfare, and enforcement. Hospital emergency rooms have become a source of primary health care for illegal immigrants, and the taxpayers wind up picking up the cost. A few months ago, Governor Wilson had challenged you to provide California with \$1.4 billion dollars to help curb the state's costs. In your KGTV interview, you supported strengthening border enforcement and changing federal laws to give more aid to the states with heavy immigrant flows. In your budget, California will get more money this year to deal with their immigration population to help defray the costs of health care and enforcement.

**6. NATIONAL SERVICE:** East Bay Conservation Corp (EBCC), in Oakland, California was chosen as one of your Summer of Service sites. The EBCC will have 250 participants working in education or in health care. The state of California was awarded two summer of service sites, the second one in Los Angeles. (Please see attached information sheet about EBCC)

**7. GAY/LESBIAN ISSUES:** It's a long shot, but you could receive a question about gays in the military, or AIDS. In your budget, San Francisco AIDS funding would increase from \$27.1 million to approximately \$40 million. The state of California is expected to receive a total of \$77 million under your AIDS spending plan.

### **III. SCHEDULE**

1:30pm - 1:45pm      Make-up and Briefing with Jeff Eller  
1:45pm - 2:00pm      Local Interviews

### **IV. PARTICIPANTS**

The President  
Jeff Eller  
Jess Sarmiento  
Brian Banmiller (KTVU-TV Oakland)  
Terrilyn Joe (KGO-TV ABC)  
Hank Plante (KPIX-TV CBS)  
Pete Wilson (KRON-TV NBC)  
Ed Baxter (KGO Radio)  
Rebecca Corral (KCBS-AM Radio)

### **V. PRESS PLAN**

Exclusive to participants

### **VI. REMARKS**

None prepared



# THE WHITE HOUSE

WASHINGTON

May 16, 1993

## CALIFORNIA TARMAC WELCOME

DATE: May 17, 1993  
LOCATION: North Island N.A.S., Coronado,  
California  
TIME: 4:00 p.m. (Pacific time)  
FROM: Joshua King

### I. PURPOSE

An opportunity for base personnel and the general public of Coronado and San Diego to greet you upon arrival in California.

### II. BACKGROUND

This is your first visit to San Diego since before the election.

It will also be the first arrival since Detroit in which we have gathered a large crowd to greet you. With sunny weather expected for your mid-afternoon arrival, there should be an opportunity to get some warm, campaign-style pictures at the Naval Air Station.

### III. PARTICIPANTS

Greeting you at the bottom of the stairs of Air Force One:

Vice Admiral Edwin "Rudy" Kohn, Commander,  
Naval Air Pacific Fleet  
Marilyn Kohn, wife of Admiral Kohn  
Capt. Jim Jarrell, Base Commander, North Island  
Naval Air Station  
Linda Jarrell, wife of Capt. Jarrell

Leo McCarthy, Lt. Governor  
March Fong Eu, Secretary of State  
Gray Davis, Controller  
John Garamendi, Insurance Commissioner  
Mary Herron, Mayor of Coronado  
Susan Golding, Mayor of San Diego  
Brad Sherman, Chairman of Board of Equalization  
Cathy Ford, FOB

M. Larry Lawrence  
Shelia Lawrence

Speaking with you on the stage:

Representative Bob Filner  
Representative Lynn Schenk

**IV. PRESS PLAN**

Open Press

**V. SEQUENCE OF EVENTS**

- Accompanied by Rep. Bob Filner and Rep. Lynn Schenk (who will be riding with you aboard Air Force One), you greet receiving line, walk across tarmac and take stage.
- Rep. Filner introduces Rep. Schenk
- Rep. Schenk introduces you
- You make brief remarks
- You exit stage and work ropeline
- You board motorcade and depart

**VI. REMARKS**

Prepared by Carter Wilkie.

The President of the United States  
Arrival at North Island Naval Air Station  
Coronado, California  
May 17, 1993

It's wonderful to be back here in sunny California, with my friends, Lynn Schenk and Bob Filner -- two reform minded members of the Freshmen Class in the Congress.

I like Californians so much I put a bunch of them in my administration: Warren Christopher, Mickey Kantor, Leon Panetta, and Laura Tyson.

When I came to California in February -- my first time as President -- I had just presented my economic plan to Congress and the America people.

For too long our leaders had taken our economic prosperity for granted. I knew that if we did not change course, we could not pass our prosperity on to our children. So I set about to change that by giving America -- and California -- an economic strategy to meet the unique demands of our time: how to create jobs for Americans in the new global economy and how to get our fiscal and economic house in order.

If America is going to win, then California has to win, and you have to win too. That means we have to start doing the things we should have been doing for years:

- Find new missions for the people who helped us win the Cold War. A lot of the brain power and capital that protected our national security must now go toward protecting our economic security in the new global economy.
- We have seen massive changes in our economy. Today, what you depends on what you learn. That's why we've got to pay more attention to training our workers and our students for tomorrow's jobs, from computer systems to environmental clean up, from the shipbuilding to the medical research you conduct right here in San Diego.
- And we've got to find creative new ways to help people take control of their communities, to get the lending they need to start small businesses, redevelop real estate, create new jobs, and give their children a pride of place and a sense of hope in their future. That's what we have to do.

We also have to stop doing some of the things we shouldn't have been doing all along. We have to cut needless spending, bring the deficit under control, and make the rich pay their fare share of taxes.

- On this return trip to California, I am proud to say our plan is making progress. In Lynn Schenk's and Bob Filner's House of Representatives, 13 House Committees last week gave the go ahead to cut federal spending by over \$250 billion, the largest deficit reduction package in history.

For every dollar invested in jobs and education and the things that make our country grow, there are two dollars cut from spending to make the deficit shrink.

These cuts are tough. Because with every choice you make you're bound to make someone else angry. But believe me, I don't want a penny in new taxes without the spending cuts.

- That's why last week I proposed a deficit reduction trust fund to hold all of the taxes and budget cuts for the five year life of this budget. Some people in Washington don't like the idea of protecting this money by law, but I think the taxpayers of this country and the taxpayers of California deserve to know how much of their money is being saved.

You know, the people who take our deficit for granted are the same ones who took our prosperity for granted during the 1980s: they said if we just cut taxes on the rich, prosperity will trickle down to the rest of us. But most of you in California saw few of the rewards.

- My plan rewards work and family. If you're making less than \$30,000, your family shouldn't have to live in poverty, and my plan is going to see to that with an expanded earned income tax credit for America's working families.

And for the rest of the country, seventy percent of the new taxes in my plan -- 70 percent -- will be paid for by the richest six percent of Americans. We're going to ask the wealthy to pay their fair share again.

There have been some tough choices and there will be some more. But in the end they're worth it, because the cost of not changing is far more expensive.

We've got to break the grip of the narrow interests in Washington, but we can only do that if we remind ourselves that the national interest is at stake.

Building good jobs and a strong economy and a clean environment won't happen by doing nothing, and it won't happen overnight. But if we recommit ourselves to a common national purpose, we can put our country on the road to where it ought to be.

Thank you and God Bless you all.

**VISIT OF THE PRESIDENT  
TO  
SAN DIEGO, CALIFORNIA**

**EVENT:** San Diego Town Hall Meeting - KGTV Channel 10/ABC  
**DATE:** Monday, May 17  
**TIME:** 7:00 - 9:30 p.m.  
**ATTENDEES:** 70 San Diego residents  
**PRESS:** Rotating stills

**SCENARIO:**

**The President** is met curbside by Ed Quinn, General Manager, KGTV and Ed Reilly, President, McGraw Hill Broadcasting. They will escort him into the building and make a brief presentation of gifts including a personalized Louisville Slugger in the hall.

After a brief hold **the President** will have make-up applied. He will then be escorted to the studio. A wireless lav will be placed on his lapel backstage.

**The President** will be introduced off-stage. He will then walk to the stop of the set, acknowledge applause and then down onto the stage and be greeted by host anchors Steve Clark and Carol LeBeau. **The President** will then walk the center of the stage, marked by an X for a brief opening statement. He has the option of sitting on the stool or working the boxed area marked. **The President** should stay on the white floor.

The anchors will take turns bringing questioners to the microphones on opposite sides of the stage. The questioners represent a broad spectrum of San Diego and have been coached to ask their questions from a more personal perspective.

At the end of the program the anchors will thank the President. He will pause for a closing shot and then a stage manager will remove his microphone. At this point the President will approach the audience for a brief meet and greet.

**The President** will then have his make-up removed and proceed to the lobby for a police photo. He will then be escorted by Ed Quinn and Ed Reilly to the VIP RECEPTION.

**Staff Instructions:**

The staff will enter the same door as **the President** and proceed to the conference room adjacent to the holding room. Staff may hold until completion of the Town Hall Meeting or go directly over to the VIP reception. The staff is encouraged to remain in the holding room. There is no staff in the studio.



THE WHITE HOUSE

WASHINGTON

May 15, 1993

A TOWN HALL MEETING WITH PRESIDENT BILL CLINTON

DATE: May 17, 1993  
LOCATION: KGTV Studio  
TIME: 7:00pm - 9:00pm  
FROM: Lisa Mortman  
Ernie Gibble

I. PURPOSE

The purpose of this town hall meeting is to reach out to the citizens of San Diego and talk to them directly about the issues which concern them the most.

II. BACKGROUND

A. FORMAT

Steve Clark and Carol Lebeau, KGTV anchors will be moderating the town hall meeting. There will be approximately 70 people in the audience. Forty members of the audience have questions and the news directors feel they will get to 22 of them. (An audience profile is attached) The station has been coaching the audience to ask questions from a personal perspective, rather than generic policy questions.

KGTV will carry the town hall meeting live with no commercials. The town hall meeting will be up on satellite, and we expect many stations in California and around the country will air the show.

B. ISSUES BASED ON AUDIENCE PROFILES

CALIFORNIA ECONOMY

The California economy is the largest state economy in the US and among the 10 largest in the world. The recession in CA is expected to last through the end of 1993, though recent economic indicators have been encouraging:

Unemployment rates in 1992 in major California cities were: Los Angeles (9.6%), San Francisco (5.9%), and Sandiego (7.4%).

#### TALKING POINTS:

- \* Employment growth has fallen 5.4% since 1990, over 4 times the drop in U.S. employment.
- \* California unemployment is 8.6%, one of the highest in the nation.
- \* Over 20% of U.S. employment in three high-tech industries (aerospace vehicles, computers and instruments) is located in California.
- \* The San Diego economy revolves around the city's role as the largest port on the West Coast. Shipping and transportation are major industries and San Diego is the base for the U.S. Navy Pacific Fleet. Defense contracts also play an important role in the local economy.

#### NAFTA

Because of San Diego's proximity to Mexico, NAFTA has an even higher profile than it has in other states, especially as it concerns the environment around the two countries' borders, agricultural standards and trucking.

#### TALKING POINTS:

##### **Environment**

- \* NAFTA is specifically drafted to ensure the ability of each country, including its state and local governments, to maintain stringent environmental standards.
- \* A top priority is to find adequate resources for the border area to fund environmental cleanup and necessary infrastructure development to handle increased traffic and investment.
- \* I am committed to the negotiation of a trilateral supplemental agreement on the environment, including strong commitments to enforce national environmental protection laws. An essential element in protecting San Diego beaches from untreated sewage flows from Tijuana.

##### **Agriculture/Food Safety**

- \* Any food imports will have to meet U.S. and California safety standards or we won't let them in.

\* The U.S ban on Mexican avocados will not be lifted by NAFTA. However, we have had and will continue to have discussions with Mexico aimed at resolving plant issues related to a wide range of agricultural products, including avocados.

### **Trucking**

\* In no case, either now or under NAFTA, will a Mexican driver be permitted to transport cargo point-to-point in the United States. As currently, he will still be permitted to bring cargo across the border from Mexico in the U.S. and to return to Mexico with another cargo.

\* U.S. trucking companies who transport international cargo will have access to the northern Mexico contiguous states and in six years after the NAFTA goes into effect, they will have access to all of Mexico.

\* NAFTA provisions will eliminate many investment and operations restrictions and give U.S. trucks, for the first time, competitive access to U.S. - Mexico cross-border cargo carried by land, while ensuring a smooth transition to liberalized trade for the land transportation services industries of the three countries.

\* Mexican and Canadian motor carriers operating in the U.S. will have to meet all the safety and operating requirements and standards, including size and weight limits, as U.S. carriers.

### **URBAN VIOLENCE**

There will at least one gang member, one young person who hangs around gang members, and one crime victim in the audience. One of the things you might want to mention is the recent National Urban Peace and Justice Summit recently held in Kansas City.

(The Kansas City Star asked for your thoughts on the gang summit during your recent interview with them in New Orleans)

The summit brought together former and current gang members with community activists from around the country to try and seek ways to end gang violence. The results from the summit were extremely positive. Participants in the summit outlined recommendations for change to include economic opportunity, creating 500,000 jobs for at-risk youth, and monitoring police brutality. A national coalition guided by Black and Hispanic gang and community leaders would continue working to develop these goals more fully.

A recent poll showed the overwhelming majority of minority gang members sited lack of economic opportunity as a primary reason for gang violence, and said more jobs would be the key to solving the problem. Thankfully, many of the initiatives you are proposing address their concerns.

#### TALKING POINTS:

\*The gang summit marked an important first step in encouraging economic opportunity and reducing gang violence in urban America. I was encouraged to see gang members of California taking an active role in the summit to figure out ways to end urban violence and improve the quality of life in their community.

\*Since I've been in office I have already taken steps to address some of the concerns raised by gang members that would help end urban violence. Like my Educate America Act, National Service legislation and Economic Empowerment Agenda.

\*I also think we have to pass the Brady Bill to place a seven-day waiting period on buying hand guns.

#### IMMIGRATION

The problem of undocumented immigration is an extremely sensitive and volatile issue in California, especially in border cities like San Diego. Immigration places a heavy financial burden on California in terms of health care, welfare, and enforcement. Hospital emergency rooms have become a source of primary health care for illegal immigrants, and the taxpayers wind up picking up the cost. A few months ago, Governor Wilson had challenged you to provide California with \$1.4 billion dollars to help curb the state's costs, and has been very critical in the media about not receiving the full amount he requested.

Your budget covers some of the costs Wilson requested to cover costs of naturalized and legal immigrants, and provide some assistance for health care and enforcement.

In your KGTV interview, you supported strengthening border enforcement and changing federal laws to give more aid to the states with heavy immigrant flows. In your budget, California will get more money this year to deal with their immigration population to help defray the costs of health care and enforcement.



## AIDS

There are at least two HIV infected people in the audience. You should know that in your budget, the state of California is expected to receive a total of \$77 million under your AIDS spending plan.

## BIOTECHNOLOGY INDUSTRY

The biotechnology and medical device industry in San Diego employs over 14,000 people and has the potential to grow to 50,000 to 75,000 jobs by the year 2000. Nationwide, the industry will grow to employ over 1 million Americans by the end of the decade. Congresswoman Shenk feels this potential can be realized if health care reform recognizes the need to encourage innovative new products rather than discourage investment in this area with price controls. She feels the administration can help the industry by committing to improve processing time for approvals of new products by the FDA.

## DEFENSE INDUSTRY

Please see attached talking points provided by David Lane of the National Economic Council.

## INDIAN GAMBLING RIGHTS

San Diego has three prominent tribes in the area -- the Sequanas, Viejas and Verona tribes. There might be a question about Indian gambling rights.

In your interview with North and South Dakota press, you said:

\*Indian Gambling is a mixed blessing. I have asked Secretary Babbitt to review the entire issue and assess the legitimate needs of the Indian population but also take into account various state policies and the inevitability that "you could kill the goose that holds the golden egg by releasing the floodgates".

## **III. PARTICIPANTS**

The President  
Steve Clark (KGTU anchor)  
Carol Lebeau (KGTU anchor)  
70 audience participants



**IV. SCHEDULE**

|                 |                                          |
|-----------------|------------------------------------------|
| 7:00pm - 8:00pm | Make-up and briefing with Jeff Eller     |
| 8:00pm - 9:00pm | Town Hall Meeting with President Clinton |
| 9:00pm - 9:20pm | Meet and Greet with audience             |

**V. PRESS PLAN**

The town hall meeting will be put up on satellite for any station to carry. Press advance will rotate still cameras into the studio, but nothing else. The press will be in a separate room watching the town hall on television.

**VI. REMARKS**

Opening statement prepared by Carter Wilkie.  
Please see attachments:  
    Audience profile  
    San Diego defense conversion

## ATTATCHMENTS

1. AUDIENCE PROFILE
2. CALIFORNIA SUMMER OF SERVICE SITES
3. TALKING POINTS FOR SAN DIEGO DEFENSE CONVERSION

To: David Dryer  
Tom Epstein

From: Stephanie Owens  
Site Advance - San Diego Town Meeting

Date: 5/15/93

RE: Audience participants

The news director feels that the anchors will get to 22 of the following 33 questioner profiles.

1. Linda Montgomery - high school student, expectant mother
2. HIV infected male
3. Attorney
4. Self employed businessman
5. Gay person
6. Bosnian - female
7. Disabled person
8. Marine
9. Elementary school teacher - Reader's digest "Teacher of the Year"
10. Elementary school teacher
11. Crime victim - female
12. Lesbian
13. Undocumented immigrant
14. Biotech industry - see attached memo
15. Veteran Foreign War
16. Small business owner - minority woman, question re: Hillary
17. Construction worker
18. Birthing center administrator - question re: healthcare for children
19. Homeless person
20. Tuna industry representative
21. Taxes - income
22. Healthcare
23. Native American : San Diego has three prominent tribes in the area Sequana (?) Viejas (?) and Verona. Question re: Gambling on reservations
24. Elementary school student
25. College student
26. High school student
27. Welfare mother
28. Perot supporter
29. employed - no health insurance
30. Chinese immigrant
31. Gang member
32. Young person, hangs around gang members
33. Shipyard worker - female

**SUMMER OF SERVICE SITE:** Los Angeles

**PROGRAM:** Building Up: Summer of Service in Los Angeles

**PARTNERSHIPS:** Building Up: Summer of Service in Los Angeles is a city-wide partnership involving five universities and colleges, 29 community-based organizations and over 20 schools in the Los Angeles area.

**NUMBER OF PARTICIPANTS:** 150

**ISSUE AREAS:** Education, Environment, Health Care, Public Safety

**OVERVIEW OF PROGRAM:**

Building Up is based on a peer-managed model; the core component is a five person team working together on an individual service project. Team members vary in age, ethnicity and socio-economic background.

Building Up will conduct service activities in many traditionally under-served Los Angeles neighborhoods. Building Up will engage participants in various activities in collaboration with existing community service organizations to galvanize and empower neighborhoods and assist youth at-risk.

**HIGHLIGHTS OF SERVICE:**

**Education:** Through partnership with community agencies, participants will tutor, manage day camps, supervise basketball leagues, present self-esteem seminars, recruit children for cultural classes, develop leadership training, recruit parents for afterschool tutoring, teach civic responsibility classes, and organize job awareness programs.

**Environment:** Participants will work on the LA Eco-Village project, plan and implement beautification projects, and install 8-16 gardens at elementary schools in partnership with community agencies.

**Health Care:** Participants will be trained and make presentations to elementary school children in CPR, First Aid, Earthquake and Disaster Preparedness and HIV/AIDS Awareness. Participants will also assist health care workers immunize and screen at-risk children. Those involved with Building Up will also design and present substance abuse programs.

**Public Safety:** Participants will plan and engage in crime prevention seminars to 180 classrooms including gang prevention workshops and gang diversion activities. Implement drug awareness programs. Lead neighborhood surveys and relationship building activities.

|                 |                           |                       |
|-----------------|---------------------------|-----------------------|
| <b>CONTACT:</b> | <b>Martha Diepenbrock</b> | <b>(213) 749-3601</b> |
|                 | <b>Jennie Hyun Kim</b>    | <b>(310) 206-3346</b> |
|                 | <b>Marc Litchman</b>      | <b>(310) 433-7686</b> |

**SUMMER OF SERVICE SITE:** Oakland, California

**PROGRAM NAME:** East Bay Conservation Corps

**PARTNERSHIPS:** Primary partnerships are with East Bay Conservation Corps; Stanford University, Haas Center for Public Service; and the University of California at Berkeley.

Also involved are California State University, Hayward; Mills College; Peralta Community College District; various city departments in Berkeley and Oakland; the Alameda County Health Agency; the Berkeley and Oakland Unified School Districts; the American Indian Child Resource Center; Children's Hospital; and the East Bay Asian Youth Center.

**NUMBER OF PARTICIPANTS:** 250

**SERVICE FOCUS:** Education, Health Care

**OVERVIEW OF PROGRAM:**

East Bay Conservation Corps will place Summer of Service participants in public schools, local non-profit and community based organizations, county health outreach programs, and public institutions to meet the needs of thousands of at-risk children from East and West Oakland, South and West Berkeley, and East Palo Alto.

**HIGHLIGHTS OF SERVICE:**

**Education:** Project YES will pair participants with middle school students as teachers, mentors, tutors and supervisors. Some participants will serve as classroom aides in the East Palo Alto summer school. Others will work in the Early Childhood Education Program in Oakland.

**Health Care:** Participants will serve with Oakland Healthy Start to assist program staff in implementing Sober and Safe summer block parties, summer Health Fairs, outreach on the medical van, and door-to-door health promotion in the community. The Alameda County Immunization Program will identify and follow up with children needing immunization.

**CONTACT:** Joanna Lennon (510) 891-3900



**The President of the United States  
Town Meeting at Station KGTV  
San Diego, California  
May 17, 1993**

Thanks to all of you for being here.

Earlier today, I was in Los Alamos, New Mexico, home of the national laboratories that protected our national security from World War II to the end of the Cold War, now a place that is undergoing the conversion to a peacetime economy.

Many of the people there share a lot of the same concerns that you do here in San Diego: how to keep and create good jobs, and how to build and protect a safe, secure and clean environment for our children.

Tomorrow, I'll be in Los Angeles, meeting with people who train our students and workers for tomorrow's industries and others who want to bring investment to some of our most under-invested communities.

Change is never easy. That's something I've learned in Washington, where every tough choice brings the narrow interests and their high-paid lobbyists out of the woodwork. For every person who needs a job in California, there's someone else in Washington who says things are fine the way they are.

That's why change takes time. As John F. Kennedy said in his inaugural address a generation ago, some of this may not be done in the first 100 days, some of it not in the first 1000 days, some of it not in our lifetimes. But let us begin.

Our long term national interest is at stake. And so tonight, I'm here to speak with you directly, to hear your ideas and answer your questions about our country, the direction of our economy and our plans for the future.

**VISIT OF THE PRESIDENT**

**TO**

**SAN DIEGO, CALIFORNIA**

**EVENT:** Post Town Hall Meeting VIP Reception

**DATE:** Monday, May 17

**TIME:** 9:30 - 10:00 p.m.

**ATTENDEES:** 110 guests

**PRESS:** private photographer

**SCENARIO:**

There will be 110 people in attendance who have watched the Town Hall Meeting via monitors in the tent. **The President** will be escorted through the reception and introduced to guests by Ed Quinn and Ed Reilly. Guests will include mostly media executives, tv station clients, elected officials, Democratic supporters and donors, local sports entertainers and other celebrities (list attached).

**The President** will then proceed directly to the motorcade enroute to the hotel.

**Staff Instructions:**

The staff is encouraged to forgo the reception and board the motorcade.

### VIP RECEPTION LIST: KGTV

|                    |             |
|--------------------|-------------|
| Joe Dionne         | McGraw-Hill |
| Ed & Susan Reilly  | McGraw-Hill |
| Terry McGraw       | McGraw-Hill |
| Bob Iger           | ABC         |
| Ed Quinn           | KGTV        |
| Madeline Vogt      | KGTV        |
| Don Lundy          | KGTV        |
| Paul Sands         | KGTV        |
| Judy Vance         | KGTV        |
| Darrell Brown      | KGTV        |
| Amy Blum           | KGTV        |
| Ron Jennings       | KGTV        |
| Mike Biltucci      | KGTV        |
| Stephen Clark      | KGTV        |
| Carol LeBeau       | KGTV        |
| Kimberly Hunt      | KGTV        |
| Adrienne Alpert    | KGTV        |
| Jack White         | KGTV        |
| Lisa Kim           | KGTV        |
| Leonard Villarreal | KGTV        |
| Marti Emerald      | KGTV        |
| Herb Cawthorne     | KGTV        |

|                   |                                |
|-------------------|--------------------------------|
| Bob Cerasoli      | CEO/Franklin/Stoorza           |
| Dick Brooks       | CEO/Phillips-Ramsey            |
| Chris DuCharme    | Managing Director/W.I.M.C.     |
| Jackie Ulery      | Media Director/W.I.M.C.        |
| Dan Herde         | CEO/S.D. Trust & Savings       |
| Jerry Navarra     | Owner/Jerome's Furniture       |
| Bob Baker         | Owner/Bob Baker Auto Group     |
| Bob Ehrenfeldt    | Discover Infiniti              |
| Jim Williams      | Owner/Kearny Mesa Toyota       |
| John Hine         | Owner/Hine Auto Group          |
| Ernie Sandoval    | Owner & Operator/McDonalds     |
| Jim Vivonia       | Marketing Diretor/Lucky Stores |
| Burt Powell       | Regional V.P./Vons Companies   |
| Sid & Jenny Craig | Weight Loss                    |
| Dianne Gloor      | Lintas                         |
| Karen Schmidtke   | MMT/LA                         |
| Linda Graham      | Saatchi & Saatchi              |
| Cathy Campe       | J. W. T.                       |
| Allison Stiles    | Y&R                            |
| C.G. Broderick    | D'Arcy                         |

|                      |                      |
|----------------------|----------------------|
| Helen Alvarez Smith  | KTTY                 |
| Jose Luis Guasch     | Televisa             |
| Bob McRann           | Cox Cable            |
| William Daniels      | Daniels Cablevision  |
| Tom Tomkins          | Dimension            |
| Ann Burr             | Southwestern Cable   |
| Mike Stafford        | KSON                 |
| Dan Carreli          | KYXY                 |
| Jeff Chandler        | KCEO                 |
| Gene Bell            | Pres./CEO U.T.       |
| Martha Lauzen        | S.D.S.U.             |
| Tom Day              | Pres./S.D.S.U.       |
| Dr. Richard Atkinson | U.C.S.D.             |
| Arthur Hughes        | Pres./U.S.D.         |
| Tom Werner           | Padres               |
| Alex Spanos          | S.D. Chargers        |
| Jack Goodall         | Foodmaker            |
| Larry Lawrence       | Hotel Del Coronado   |
| Shelia Lawrence      | Hotel Del Coronado   |
| Tom Page             | SDG&E                |
| Bill Thomas          | Sea World            |
| Brian Bilbray        | Board of Supervisors |



Mayor Susan Golding

Barbara Boxer

Dianne Feinstein

Lynn Schenk

Bob Filner

Tom Payzant

Hector Osuna Jaime

Gil Partida

Rev. George Walker Smith

Margaret Iwanaga Penrose

Howard Carey

David Hale

Blair Sadler

Jonas Salk

Joan Kroc

George Mitrovich

Bertha Pendleton

Jerry Sanders

Morris Casuto

Edwin Kohn

John Studds

Ken Smith

Mayor of San Diego

U.S. Senator

U.S. Senator

U.S. Representative

U.S. Representative

Should be confirmed by Senate w/o 5/20

Mayor of Tijuana

Director/S.D. Chamber of Commerce

Minister

Director/Union Pan Asian Communities

Director/Neighborhood House Assoc.

Pres./Genesis; Head/local Biotech Assoc.

CEO Children's Hospital

Salk Institute

McDonalds

City Club

Dep. Superintendent/S.D. City Schools

S.D. Police Chief

Anti-Defamation League

COMNAVAIRPAC/Vice Admiral/Navy

Major General/Marines

Owner/Kenneth C. Smith Advertising

THE WHITE HOUSE

WASHINGTON

May 14, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH: Sylvia Mathews  
FROM: Bonnie Deane  
SUBJECT: Background Information for Visit to California

This memorandum presents background information about current conditions and issues in California with special emphasis on San Diego and Los Angeles. More "local economic color" is provided for San Diego to support the town meeting event. This memo addresses (i) the current economic situation; (ii) regional impact of national policy; and (iii) Administration programs that will contribute to economic development.

I. Current Economic Situation in California

The California economy has deteriorated dramatically in the last few years. California's unemployment rate was below the national average as recently as 1989, and is now second highest in the nation.

- **Unemployment is concentrated in manufacturing and construction.** In 1992 employment fell by 5.1 percent in manufacturing and 6.9 percent in construction. Since 1989, employment has fallen 12.8 percent in manufacturing and 28.0 percent in construction. **Aircraft manufacturers are hardest hit:** employment fell 14.9 percent in 1992. Unemployment is **geographically concentrated in Southern California.**
- Given the severity of the **State budget crisis**, there is concern that local revenues may be used to cover the State shortfalls.
- Costs of **services to immigrants** are an issue of concern in California. Governor Wilson is seeking \$2 billion in federal funds for immigrant services. In the House reconciliation bill \$300 million is set aside for health related immigration assistance to states. California would receive approximately \$150 million of these funds.
- **Commercial real estate overbuilding** in the 1980s has left a legacy of high vacancy rates, foreclosures and a depressed construction industry.
- A forum was held Friday May 14th in San Diego to build a regional strategy on

**workforce skills.** Participants included: the Private Industry Council, the Business Roundtable, the Community Colleges, the City Schools and the 18 local mayors.

## II. Regional Impact of National Policy

- NAFTA -- Governor Wilson's chief economist estimates that California will receive about one-third of the net new export jobs. In San Diego, however, 51.6 percent oppose the pact. NAFTA advantages for Californians:
  - ◆ Mexican demand is growing at more than 20 percent annually for electronics, computers and transportation equipment produced in California. In electronics alone, exports to Mexico from the U.S. have almost doubled, from \$3.2 billion in 1987 to \$6 billion in 1991.
  - ◆ 184,500 jobs in California were supported by the \$12 billion in Canadian and Mexican exports during 1991. Nearly half of these exports go to Mexico.
  - ◆ Increasing the jobs in Mexico will reduce the number of illegal aliens.
- Defense Conversion -- Net base closing impact is positive in San Diego due to Naval consolidation. The Los Angeles area (Santa Ana) may lose the El Toro Marine Corps Air Station, but they may gain a new and much needed commercial airport. Defense manufacturers in San Diego and LA are shedding jobs in significant numbers.
- Technology Initiative -- Research grants will assist Southern California's existing efforts to turn from defense dependency to technology and information industries. For example:
  - ◆ *Project California* is a collaborative, private-public effort to channel aerospace and defense resources into environmentally safe and advanced transportation and related telecommunications services.
  - ◆ A San Diego collaboration between academia, business and government is working on a project to use special defense aircraft composites to build easy to assemble, earthquake resistant highway bridges.
  - ◆ San Diego's growing cluster of biotech firms and clinical research institutions may also utilize the technology reinvestment funds.

### III. Administration Programs that Contribute to California's Economic Development

The filibuster against the JOBS PACKAGE stopped California from receiving:

- \$273 million in new CDBG funding;
- \$261 million additional federal highway monies;
- \$578 million increase in SBA Section 7(a) loan guarantees; and
- \$61 million in new Wastewater State Revolving Funds.

Other Administration policies will assist California to transform the defense industry and rebuild the infrastructure:

- The **credit-crunch initiative** will assist small businesses to revitalize distressed areas.
- The **community lending initiative** will help California to rebuild its struggling neighborhoods such as Southeast, LA.
- The **comprehensive displaced worker adjustment initiative** will provide millions of dollars to California for helping those that lose their jobs when plants close or downsize. Help in finding a job or retraining will be available to all.
- The FY 1994 **INVESTMENT PACKAGE** calls for increased federal expenditures in California including:
  - \$136 million increase in HOME funding--double the 1993 level;
  - \$234 million increase in the federal highway monies;
  - \$85 million in new urban transit grants  
(\$7M to San Diego, \$36M to LA);
  - \$130 million increase in State Water Revolving Funds.

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20500

May 13, 1993

93 MAY 13 P2:53

MEMORANDUM FOR THE PRESIDENT

FROM: BRET DICKEY *BWD*

SUBJECT: Talking Points on the California Economy

The California economy is the largest state economy in the Union, and among the 10 largest economies in the world. Though it grew strongly throughout the 1970s and 1980s, California's economy has been hit very hard by the latest national recession.

- o The recession in California is expected to last through the end of 1993, though recent economic indicators have been encouraging.
- o Employment growth was strong in California from 1970 to 1990 averaging 3.1 percent per year compared with 2.2 percent in the U.S. (Chart 1). Since 1990, however, employment in California has fallen 5.4 percent, over 4 times the drop in U.S. employment.
- o Unemployment in California closely tracked the national average until the latest recession (Chart 2). In 1992, however, it climbed to 10.0 percent, and remained at 8.6 in April 1993. Despite falling 1.2 percentage points in the past 2 months, this still is among the highest rates in the nation.
- o Per capita personal income in California (\$21,278 in 1992), was 7 percent above the U.S. average, ranking 10th in the country (Chart 3).
- o Key sectors in the California economy include manufacturing, agriculture, finance, insurance, and real estate, and tourism. The state is also heavily dependent on defense spending.
  - Over 20 percent of U.S. employment in three high-tech industries: aerospace vehicles (airplanes, missiles, and space vehicles), computer and office equipment, and instruments is located in California.
  - Other important manufactures include electric equipment, petroleum products, and apparel. Major farm products include livestock (sheep and cattle), grapes, cotton, hay, and lettuce.



- o The San Diego economy revolves around the city's role as the largest port on the West Coast. Shipping and transportation are major industries, and San Diego is the base for the U.S. Navy Pacific Fleet. Defense contracts also play an important role in the local economy-- important manufacturing goods include aerospace equipment, shipbuilding, and electronic equipment.
- o Unemployment rates in 1992 in major California cities were: Los Angeles (9.6 percent), San Francisco (5.9 percent), and San Diego (7.4 percent).

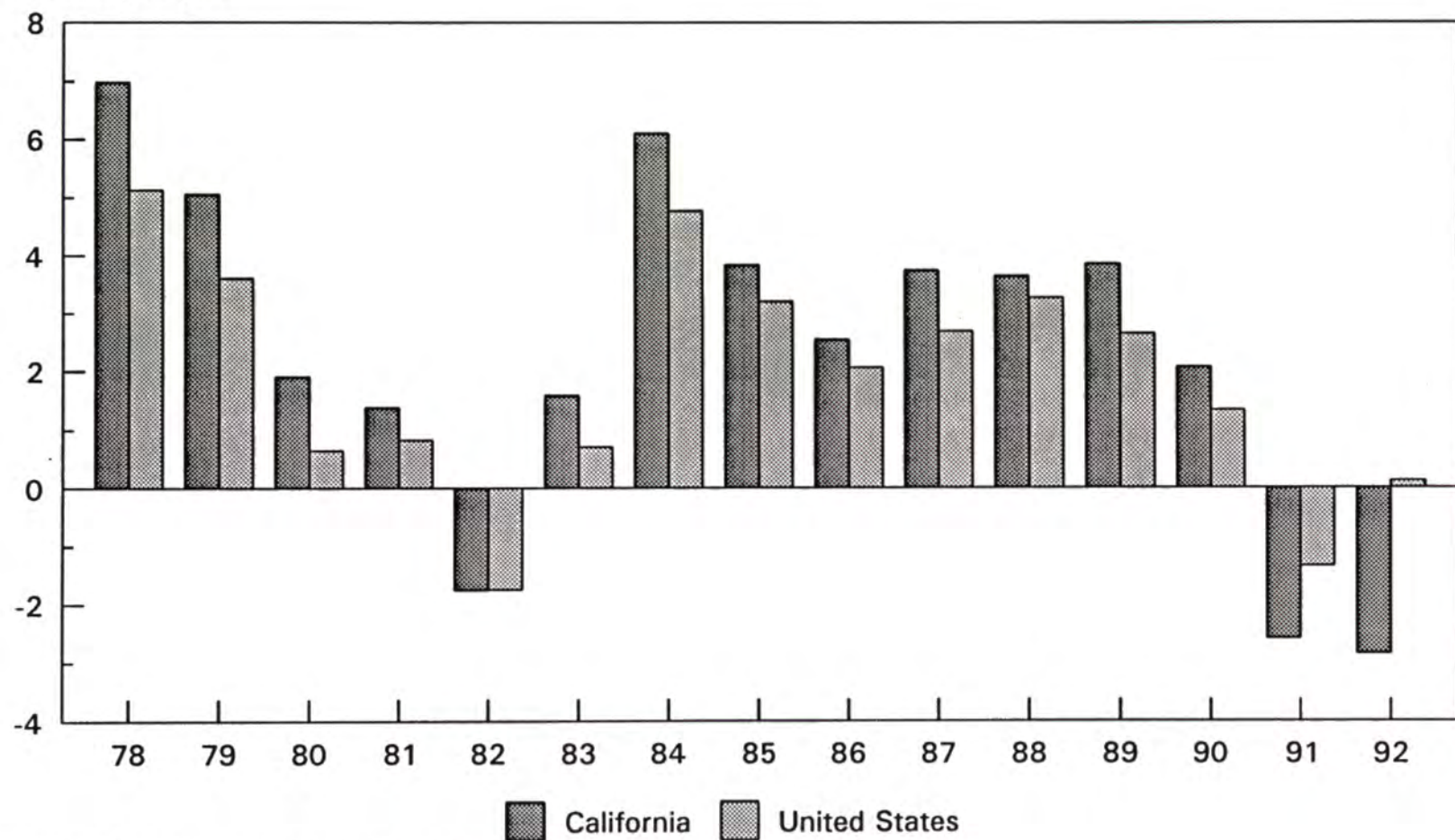
Attachments

# California and the United States

## Growth in Nonfarm Payroll Employment

1978 - 1992

Percent per year

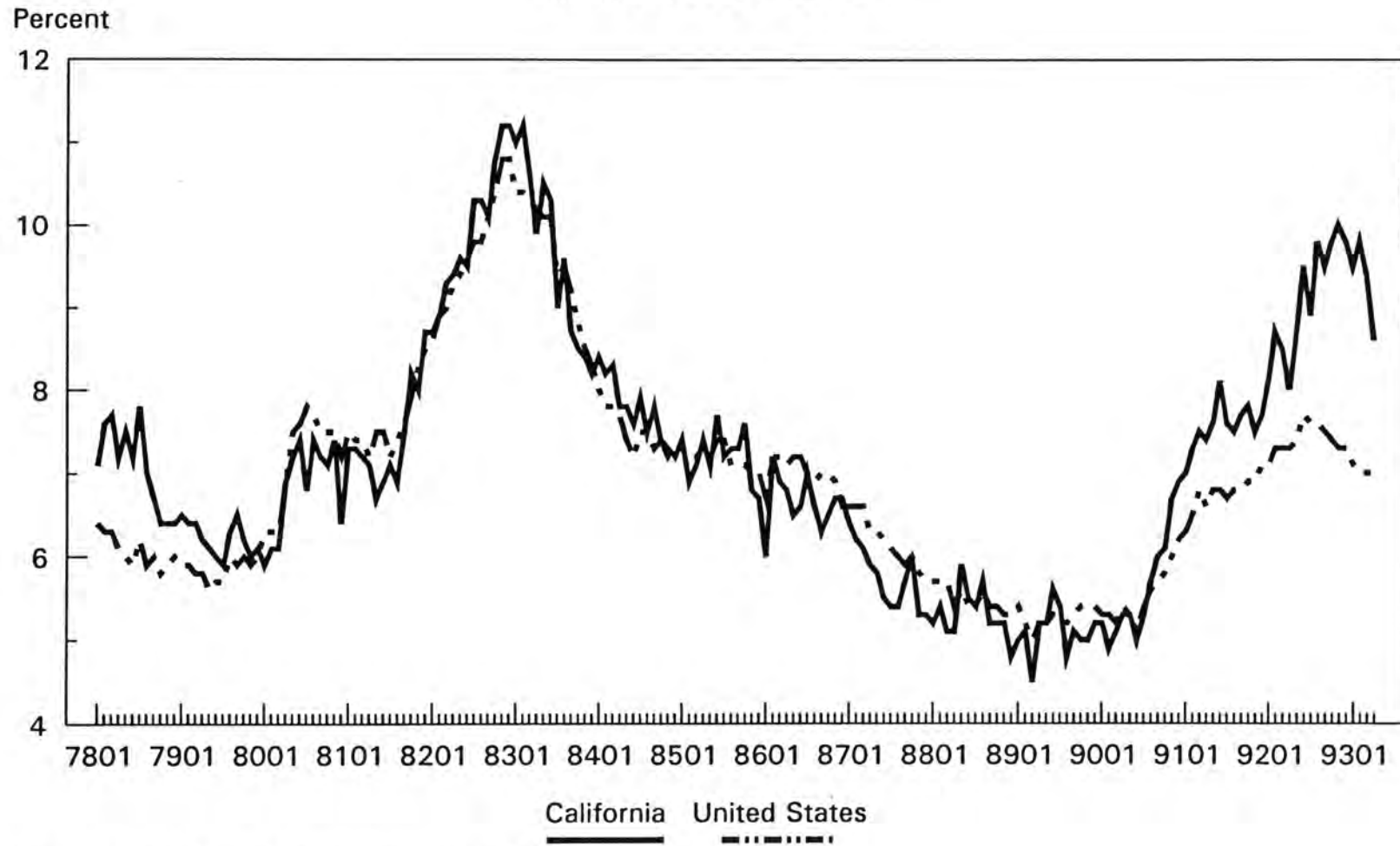


Produced by the Council of Economic Advisers.

Source: Department of Labor.

# California and the United States

Unemployment Rates  
Monthly, 1978 - 1993

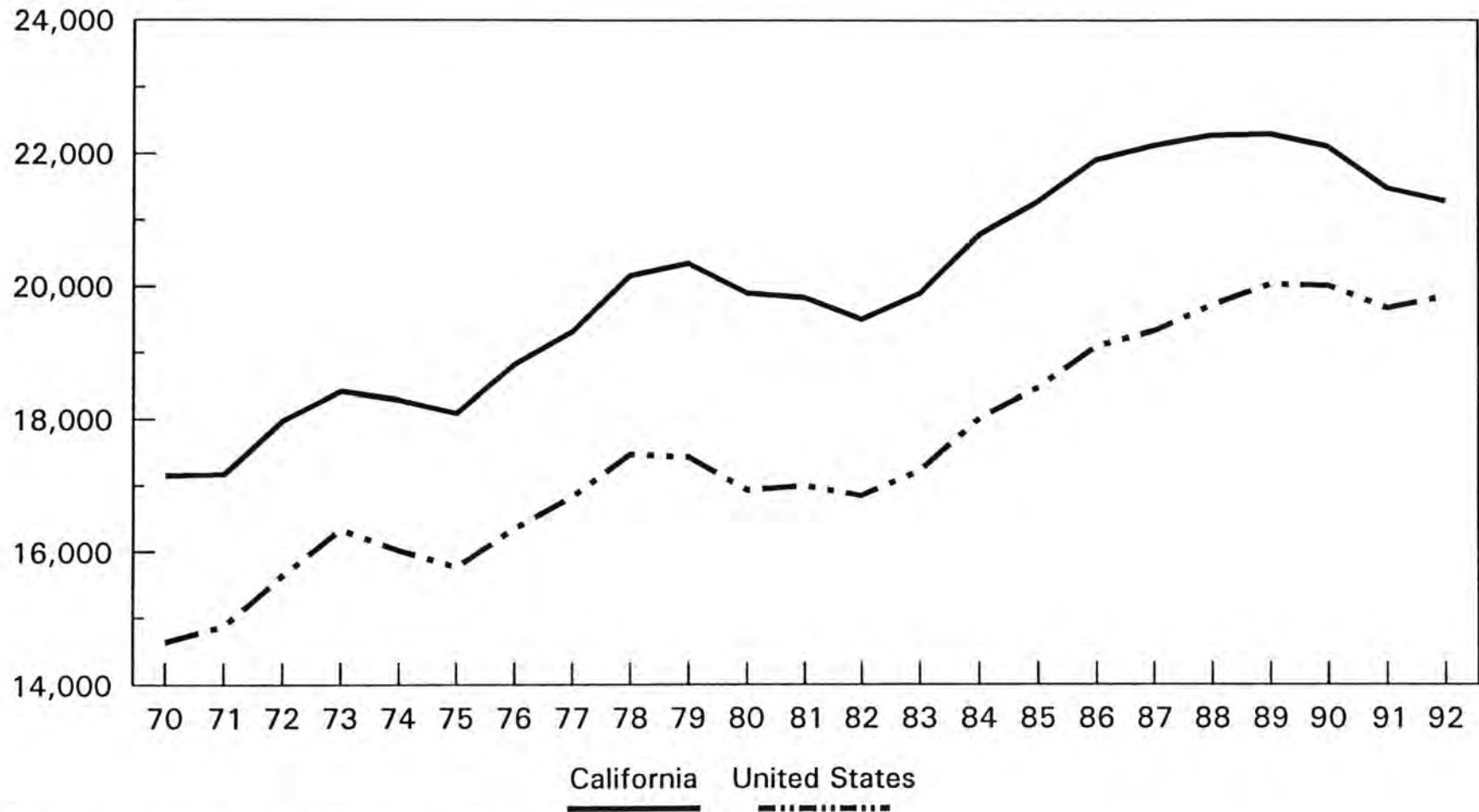


Produced by the Council of Economic Advisers.  
Source: Department of Labor.

# California and the United States

Real Per Capita Personal Income  
1970 - 1992

1992 dollars



Produced by the Council of Economic Advisers.  
Sources: Dept. of Commerce and Dept. of Labor.  
Note: Both series deflated by CPI-U for all U.S.

THE WHITE HOUSE  
WASHINGTON

May 16, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: TOM EPSTEIN   
SUBJECT: CALIFORNIA POLITICAL BRIEFING

GENERAL BACKGROUND

The shine is off the Golden State. More than any other state, California faces a deep and structural economic hangover from the Reagan-era defense-spending deficits. The resulting severe recession, coupled with natural disasters and ethnic tensions, has fueled an ugly mood of despair in many regions of the state, especially Los Angeles. Since most Californians have only known prosperity and opportunity, the deep recession for which there is no end in sight is particularly bitter and unexpected medicine. With the state and local governments broke and making severe cutbacks in services--and more military bases scheduled for closure--politicians are looking for people to blame. Immigrants and the federal government are at the top of Governor Pete Wilson's list.

In March, Commerce Secretary Ron Brown was appointed to coordinate a unified cabinet-wide response to the state's problems. Secretary Brown has visited the state four times and will soon announce an inter-agency structure to promote economic development and cut through red tape. In addition to Commerce, HUD, Labor, OMB, and SBA will assign staff to develop a federal plan for the state and facilitate access to available federal resources.

STATE POLITICS

Governor Wilson is horribly unpopular, and loses in matchups with either likely Democratic opponent, State Treasurer Kathleen Brown or Insurance Commissioner John Garamendi. Brown, with \$3 million in the bank, is the odds-on favorite over Garamendi, who is struggling to eliminate a two-year old deficit. Garamendi will be at several of the events, and will likely continue to recommend the appointment of his wife to a high Peace Corps position. Kathleen Brown was previously scheduled and will not attend any of the events.



Wilson's primary political strategy is blaming everyone but himself, particularly the legislature and the federal government. Though he stubbornly refuses to extend a half-cent sales tax due to expire in July, he has recently demonstrated some flexibility on carrying over part of the state's multi-billion dollar deficit to next year. He has tried to pin the state's budget shortfall partly on the U.S.'s unwillingness to pay the full cost of implementing the 1986 immigration bill (see below). He has fingered the administration's actions under the endangered species act as the reason for unresolved water distribution issues, an important and volatile subject in California. So far, he has failed to win that debate. Finally, he castigates the legislature for a panoply of anti-business actions, from workers compensation to environmental quality regulations.

## SAN DIEGO POLITICS

Two first-term Democratic Congressmembers will join you from Albuquerque--Lynn Schenk and Bob Filner. Schenk received 52% of the vote in a Republican-leaning coastal district surrounding La Jolla and the University of California, San Diego. Filner received 57% of the vote in a more Democratic working class district in the southern part of the city. Both representatives are very concerned about sewage issues involving federal funding (the federal government agreed to help pay the cost of treating Tijuana's sewage, which otherwise would pollute San Diego's beaches). San Diego was cut out of federal water treatment funds when Congress earmarked the entire \$100 million allocation to Boston harbor (per Congressman Moakley). They are looking for \$3 million annually to pay the cost of continuing to treat Tijuana sewage with their old system, plus \$40 million to help finance a brand new facility to handle all of Tijuana's sewage on into the future. Of even greater consequence is the Clean Water Act's requirement that all the city's sewage receive secondary treatment, which would cost over \$2 billion for additional facilities. Clean Water Act exemptions, of course, have national ramifications. EPA is not keen on granting exemptions or making changes to the Act.

Both Congressmembers are also sensitive to the role Republican Mayor Susan Golding played in endorsing the economic plan. She received massive local publicity when she spoke at the Mayors' endorsement press conference at the White House. She endorsed the plan, but with you and the Vice President standing behind her, she made a plea for more spending cuts. Golding, who won a close election in November over a Democrat, is also supportive of NAFTA, while Schenk and Filner are not. Golding, who once won a bitter County Supervisor race over Schenk, is a likely Republican statewide candidate some day. The two Democratic Congressmembers would like to see the administration keep our distance from Golding, but they grudgingly acknowledge that we must work cooperatively with Republicans who support our major initiatives.

Finally, in last November's election, Democrats did very well in state legislative races. Two Assemblymembers and a Senator won difficult districts with comfortable margins. All the Democrats were pro-environment and pro-choice, and prevailed against conservative Republicans in economically conservative, but socially tolerant districts. Because the legislature is in session, none of the state representatives is expected to attend the events.

## LOS ANGELES POLITICS

In Los Angeles, the Mayor's race dominates the local political scene, but there are also four contested City Council races underway. The election is June 8.

Richard Riordan finished first in the April 21 primary with 33% of the vote; Woo was second with 24%. All the other candidates were Democrats. Riordan has since picked up the endorsement of two of the other contenders, black attorney Stan Sanders and Councilman Joel Wachs. Woo is endorsed by organized labor, environmental organizations, women's groups, gay groups, and many Democratic officeholders including Barbara Boxer, Kathleen Brown, John Garamendi, and Congressmembers Henry Waxman, Julian Dixon, Walter Tucker, and Anthony Beilenson (the latter three may be travelling with you). The L.A. Times poll released last week had Riordan ahead by 7% among most likely voters, with Woo ahead by 6% among all registered voters. About 18% were undecided.

Riordan campaigns as "tough enough to turn L.A. around" and attacks Woo for the condition of his Hollywood district, accusing the councilman of being a do-nothing insider. Riordan portrays himself as a generous philanthropist who will bring an outsider's common sense to city decisionmaking. He is likely to attack Woo for a "lavish" office remodeling and for supporting a refugee sanctuary early in his Council career.

Woo lambastes his multimillionaire opponent for job-killing greedy business deals and his memberships in restrictive clubs. He criticizes Riordan's opposition to gun control in this violent city and portrays his opponent as someone ordinary people can't trust. Woo's positive message lacks punch, more a litany of programs than a strong central theme. Woo's consultant met Friday with Rahm, James Carville, and David Wilhelm to discuss their message and strategy. Woo's record as a Councilmember includes the initiation of a community service program, sponsorship of a tough ethics and campaign reform law that includes public financing, and human capital investments. Unlike Riordan, he opposes privatizing certain city services. Both he and Riordan call for large increases in police officers, though through different funding sources. Riordan supports leasing the airport to obtain the funds, a proposal that would need federal approval. Woo suggests a slight property tax increase and other program cuts. Woo is a former aide to State Senate Majority Leader David Roberti and has served eight years in the City Council.

Wilhelm recommends that our endorsement be accompanied by cash contributions to the state Democratic party's independent GOTV campaign on Woo's behalf; fundraising/free media visits by cabinet officers in Los Angeles; fundraising appearances by cabinet officers in New York and Washington; and a late free-media-only visit by the Vice President. If Woo is to win, he needs more money for paid media and a highly effective GOTV effort.

Maxine Waters is still neutral in the Mayor's race and is uncertain about coming to Los Angeles on Tuesday. She doesn't think empowerment zones do enough for her community, and continues to press for legislation directing funds to 17-30 year-old males.



## SPECIFIC ISSUES

Three issues dominate all others in California: base closures/defense conversion; urban poverty/crime; and immigration.

In March, Secretary Aspin released a proposed base closure list that included eight California facilities. The Secretary (and the President) received credit for saving three bases that were on an earlier list leaked to the New York Times. Within days, however, Base Closure Commission Chair James Courter reinstated two of the bases. In commission hearings held last month in Oakland, some commission members expressed sympathy for arguments made by the state's elected officials opposing the closures. California was already severely hit by base closures in the two prior rounds, and is suffering from cutbacks in defense contracts with private firms. Secretary Brown has promised hands-on assistance in helping California businesses and communities make the conversion.

While Los Angeles escaped additional trauma when two police officers were convicted in the federal Rodney King beating trial, tensions remain high and another volatile case will begin in July (Reginald Denny beating). Crime shares top billing in the L.A. Mayor's race with the economy, and both candidates are proposing large increases in the size of the L.A. police force. California is likely to benefit from the empowerment zone program, with L.A. a prime candidate for one of the six super-powered urban zones (though this is a competitive program). Oakland and other California communities are also likely to bid for the lower magnitude zones. RLA (formerly Rebuild L.A.) continues to receive mixed reviews, but remains a significant player in the recovery effort. Congresswoman Maxine Waters has created an alternative organization, called Community Build, which is supporting a more grassroots economic empowerment agenda. L.A. and other California communities will be very receptive to the community development bank proposal expected to be announced within a few weeks. In terms of federal largesse, on May 14 Transportation Secretary Pena announced a \$1.3 billion commitment to help extend the L.A. Red Line rail system into East and South Central L.A.; and last week the National Service program announced the placement of 250 summer workers in Oakland and 200 in Los Angeles. A one-week national service summer training program will also be located in the San Francisco Bay Area.

Southern California is home to several million illegal immigrants, and they are frequently blamed of a wide variety of social and economic ills. Republican legislators are proposing draconian punitive measures, and even liberal/moderate Democrats like Anthony Bienson are supporting bills to deny automatic citizenship to children of illegal immigrants born in this country. Governor Wilson asked the federal government for over \$1.5 billion for immigration-related costs, and was promised slightly less than half that amount--which is a huge increase over prior administrations' steadfast refusal to acknowledge any federal responsibility for immigration costs. At this point, the administration has stated no position on other immigration issues and has not yet appointed an INS Commissioner. The defeated stimulus package would have provided funding for additional Border Patrol officers.

THE WHITE HOUSE

WASHINGTON

May 16, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH: TODD STERN

FROM: DAVID LANE, NEC

SUBJECT: Defense Conversion in California

This memorandum reviews the impact of the defense drawdown on California, the Clinton Administration's programs to assist workers, communities and firms affected by the drawdown, and activities currently underway in California related to defense conversion.

I. THE IMPACT OF DEFENSE CUTS ON CALIFORNIA

The impact of reductions in defense spending will be significant in parts of California, particularly in Southern California:

- In 1992 California received \$51 billion in defense appropriations, or 21% of total U.S. defense spending (the state has 11% of the nation's workforce and 12% of GDP). Three-quarters of that \$51 billion came from defense contracts (rather than base operations, payroll, etc.), mostly with aerospace firms in Southern California.
- Of the 600,000 to 850,000 jobs lost in California since mid-1990, three-quarters of them have been in Southern California. Experts predict that the state will lose 180,000-200,000 private-sector jobs between 1991 and 1997 due to the defense drawdown, about one-fifth of total projected job losses nationwide. The most severe impact will occur in 1994.

**Base Closure and Consolidation** - Eight bases are targeted for closure in the proposal being reviewed currently by the Base Closure Commission. This comes after seventeen bases were slated for closure in the 1988 and 1991 rounds of base closures. San Diego would actually gain jobs under DoD's current proposal, while the Bay Area in Northern California would take a big hit:

- Under the Navy's basing strategy, San Diego will continue as home to most significant naval facilities on the Pacific Coast. So although San Diego's Naval Training Center is targeted for closure under the Navy's plan to consolidate



training activities near Chicago (at the Great Lakes Naval Training Center), the San Diego area would experience a net gain of jobs due to offsetting expansions.

- In the San Francisco Bay Area, DoD's 1993 base closure plan would have a significant impact. Five closings are targeted for the Oakland area, the most significant of which are the Treasure Island Naval Station and the Alameda Naval Air Station, with many of their functions being shifted to San Diego. Also slated for closure in Northern California (Vallejo) is the Mare Island Naval Shipyard, which maintains and repairs attack submarines and various surface ships.
- Near Los Angeles, the El Toro Marine Corps Air Station in the Anaheim-Santa Ana MSA, would close under the current proposal. Sitting atop valuable real estate, the facility has been discussed as a civil aviation reliever for John Wayne Airport in Orange County.

## II. THE CLINTON ADMINISTRATION PROGRAM

A strong economy -- and an investment plan that allows communities the opportunity for diversification -- are the most important things the Clinton Administration can provide for communities facing base closures or defense contract cutbacks.

The Administration has put forward an aggressive program to assist workers, communities, and firms experiencing the impact of defense cutbacks and to reemploy these productive assets in ways that benefit the economy. By 1997, investments for defense conversion will reach \$5.2 billion, with a total of nearly \$20 billion invested in FY93-97. These investments will promote economic growth while preserving a strong military and defense industrial base.

**Civilian and Military Worker Training and Adjustment** - The Administration's long-term investment plan includes over \$4 billion for the FY93-97 period for dislocated defense worker assistance. And the Administration is currently revamping the government's dislocated worker programs to make it easier for dislocated workers to change jobs or careers or upgrade their skills (Secretary Reich's Dislocated Worker Task Force will report to you shortly on its proposals).

In addition, the Administration is funding transition initiatives for DoD personnel that will assist them with job searches; provide severance pay, health benefits, and early retirement benefits for qualified personnel; and enable separating military personnel and defense workers to enter critical jobs in teaching, law enforcement, and health care.



**Investing in Hard-Hit Communities** - The federal government has an important responsibility to assist communities that experience the pain of the defense drawdown, whether through base closure or loss of defense contracts.

Programs in the Department of Defense (Office of Economic Adjustment, OEA) and the Department of Commerce (Economic Development Administration, EDA) will help hard-hit communities develop and implement plans to put unneeded bases to use in ways that help the local economy (historically, many communities that have successfully reused bases have actually gained employment). These programs will also target communities heavily dependent on declining defense contracts.

The Administration is significantly increasing OEA's funding so it can provide communities with the tools and expertise to plan and adjust and create new economic opportunities. In addition, the Administration is developing plans for a federal "one-stop shop" that will enable communities to navigate more easily the myriad government programs that can help them revitalize their economies.

Finally, DoD is working to streamline environmental clean-up to speed local economic recovery. A new Deputy Under Secretary for the Environment has been appointed to make this happen.

**Dual-Use Technology and Commercial-Military Integration** - The Advanced Research Projects Agency (ARPA, formerly DARPA) is accepting proposals for approximately \$500 million in technology and industrial base initiatives through its Technology Reinvestment Program (TRP). The initiatives will assist defense firms in their efforts to enter commercial markets by:

- Funding government-industry partnerships to develop advanced materials, manufacturing and other dual-use technologies;
- Providing matching funds for communities that build on local strengths through "regional technology alliances" among firms, to share information and develop new products and markets; and
- Helping small and medium-sized suppliers to defense contractors compete effectively in civilian markets by providing technical assistance through a national network of manufacturing extension centers.

In addition, the Administration will expand market opportunities for defense contractors by investing in infrastructure of the 21st century, such as advanced communications networks and "smart highways."

### III. DEFENSE CONVERSION ACTIVITIES UNDERWAY IN CALIFORNIA

Following are descriptions of some of the initiatives underway in California related to defense conversion:

- The Technology Reinvestment Project described above has attracted a lot of attention in California. A briefing by ARPA and four other agencies (Commerce, NSF, Energy, and NASA) held in Los Angeles last month drew nearly 2,000 participants eager to find out how to submit proposals to develop and deploy dual-use technologies.
- CALSTART, a public-private consortium located in Burbank, is initiating California's fledgling electric-vehicle industry. Its goal is to foster an advanced transportation industry. It unveiled its first prototype electric car in December 1992. Many of the companies participating in the project are defense firms.
- In the Los Angeles area, the Economic Development Corporation of Los Angeles County has received nearly \$6 million from EDA at Commerce to develop and implement a strategy that will enable LA's high technology firms and workers (particularly in aerospace) to make the transition to other growing sectors of the economy. Leaders of the EDC are very supportive of your defense conversion initiatives.
- Project California is a collaborative, private-public effort to redirect the beleaguered aerospace and defense resources of the state into building new transportation and telecommunications industries. The goal of Project California is to establish California by the year 2000 as an international leader in the research, design, manufacture and marketing of high performance, environmentally safe advanced transportation and related telecommunications services.
- San Diego is a great potential conversion success story. Because of all the high-technology activities already underway in the area, it can take considerable advantage of the Administration's technology reinvestment and conversion programs. The San Diego area is a high technology region:
  - It is a real center of information technology R&D and application and has one of only four supercomputer centers in the country. The city plans to lay fiber optic cables in a few years when it replaces underground pipes which, coupled with its supercomputing capability, would give San Diego the capacity for an "intelligent network." Several area

defense firms are well positioned to move into the commercial information technology business.

- Lockheed, UC San Diego, and others have formed a consortium to develop advanced composites for civil engineering applications. The consortium plans to build a prototype bridge in the UCSD campus (light weight composites are particularly appealing as building materials in California because of seismic problems).

Staff Table of Contents - Los Angeles

TUESDAY, MAY 18, 1993

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**CALIFORNIA - LOS ANGELES**

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| <b>VIP Meet and Greet</b>                                          | TAB B                                                       |
| <b>Job Retraining Event - Van Nuys</b>                             |                                                             |
| Event and Background Memos                                         | TAB C                                                       |
| -- Remarks                                                         |                                                             |
| <b>South Central LA Event</b>                                      |                                                             |
| Event Memo                                                         | TAB D                                                       |
| Background on Empowerment Zones and<br>Community Development Banks | TAB E                                                       |
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**SCHEDULE OF THE PRESIDENT**

**FOR**

**TUESDAY, MAY 18, 1993**

**FINAL DRAFT**

**SCHEDULER:**

**JOSH KING**

**HOME: 202-328-7531**

**OFFICE: 202-456-7560**

**WHCA PAGER: 4450**

**PRESS DESK:**

**DAVID NESLEN**

**HOME: 703-893-5528**

**OFFICE: 202-456-7560**

**PRINCIPAL EVENTS:**

- \* Jog with Navy SEALs - San Diego, CA
- \* Job Retraining event - Van Nuys, CA

**WEATHER:**

**San Diego, CA**

tba

**Los Angeles, CA**

tba

**Washington**

tba



**SCHEDULE OF THE PRESIDENT  
FOR  
TUESDAY, MAY 18, 1993  
FINAL DRAFT**

|                     |                                                                                                                                                                      |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| tba                 | <b>JOG</b> with Navy SEALs and Rep. Bob Filner<br><b>HOTEL DEL CORONADO</b><br>Staff Contact: Tony Lake<br><b>POOL PRESS</b>                                         |
| 8:55 am             | <b>THE PRESIDENT</b> departs Hotel Del Coronado, San Diego, CA, via motorcade en route North Island Naval Air Station<br>[drive time: 15 minutes]                    |
| 9:05 am             | <b>THE PRESIDENT</b> arrives North Island Naval Air Station                                                                                                          |
| 9:10 am-<br>9:25 am | <b>MEETING</b><br><b>DISTINGUISHED VISITOR'S LOUNGE</b><br>North Island Naval Air Station<br>Staff Contact: Tom Epstein<br><b>CLOSED PRESS</b>                       |
| 9:25 am-<br>9:35 am | <b>PHOTO OP</b> with local police<br><b>NORTH ISLAND NAVAL AIR STATION</b>                                                                                           |
| 9:35 am-<br>9:45 am | <b>PHOTO OP</b> with volunteer drivers<br><b>NORTH ISLAND NAVAL AIR STATION</b>                                                                                      |
| 9:50 am             | <b>THE PRESIDENT</b> departs North Island Naval Air Station via Air Force 1 en route Los Angeles International Airport<br>[flight time: 40 minutes with interchange] |
| 10:30 am            | <b>THE PRESIDENT</b> arrives Los Angeles International Airport and proceeds to motorcade<br><b>REMOTE TERMINAL</b><br><b>OPEN PRESS</b>                              |
| 10:45 am            | <b>THE PRESIDENT</b> departs Los Angeles International Airport via motorcade en route Van Nuys Community College<br>[drive time: 35 minutes]                         |
| 11:20 am            | <b>THE PRESIDENT</b> arrives Van Nuys Community College<br><b>VALLEY COMMUNITY COLLEGE</b><br>5800 Fulton Avenue<br>Van Nuys, CA 91401                               |

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# STAFF MANIFEST

|                       |      |
|-----------------------|------|
| Bruce Lindsey         | 3252 |
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| Bob Bell              | 3247 |
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| Jeff Eller            | 3256 |
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## ADVANCE STAFF

|                   |      |
|-------------------|------|
| Charlie Duncan    | 3112 |
| Sam Myers         | 3113 |
| Brian Gallagher   | 6310 |
| Stephanie Owens   | 4102 |
| Carol Florman     | 6113 |
| Jennifer Aurand   | 4102 |
| Catherine Grunden | 3117 |

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11:20 am-  
1:20 pm

**JOB RETRAINING EVENT**  
**VALLEY COMMUNITY COLLEGE**

11:20 am      **Tour of machine shop**  
**ENGINEERING BUILDING**  
**POOL PRESS**

11:35 am      **Discussion/Q & A with students on job retraining**  
**COURTYARD**  
**OPEN PRESS**

12:15 pm      **Lunch and Office Time**  
**PRESIDENT'S CONFERENCE ROOM**  
**CLOSED PRESS**

1:00 pm      **Local Press Availability**  
**SITE TBA**  
Staff Contact: Tom Epstein  
**LOCAL PRESS ONLY**

1:20 pm      **THE PRESIDENT** departs via motorcade en route South Central Los Angeles Event  
[drive time: 35 minutes]

1:55 pm      **THE PRESIDENT** arrives South Central Los Angeles Event

2:00 pm-  
2:45 pm      **VISIT** to The Playground  
**SOUTH CENTRAL LOS ANGELES**  
2705 W. Florence  
Staff Contact: Sheryl Cashin  
**OPEN PRESS**

2:55 pm      **THE PRESIDENT** departs The Playground via motorcade en route Los Angeles International Airport  
[drive time: 20 minutes]

3:15 pm      **THE PRESIDENT** arrives Los Angeles International Airport

3:15 pm-  
3:30 pm      **MEETING**  
**LOS ANGELES INTERNATIONAL AIRPORT**  
Staff Contact: Tom Epstein

3:30 pm-  
3:40 pm      **PHOTO OP** with local police  
**LOS ANGELES INTERNATIONAL AIRPORT**

3:40 pm-  
3:50 pm      **PHOTO OP** with volunteer drivers  
**LOS ANGELES INTERNATIONAL AIRPORT**

|                       |     |                                                                                                                                                      |
|-----------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3:50 pm               | PDT | <b>THE PRESIDENT</b> departs Los Angeles International Airport via Air Force 1 en route Andrews Air Force Base<br>[flight time: 4 hours, 40 minutes] |
| 11:30 pm              | EDT | <b>THE PRESIDENT</b> arrives Andrews Air Force Base                                                                                                  |
| 11:40 pm              |     | <b>THE PRESIDENT</b> departs Andrews Air Force Base via Marine 1 en route White House<br>[flight time: 10 minutes]                                   |
| 11:50 pm              |     | <b>THE PRESIDENT</b> arrives White House                                                                                                             |
| <b>BC AND HRC RON</b> |     | <b>WHITE HOUSE</b>                                                                                                                                   |

VISIT OF THE PRESIDENT  
TO  
SAN DIEGO, CALIFORNIA

EVENT: Meet and greet with local labor leaders, Democrats and donors.

DATE: Tuesday, May 18

TIME: 9:10-9:25 am

ATTENDEES: Several labors leaders, demo donors, and supporters (a list of invitees not yet confirmed is attached)

PRESS: Closed

SCENARIO: THE PRESIDENT will enter The Distinguished Visitors Lounge unannounced for an informal meet and greet. Most of the attendees, with a few exceptions, have not otherwise been to any other events during the trip. No remarks.

THE PRESIDENT will depart the building and proceed to Air Force One for greetings with police and volunteers before boarding AF-1.

Confirmed

Shlomo Caspi- Lawrence family

Leslie Caspi- Lawrence family

Richard Keatinge- biotechnology and friend of Lynn Schenk

Bill Wachob- Media and friend of Lynn Schenk

Mrs. Bill Wachob

Vince Hall- District Director for Bob Filner

Gail Jaaskelainen- Chairwoman of the "United Campaign"

Bill Lerach- fundraiser



Star Soltan- fiancée of Bill Lerach

Harvey Levine- trial lawyer and fundraiser

Judy Levine- wife of Harvey Levine

Murray Galinson-

Leonard Simon-

Candace Carroll- wife of Leonard Simon

Total: 13

**Unconfirmed**

Joe Francis- labor

Art Lujan- labor

Eliseo Medina- labor

John Kennedy- labor

Art Engel- President of *Southwest Marine*

John Wertz- democratic fundraiser and friend of John Emerson

Paul Peterson- land use attorney

Allen Jones- involved in local government and developer

Rebecca Michael- wife of Allen Jones

Margaret Moody- National Women's Caucus

Mark Robinson-

Kathy Robinson-

Total: 12

THE WHITE HOUSE

WASHINGTON

May 14, 1993

JOB TRAINING SPEECH IN LA

DATE: May 18, 1993  
LOCATION: Los Angeles Valley College  
5600 Fulton Ave, Van Nuys 91401  
TIME: 11:15 am  
From: Bonnie Deane

I. PURPOSE

You are visiting a community college in Los Angeles where you will discuss job training and your economic plan.

II. BACKGROUND

You will be getting a guided tour of an advanced metal working shop class. They will be using computer assisted manufacturing techniques and advanced equipment.

III. PARTICIPANTS

President  
Teacher escort  
Approximately 75 students  
Local officials

IV. PRESS PLAN

Pool press pre-positioned in classroom for tour.  
Open press in courtyard.

V. SEQUENCE OF EVENTS

- ◆ You will be escorted by a community college teacher
- ◆ Guided tour of class while students work
- ◆ 20 minutes of remarks outside in courtyard
- ◆ Brief Q & A with students

VI. REMARKS

To be provided by speechwriters.  
Economic background briefings attached.

THE WHITE HOUSE

WASHINGTON

May 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BONNIE DEANE, NEC

SUBJECT: TRAINING INITIATIVES IN THE ECONOMIC PLAN

**I. NEW TRAINING INITIATIVES**

● **Dislocated Workers Program:** A comprehensive program to assist workers permanently displaced from their jobs regardless of the cause. The program will provide basic assistance and training to help workers get a new job: interview skills, resume prep and job search training. In addition, assessment, long term training and income maintenance will be available to those that need to make more fundamental career changes.

*Key Features:* -- \$1.9 billion in 1994 rises to 2.7 billion in 1995-97.

--Almost four times the funding currently available for displaced workers under the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) (\$517 M).

--Assists workers impacted by defense downsizing, NAFTA, environmental regulation, technical change or any other reason for permanent job loss.

--Cuts red tape and administrative overheads by combining several programs.

Currently *months* are wasted filling out paper work to determine eligibility for one of several narrowly defined programs.

--An Inter-agency Task Force will report to the President by June 1. A large share of the funding is likely to be formula allocated to states on the basis of unemployment trends.

*Background:* Proponents of TAA (Trade Adjustment Act), namely unions and key members of Congress, are sensitive about combining this with other programs if it reduces the benefit levels. Currently, a compromise extends TAA for 3 years while building adequate income maintenance levels in the comprehensive program.

● **One Stop Shopping:** A system of franchised, retail outlets that provide easy access to self-help job assistance as well as a clearinghouse for additional government and private assistance. This system will provide help to all Americans to take charge of their careers and attain lifelong advancement through lifelong learning.

*Key Features:* --\$900 million over 4 years.

--Starts with smaller experiments. Builds nationwide system from local experience.

- An access point for information about: careers, training programs, financial aid, etc.
- Creates linkages between disperse programs such as JTPA, EDWAA, JOBS, etc.
- Builds a national career opportunity system utilizing the "Information Highway."
- Not yet proposed as legislation. More likely to be challenge grants than formula allocations to states.

*Background:* Very New Democrat, but local governance issues are very sensitive.

- **Profiling Unemployed Workers:** As part of an extension of Emergency Unemployment Compensation (EUC), the Department of Labor had planned to assist states with implementation of profiling systems. Through profiling the UI system can identify earlier those workers not likely to return to work before exhausting benefits. Those workers can be referred earlier for extra counselling, job search assistance and retraining.

*Key Features:*-- \$14.6 million was planned in the stimulus package.  
-- Currently no funding is available.  
-- Provides grants to states for automating identification and referrals.  
-- Identification and referral by the fifth week of unemployment.

*Background:* Since the filibuster blocked the funding for UI profiling, the implementation is delayed and uncertain. Decisions have not been made as to whether to add on to 94 or 95 budget.

- **Youth Apprenticeship:** A comprehensive system for helping the majority of American youth to make a smooth transition from high school to productive lives of skilled employment and further learning. This program will support a period of bold experimentation with states and local communities taking the lead and the federal government playing a catalytic role. This program has New Democrat all over it. It's based on partnerships within the government (Labor and Ed) and with industry. It capitalizes on local creativity.

*Key Features:*-- \$270 million in 1994, \$500 m in 1997. Four year total: \$1.2 billion.  
-- Not yet proposed. Likely to be challenge grants rather than formula allocations.  
-- "Work based learning" is new. Although existing federal funding supports both vocational education in schools and work experience for credit, the new initiative supports 1) integration of school and work experiences and 2) ensuring quality learning takes place in work based settings.

*Background:* Labor representatives are sensitive about using the term "apprenticeships" as well as the possibility of replacing their employees with subsidized wage youth. The Labor and Education project team has been calling it "School to Work" rather than Youth Apprenticeships.

- **National Service:** Educational awards of up to \$5,000 per year for Americans who make



a substantial commitment to service. Support for service extends from elementary students to senior citizens and includes everything from part-time volunteer activities to full time public service jobs. In addition, the student loan system will be overhauled to cut costs, reduce defaults and make public service possible for those that do not work for the government.

*Key Features:* --\$400 million in 1994, \$7.4 billion over 4 years.

--Two parts: government jobs + student loan reform.

--Will save \$4 billion and lower rates that students pay by cutting subsidies to banks.

--Non-government service jobs. Flexible payment options, eg. as a percentage of income, allow people to take any low paying service job without defaulting on loans.

--Legislation already submitted.

*Background:* There are concerns about elitism. However, the program applies to training programs and proprietary schools as well as 4 year colleges.

Other concerns include creating make-work jobs and crowding out private sector or volunteer workers.

- *Note: Welfare Reform should also provide extensive new training opportunities.*

## **II. INCREASED FUNDING FOR EXISTING PROGRAMS**

- **Summer Youth Employment and Training Program (SYETP):** Offers economically disadvantaged youth from 14 to 21 work experience in minimum wage jobs in public and non-profit agencies during the summer months. It includes an enriched program of work experience, basic skills training, testing and counseling and closer coordination with schools.

*Key Features:* -- \$2 billion over 4 years. \$625 million in 1997.

-- 2 million additional summer youth jobs.

-- 90 hours of academic enrichment.

*Background:* The stimulus filibuster resulted in a loss of \$ 1 billion for extra jobs for summer 93. Currently, House Democrats are considering new ways to get the summer jobs money through.

- **Job Corps Expansion and Maintenance:** Finance 50 new residential centers and renovate the 110 existing centers for severely disadvantaged youth training. Job Corps provides remedial education, occupational skills training, supportive and job placement services.

*Key Features:*-- \$450 million over 4 years.

-- Raise the number of participants from 70,000 to 104,000.

-- Returns at least \$1 for every dollar spent.



The President of the United States  
Talking Points  
Valley Community College  
Van Nuys, California  
May 17, 1993

o I've spent the past four months working in Washington for fundamental change to get our economy moving, create jobs, and help our people get the skills and the opportunities they need to take charge of their future. This requires more than programs; it requires reinvigorating Washington's courage to change -- to see the new needs of the future, to cut resources and raise revenues, to reduce the deficit and increase investment both at the same time.

o Here in Van Nuys, you know why we've got to change. We're not too far away from the GM plant and the Lockheed plant that each closed down last year. The economic situation here in California -- and all across the country -- are living evidence of what you and I are up against. For at least a dozen years, our leaders in Washington refused to take responsibility for preparing our country for the future. And now we have to deal with the consequences of a dozen years of ducking tough choices.

o Any time you call for change and tough choices, you take your share of hits. But that's nothing compared to the hits you have been taking.

o I am inspired by your quiet courage, because whether you're a former auto worker, or an engineer, or a recent immigrant to this country, you have the courage and the dedication to come to this college and learn a new skill and get a new start in life. I was deeply impressed by what I have seen and heard here today: people of every age and background learning skills from computer-aided design technology to child development, and from fashion design to film production.

o And today I saw some of the high-tech machinery you're learning to use, including a programmable lathe that selects its own tools and machines the parts under the direction of a computer-designed program. You really are preparing for the jobs of the future.

o This college gives people the chance to change their lives for the better. For instance, I heard the story of Gene Peck, who worked with his father in their camera shop in North Hollywood. Gene's father urged him to go back to school; he studied electronics at here; and now Gene runs a new section of the store that repairs highly sophisticated cameras that are used to make movies.

o I want our leaders to do what you are doing: to have the courage to change. My economic plan will cut the deficit by almost \$500 billion in five years -- and that will help business get the capital to invest and grow and create jobs. I call for over 200 specific cuts in programs that don't work or we no longer need. And I call for investments in ideas that work, ideas we do need -- ideas like job training.

o We need a unified, simplified, sensible streamlined worker training system in this country. You should be able to get the training you need, regardless of why you lost your job or whether you need to learn a new skill to keep your job, to move up on your job, or to get a better job. Because the fact is: most workers will change jobs eight times in their lifetimes.

o You need to have a real job opportunity at the end of your training. That is why I call for making investments that will create new jobs and grow our economy; incentives for small business, which creates most of our new jobs; investments in communications and transportation networks that will help business grow and prosper; and investments in new technologies that will create new jobs.

o DISLOCATED WORKERS:

For workers who have permanently lost their jobs -- because of trade, defense cutbacks, or other causes -- I want to provide basic assistance to help you get back on your feet: Interview skills; resume preparation; and basic skills training. And, for those who need to make a major change in career, I want to provide longterm training and the support you need to keep body and soul together.

o ONE-STOP SHOPPING:

I want to create a network of service centers where you can get all the assistance you need -- from career information, to training programs and financial aid -- under one roof. And I want to create a state-of-the-art system of information about job opportunities, using the "Information Highway."

o PROFILING UNEMPLOYED WORKERS:

I want to tell you about another idea I've been fighting for. As part of extending unemployment compensation, I want to help the states help workers who unfortunately are not likely to get new jobs before they exhaust their benefits. These workers would be referred early for extra counseling, retraining, and job search assistance.

## YOUTH APPRENTICESHIP

o I also want to help young people learn the skills they need to get good jobs that will help them build a future for themselves and their families. No matter what path they choose, I want it to lead to a life where they can take pride in their work and contribute something to our country.

o For the majority of young people who do not immediately go on to a four-year college, I want to help them move from school to work. I want to combine school with work experience and make sure that learning takes place in work-based settings, where they learn real skills that will prepare them for real jobs.

## o SUMMER JOBS

I've been fighting to create more summer jobs for young people, in business and government. I don't want these to be make work jobs. I want them to be real jobs, with real responsibilities. And I want them to include something new: 90 hours of training, in a classroom or on the job, so the young people will learn while they earn.

## o JOB CORPS

The Job Corps is a program that works. It helps disadvantaged young people take responsibility for their lives, with education, skills training, and job placement. I want to create 50 new residential centers and renovate the 110 existing centers, so we can help young people get off the streets and into real jobs.

## o NATIONAL SERVICE

I want to help tens of thousands of young people pay for college education or advanced job training by serving their communities and their country.

o Here at Valley Community College, I've seen what is best about America: people who have taken some hits, getting back on their feet, rolling up their sleeves, and learning new skills to get new jobs. You deserve a government that works as hard as you do; makes tough choices, as you do; and has the courage to change, as you do. I want to offer every American not a hand-out but a hand-up -- the training and retraining you need to get new jobs and better jobs.

o It's time to put an end to the dozen years of delay and neglect. It is time to make tough choices, offer more opportunity, and give people the chance to take more responsibility. That is how America will compete and win in the world economy.

THE WHITE HOUSE

WASHINGTON

May 15, 1993

**TOUR OF "THE PLAYGROUND" IN SOUTH CENTRAL LOS ANGELES**

|           |                                      |
|-----------|--------------------------------------|
| DATE:     | Tuesday, May 18                      |
| LOCATION: | "The Playground," West Florence Ave. |
| TIME:     | 2:15 p.m.                            |
| From:     | Sheryll Cashin                       |

**I. PURPOSE**

To highlight the type of economic activity that your empowerment zones and community development banking initiative should bring to distressed areas.

**II. BACKGROUND**

"The Playground" is an African-American-owned athletic shoe store that distributes Nike and Reebok products. It was started by two black businessmen, two former gang members and former Football Star, Jim Brown. Behind the store is a literal playground that has become a safe haven and community center for the surrounding community. In addition, the store owners sponsor a youth entrepreneurial apprenticeship program, allowing youth to sell concessions on the playground and counseling them in business management. The store has been featured on national television as a success story on inner city economic activity and community development.

**III. PARTICIPANTS**

Glenn Harvey, CEO of The Playground  
Albert Sanford, COO of The Playground  
Gregory Hightower ("High T") former gangmember and store principal  
Ronald Arnold ("Ray Ray") former gangmember and store principal  
Other Likely Participants: L.A. City Councilmembers Mark Ridley Thomas, Ruth Galanger, and Michael Woo  
200 to 3000 community residents will be on site

**IV. PRESS PLAN**

Full press coverage

**V. SEQUENCE OF EVENTS**

- President escorted through store by the four owners
- Owners will tell President about the genesis of the store and its community activities
- Party will proceed out back door to the recreation area
- President will talk to kids on the playground
- President will be led to an area where the public is standing and will have the option to make informal remarks by microphone
- President escorted to car

**VI. REMARKS**

Remarks are optional. However, attached are highlights of your empowerment zones initiative, which is now pending in Congress, and your community development banking initiative, which will be introduced in the next two weeks.



President Clinton's plan to help poor communities. ✓

# Empowerment zones can help poor communities

**OUR VIEW** By letting communities set agenda, President Clinton can make federal help an aid, not a hurdle.

President Clinton has found a clever way to help distressed communities — by listening to them.

Poor communities said they needed not just federal money, but also freedom to decide how to use it. They asked for more flexibility to try novel approaches to problems. They said tax incentives weren't enough to lure businesses.

Clinton's plan, announced last week, wisely tries to give them a chance to prove they're right. It improves upon a long-touted concept — enterprise zones — and tests it at a cost of only \$6 a year for each person in the country.

Some \$800 million a year would be distributed to 110 communities for experiments in such things as 24-hour schools and community redevelopment banks.

They'd be set up in both urban and rural communities of fewer than 200,000 people. Those with the best plans for improving job creation, education, health care, housing and crime pre-

vention would be selected.

Many ideas would be tried. Successes could be imitated; failures discarded.

Ten of the areas, dubbed "empowerment zones," would get much more. They'd share \$800 million in tax breaks to lure businesses and create jobs — the traditional enterprise zone approach.

But unlike previous plans, businesses inside and outside would get breaks for hiring people from the zones.

This is a much-needed refurbishing of the enterprise zone concept — already tried by several states with mixed success. In a study of Maryland zones, financial lures ranked twelfth as a reason why businesses locate in a zone.

Listening to local leaders also should help avoid the disasters that gave '60s-era urban renewal a black eye. Then, the federal government blindly dictated what cities could get. Often neighborhoods were razed for new construction, and people were relocated, not helped.

In Clinton's plan, once an area qualifies for help, government would heed community requests to get federal regulations out of the way.

Following communities' leads may be a way to make enterprise zones work.

## EMPOWERMENT ZONES

Across the country, communities are reeling from a decade of declining opportunity and rising social and economic isolation. The Clinton Administration is introducing the Economic Empowerment Act of 1993 as the first piece of a larger community empowerment agenda to bring on a new era of opportunity, responsibility and community for all Americans.

The Empowerment Zone proposal represents a new approach to the problems of distressed communities. It moves beyond the old debate that the answer to every problem is top-down bureaucracy on the one hand or trickle-down economics on the other.

The traditional enterprise zone approach assumed that tax breaks alone can revitalize communities without changing the way government does business. The Clinton proposal gives local communities the incentives, deregulation and flexibility they need to work with the private sector to develop comprehensive economic strategies to attract business, create jobs, make their streets safe, and empower people to get ahead.

**1. BOTTOM-UP, COMMUNITY-BASED STRATEGY:** Empowerment Zones will be awarded through a competitive, challenge grant process that gives communities new opportunity, but demands more responsibility from them in return. No applicant will be eligible for a single dollar of federal enterprise support unless it submits a comprehensive strategic plan that brings together the community, the private sector and local government and demonstrates how the community will reform the delivery of government services. The challenge grant process is designed to empower local communities to be as innovative as possible.

**2. ONE-STOP WAIVER AUTHORITY:** An Enterprise Board -- made up of relevant Cabinet Secretaries -- will provide communities a single point of contact, and have broad waiver authority to help communities use existing federal programs and resources more effectively and efficiently to carry out their strategic plans.

**3. 10 EMPOWERMENT ZONES AND 100 ENTERPRISE COMMUNITIES:** A total of 110 zones will be chosen through the empowerment challenge grant process. All 110 will be eligible for empowerment tax incentives and receive special priority for many innovative federal programs including Community Development Banks, Community Policing, and education reform. The 10 Empowerment Zones will qualify for additional tax incentives, including substantial Employment and Training Credits for businesses that employ people who live within the zones.

**4. INDEPENDENT EVALUATION AND SUNSET:** The Act provides for independent evaluation of what works and what doesn't before expanding to include other communities. The entire Act will sunset after 10 years.

## **SUMMARY OF ZONE INCENTIVES AND INVESTMENTS:**

In addition to enhanced flexibility to coordinate strategic plans, the 10 Empowerment Zones and the 100 Enterprise Communities will receive or be eligible for five basic forms of incentives and investments: a) Capital incentives to spur private sector investment; b) Empowerment incentives; c) Employer wage credits that empower both businesses within the zone and businesses outside of the zone that hire zone residents; d) Investment programs, such as community policing and enterprise schools; and e) Zone Priority Investments: A host of federal programs will give recipients of the 110 zones priority status for grant applications for investments that may be essential to a comprehensive empowerment strategy. Starred incentives (\*) are available only for the 10 Empowerment Zones.

### **CAPITAL INCENTIVES**

- Tax-exempt private activity bonds for investments in tangible property in zone
- Expansion of Low Income Housing Tax Credit
- Increased Property Expensing under Section 179\*
- Accelerated depreciation for tangible investments\*

### **EMPOWERMENT INCENTIVES**

- Resident Empowerment Savings Accounts -- tax credits for employer contributions; penalty-free withdrawals for education, purchase of first home, starting a small business or investing in community investment corporation or fund
- Resident Empowerment Opportunity Card
- Private activity bonds for zone businesses, community investment corporations and funds, and Worker-controlled Enterprises owned 50% or more by zone residents\*

### **EMPLOYMENT AND TRAINING CREDITS ("ETC") FOR ZONE RESIDENTS**

- A multi-year ETC for zone employers\*
- A one-year Targeted ETC for non-zone employers\*

### **INVESTMENTS UNDER THE ACT**

- Enterprise Grants
- Community Policing

### **ZONE PRIORITY INVESTMENTS**

- Community Partnerships against Crime
- Community Development Financial Institutions and Banks
- HUD Matching Fund for CDCs
- Up to 30 Enterprise School Communities
- SBA, Commerce and EDA funds and technical assistance
- School-to-Work, Apprenticeship, Youthbuild, Youth Fair Chance, Job Corps
- Drug Prevention and Rehabilitation-to-Work
- "One Stop Shop" Career Centers (JPTA), Access and Moving to Opportunities
- Distressed Public Housing, McKinney Homeless Shelter Assistance

## **COSTS AND PLACEMENT**

### **COSTS**

**Tax Incentives:** The President's FY1994-1998 Budget includes a total \$4.1 billion over five years in tax incentives. Approximately 80% of the cost comes from the Employment and Training wage tax credits.

**Investments:** The Empowerment Zone Proposal aims to match that amount by targeting existing investments towards Empowerment Zones and Enterprise Communities. Over the next two years, \$500 million currently in the budget will be allocated to Enterprise Grants for empowerment zones and communities. An additional \$500 million will go to community policing, of which a substantial amount will be targeted toward the 110 zones.

**Innovative Programs:** In addition, the President has requested that his Cabinet come forward with proposals to target at least \$3 billion of existing funds within the zones and communities so that there can be an equal amount of investments and tax incentives.

Several departments have already made that commitment. For example, the Department of Education has already committed funding and support for local communities to create 30 Enterprise Schools -- 24-hour, year-round community centers -- within the zones. HUD has agreed to target \$200 million of its Community Partnership Against Crime funds -- public safety and drug prevention -- in the zones.

### **PLACEMENT**

**100 Enterprise Communities:** Of the 100 Enterprise Communities, 65 will be in urban areas, 30 will be in rural areas, and 5 will be on Indian reservations.

**10 Empowerment Zones:** Of the 10 Empowerment Zones, 6 will be reserved for urban areas, 3 will be rural areas and 1 will be an Indian reservation.



## **MAJOR PROVISION OF THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROPOSAL**

### **THE PROBLEM WE SEEK TO ADDRESS**

- Across the country, rural and urban communities are starved for affordable credit, capital, and basic banking services. Millions of Americans in low-income neighborhoods have no bank where they can cash a check, borrow money to buy a home, or get a small loan to start a business or keep one going.

### **PURPOSE**

- To create a Community Banking and Credit Fund that will invest in a national network of community development financial institutions (CDFIs) that are committed to community development, lending, equity investment, and development services in distressed, underserved communities.
- To establish an information clearinghouse that will collect and disseminate information on CDFIs that will be useful to promoting the CDFI industry, business formation and community development.

### **SOURCES OF FUNDS**

- To facilitate contributions and investments from the private sector, the Fund will be authorized to issue nonvoting stock.
- The Clinton Budget includes \$382 million over four years for this initiative. The Secretary of the Treasury would capitalize the Fund by purchasing nonvoting stock in the fund for a total purchase price of \$382 million.

### **ASSISTANCE PROVIDED**

- The Fund will be authorized to provide assistance to CDFIs in the form of capital, grants, deposits, or technical services.
- The Board of the Fund will have discretion as to the types of assistance provided but the bulk of the funds will be used for capital assistance to federally insured CDFIs, i.e., federally insured and regulated depository institutions with a qualifying community development mission.



## REQUIREMENTS FOR ASSISTANCE

- An applicant for assistance must demonstrate that:
  - it is or will be a CDFI as defined by the Fund
  - its proposed investment area is an identifiable distressed community that is underserved
  - it is or will be self-sustaining
  - it has a comprehensive strategic plan for community development in its investment area
  - private matching sources have been arranged
- In selecting among applicants, the Fund will consider:
  - the likelihood of success for a self-sustaining CDFI
  - the comprehensiveness of services to be provided
  - the extent of need in targeted areas or populations
  - evidence of local community support, ownership, and governance
  - the amount of legally enforceable commitments for matching requirements
  - the extent to which proposed activities will expand the employment base of the identified community
  - the experience and background of the CDFI's management
  - whether the institution is or will become an insured CDFI.

PRESIDENT OF THE UNITED STATES  
S.C. LOS ANGELES REMARKS  
MAY 18, 1993

I INTRODUCTION - THE ECONOMY IS THE ENGINE THAT PULLS ALL OF US  
UP, AND WE HAVE TO MAKE IT WORK FOR EVERYONE

\* I've come here many times now, long before Washington awakened to the problems of Los Angeles, because I have always fought to help people meet the unmet promise of the cities in which they live. And I believe that real leadership involves celebrating what people do for themselves and encouraging others to make similar efforts work for them. I believe in partnerships for positive change.

\* The last election was about the American people demanding long overdue change. Our challenge today is replace the process of demanding change with that of achieving change. Our role as your partner is clear: to provide education and training and opportunity; to make our streets safer and to bring our people together again; and, most importantly, to have a plan to grow again and provide jobs again and rebuild our cities and our country and our hope.

\* Today proves we can do it. In communities like yours across America there is enough talent and energy and faith to overcome crime and unemployment and drugs. But we need ten thousand successes like this, and we can have them if we stop talking and provide the skills and the institutions and the resources you need to revitalize the economy of this area.

\* I've been fighting in Washington against the old ideas and the special interests, and like you learning it is hard to get people to change. Although our plan is big - it re-orders priorities to reduce the deficit and invest in the future and restore tax fairness - it is moving quickly to approval because the American people, like you, know we can do better.

\* Our plan includes special attention to neighborhoods that have been shut out for too long. We offer major new incentives for small businesses, and also promote new technologies and the building of new infrastructure, all to create jobs and better incomes. In addition, I am fighting hard to train those who don't go to college and help those who do pay for it through a better loan system or through National Service. But today I want to discuss my specific proposal for neighborhoods like this one. My ideas are designed to give people the tools they need to rebuild their communities block by block.

II OUR PROPOSAL, EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES, ARE BASED ON A PRINCIPLE THAT BUILT AMERICA - THAT THE BEST SOCIAL POLICY IS ECONOMIC GROWTH AND GOOD JOBS.

\* This is how our program works. It gives communities like yours the incentives, deregulation, and flexibility needed to attract more private sector business and create jobs, make the streets safe, and also to empower people with health care and child care services etc., so that they can take advantage of these opportunities. New to our plan: businesses inside and out would get breaks for hiring people from the zones.

\* Our goal: to make it easier for the business to invest in places like South Central, make it more attractive to employ people here, and give free enterprise a chance to work.

III THE KEY TO THE PLAN: COMPREHENSIVENESS, EFFICIENCY, FLEXIBILITY, AND BOTTOM-UP, COMMUNITY BASED STRATEGIES

\* Any worthwhile proposal has to provide those on the frontlines with the flexibility and freedom to coordinate resources based on each unique situation. There will be no mandates from Washington, except to show that you can create private sector wealth and jobs in your community based on a plan developed by and meeting the needs of local citizens.

\* Comprehensiveness: A tax incentive by itself is often insufficient to draw a business into a community like South Central because the other impediments are too great - crime, the lack of a trained workforce, the lack of transportation or housing. That, and the lack of community planning or input, is why we have gone far beyond earlier enterprise zone proposals.

\* Our plan links tax incentives with a strategy that not only attracts more businesses, but also provides those services necessary to allow people in the community to take advantage of the opportunity.

\* Local Control: The answers to local problems must be generated locally. Under our program not a single dollar will be spent until there is a coordinated economic development strategy developed at the grass roots, with business, government, and citizen participation, containing a comprehensive strategy designed to address all the communities needs: economic development, transportation, housing, health services, safety, etc.

\* Efficiency: One Stop Shopping. The federal government will fund the plan through a single point of contact, an Enterprise Board. This Board will have broad authority to waive regulations so that programs can cross traditional spending categories, with the different sets of regulations.

It will allow us to break the constraints of separate application, reporting and evaluation requirements, all of which carry a great cost in time and money. We will eliminate the needless separation between programs.

#### IV COMMUNITY POLICING: A CRITICAL PART OF EMPOWERMENT ZONES

\* For many communities the first imperative in generating economic activity is reducing crime, and our community policing initiative will provide thousands additional cops on the beat. I have asked Attorney General Reno to work with every agency to ensure community policing becomes part of this project.

#### V ALL AGENCIES OF GOVERNMENT CONTRIBUTING TO A GREAT START

\* All agencies have been asked to match the amount of tax incentives targeted for empowerment zones and enterprise communities with existing program funds. The Department of Education has already committed funds and support for 30 "Enterprise Schools", 24 hour year-round community centers -- within the zones. HUD has agreed to target 200 million dollars of its Community Partnership Against Crime Funds, for public safety and drug prevention, in the zones.

#### VI CONCLUSION: NEITHER ENTITLEMENT OR ABANDONMENT, BUT A MAJOR COMMITMENT

\* Empowerment zones and enterprise communities are part of an comprehensive and coordinated plan for economic revitalization that also includes community banks so that capital can come places like South Central, and enhancing the Community Reinvestment Act.

\* Our strategy takes the best from the past and weds it much more closely to supporting and enticing the involvement of the private sector, the engine of growth in most of America but the caboose of collapse in too many of our inner cities and rural communities.

\* Businesses want healthy prosperous workers and customers. We all want more thriving communities where we can raise our children in safety and leave them the American dream. And, we all must be in on the solutions at the takeoff, or we surely will all be there for the crash. This proposal will help us take-off into a brighter future with a long-term commitment by Washington to help empower the people of our distressed communities so that they can achieve their dreams.