THE WHITE HOUSE

WASHINGTON

September 26, 1985

MEMORANDUM FOR BRANDEN BLUM
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Department of State Testimony on the Temporary Worker Provisions of H.R. 3080

Counsel's Office has reviewed the above-referenced testimony, and finds no objection to it from a legal perspective.

ID # _____ CU

WHITE HOUSE
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Subject: Dept. of State Testimony on the Temporary Worker Provisions of H.R. 3080

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SPECIAL

SPECIAL

September 26, 1985

LEGISLATIVE REFERRAL MEMORANDUM

TO: LEGISLATIVE LIAISON OFFICER

Department of Justice - Jack Perkins (633-2113)
Department of Agriculture - Eric Mondres (447-7095)
Department of Labor - Seth Zinman 523-8201)
Department of the Treasury - Carol Toth (566-8523)
Council of Economic Advisers

SUBJECT: Department of State testimony on the Temporary Worker Provisions of H.R. 3080.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please provide us with your views no later than COB -- TODAY -- 9/26/85

Direct your questions to Branden Blum (395-3454), the legislative attorney in this office.

James C. Murr for
Assistant Director for
Legislative Reference

Enclosure

cc: Fred Fielding
John Cooney
Tara Treacy
Jim Barie
Ron Landis
Bernie Martin

Final
9/26/85

The Testimony of Michael H. Newlin, Acting
Assistant Secretary of State
for Consular Affairs before
the House Judiciary Subcommittee on Immigration,
Refugees and International Law on the
Immigration Control and Legalization
Amendments Act of 1985.(H.R. 3080)
Sections 301 and 302

September 30, 1985

Mr. Chairman, members of the Subcommittee, I am pleased to appear before you today to testify on Sections 301 and 302 of H.R. 3080, which provide for a temporary agricultural worker program and an agricultural labor transition program as part of immigration reform legislation. The Assistant Secretary of State for Consular Affairs, Joan M. Clark, appeared before this subcommittee on September 9, 1985 and testified about the role that the Department of State would have in implementing any future temporary agricultural worker program. I will address my testimony to a further expansion of Assistant Secretary Clark's original remarks and will also discuss the foreign relations and resource implications of these programs, should they be enacted into law.

The Administration supports the establishment of a limited seasonal worker program that is self-financed and provides protection for workers in such areas as working conditions, housing and wage rates. The Department of State will have a significant role in the implementation of any temporary agricultural worker program, should one become part of immigration reform. Workers admitted under such a program will require some type of entry documents which can be issued by Consular officers in their countries of origin. The Department will work closely with INS to develop procedures which will regulate and facilitate the issuance of such entry documents.

With regard to the other provisions of Section 301 pertaining

to labor certification and the regulation of temporary workers in the U.S., I will defer to the views of the Departments of Labor, Agriculture and Justice, since these are domestic responsibilities.

Section 301 of H.R. 3080 provides for a separate visa category (H-2A) for temporary agricultural workers and streamlines the application process to allow for faster certification and visa processing. The Department anticipates that requests for temporary worker visas will increase significantly, since temporary agricultural workers are intended to replace the large numbers of illegal alien farm workers in the United States currently.

Although the estimates of expected demand for visas vary, the combination of potential high volume and streamlined H-2A processing will require the Department to seek increases in its budget and personnel. For example, the cost impact of both the Senate and House bills on State Department operations would vary according to the number of temporary workers that would have to be processed. These costs cannot be absorbed by the Department and they would have to be covered by additional funding.

We also foresee the need to establish processing centers separate from our consular establishments, which would incur

heavy start-up costs. Such high costs would be attributable to the need to establish and equip these facilities and accelerate the installation of computer programs needed to support the H-2A program, in the context of the already existing heavy visa workload in Mexico. The start-up costs take into consideration basic security needs for the new facilities but do not include funds for any new requirements that might result from the recommendations of the Inman Commission.

We recognize that automation will play a major role in developing efficient methods to expedite the issuance of H-2A visas. The Department and INS have been discussing various aspects of entry and exit processing for agricultural workers and agree that the documentation used to identify seasonal workers should be machine readable and have secure identifiers, to deter fraud and control illegal entry into the United States.

The Department notes that H.R. 3080 provides protection to foreign workers who will enter the U.S. under the proposed H-2A program. Section 301 of the bill requires that these workers be provided with housing allowances as well as insurance against disease and injury, while Section 302 provides them with protections under all Federal and State laws which regulate the employment of U.S. citizen migrant and seasonal agricultural workers. The provision of such benefits and protections to foreign workers can only enhance our relations

with sending countries such as Mexico, who consider the treatment and protection of their nationals in the United States to be key elements of our bilateral relations.

In addition to providing protection of the basic rights of foreign workers entering the United States under the proposed H-2A, program, this bill also provides in Section 301 for a "Sense of Congress [Resolution] Respecting Consultation with Mexico". This provision establishes an Advisory Commission which "shall consult with the Governments of Mexico and other appropriate countries and advise the Attorney General regarding the operation of the alien temporary worker program... and the agricultural labor transition program".

The State Department opposes the creation of such an Advisory Commission because the United States has already established lines of communication with the Government of Mexico and other sending countries on immigration matters, with particular regard for the protection of foreign worker rights in our country. We believe that the establishment of an additional private channel to these foreign governments would be inappropriate and would conflict with the Executive Branch's ongoing responsibilities for international consultations and regulatory control of Federal programs.

Finally, the Agricultural Labor Transition Program as described

in Section 302 will be in effect for three years following enactment of H.R. 3080. It will place percentage limitations on the number of "transitional workers" that can work during this time period. This labor force will be composed of domestic workers and undocumented workers living in the U.S. since April 1, 1980. Gradually, H-2A workers will supplement the numbers of undocumented workers permitted to work under this transition program during years two and three.

Since this transition period will provide for gradual increases in the number of H-2A workers admitted to the U.S., the Department of State recommends that it be included along with the Departments of Labor and Agriculture in consultations with the Attorney General, regarding the rules and regulations for the implementation of the Agricultural Labor Transition Program.

This, Mr. Chairman, concludes my remarks on the temporary agricultural worker program in H.R. 3080 and I will be pleased to answer any questions that you or Members of the Subcommittee may have.

THE WHITE HOUSE

WASHINGTON

September 30, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Testimony on S. 1305, the Computer Pornography and Child Exploitation Act of 1985

OMB has asked for comments by noon today on testimony Lawrence Lippe of the Criminal Division is scheduled to deliver tomorrow on the Computer Pornography and Child Exploitation Act of 1985. That bill would add computer pornography to the obscene mail statute, and make it a crime to use computers to store or transmit information about minors for the purpose of facilitating sexual conduct with minors or the visual depiction of such conduct.

The draft testimony supports adding computer transmitted material to the obscene mail statute. Lippe asserts that it is constitutional to prohibit even informational speech if the speech is closely connected to specific criminal activity. He therefore suggests changing the wording of the bill to ban transmission of information about minors in connection with a specific act, plan, or scheme involving sexual abuse or sexual conduct with minors in violation of law. (As a practical matter this could make prosecution under the bill very difficult, since the prosecution would apparently be required to prove an underlying violation of law before prosecuting the computer transmission.) Lippe concludes his testimony with some technical restructuring suggestions.

I have no objections.

Attachment

THE WHITE HOUSE

WASHINGTON

September 30, 1985

MEMORANDUM FOR GREGORY JONES
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Testimony on S. 1305, the Computer Pornography and Child Exploitation Act of 1985

Counsel's Office has reviewed the above-referenced testimony, and finds no objection to it from a legal perspective.

FFF:JGR:aea 9/30/85
cc: FFFielding
JGRoberts
Subj
Chron

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Subject: Testimony on S1305, the Computer Pornography and Child Exploitation Act of 1985

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	Fred Fielding	Approval or signature ☐
	Karen Wilson	Comment ☐
	Frank Kalder	Prepare reply ☐
	Ed Springer	Discuss with me ☐
		For your information ☐
		See remarks below ☐
FROM	Greg Jones 9/27/85	DATE

REMARKS

May I have your comments on the attached by noon Monday, 9/30?

Thanks.

cc: Jim Murr

OMB FORM 4

DRAFT

HEARING
10/1/85

Mr. Chairman and Members of the Subcommittee:

My name is Lawrence Lippe. I am Chief of the General Litigation and Legal Advice Section in the Criminal Division. I am pleased to testify today concerning the provisions of S. 1305, the Computer Pornography and Child Exploitation Act of 1985.

This bill would amend 18 U.S.C. 1462 to add obscene, lewd, lascivious, or filthy matter entered, stored, or transmitted by or in a computer to those items presently in the statute whose interstate or foreign transportation by common carrier is forbidden. It would also punish those who knowingly permit their computer services to be used for the transmission of material covered by the statute in interstate or foreign commerce. In addition, the bill defines "computer," "computer program," "computer service," and "computer system."

The bill would amend 18 U.S.C. 2251 to prohibit entry into or transmission by computer or making, printing, publication or reproduction by other means of a notice, statement or advertisement or of identifying information about minors for the purpose of facilitating, encouraging, offering, or soliciting sexually explicit conduct with a minor, or the visual depiction of such conduct, if the actor knows or has reason to know the notice or other information will be transported in interstate or foreign commerce or mailed, or if it is in fact so transported or mailed.

The bill would amend 18 U.S.C. 2252 to prohibit entry into or transmission by computer or making, printing, publication or reproduction by other means of a notice, statement, or advertisement to buy, sell, receive, exchange, or disseminate visual depictions of a minor engaging in sexually explicit conduct if the production of the visual depiction involves the use of a minor engaging in such conduct, and if the actor knows or has reason to know the notice, statement, or advertisement will be transported in interstate or foreign commerce or mailed, or if it is in fact so transported or mailed.

Finally, the bill would amend 18 U.S.C. 2255 by adding a definition of "computer."

The intent of this legislation appears to be the prohibition of the use of computers for the interstate or foreign dissemination of obscene material, child pornography and advertisements for the same, and information about minors which can be used for child abuse. I shall first address what I consider to be the legal parameters of federal legislation in this area. I shall then make certain recommendations for the restructuring of these provisions.

We strongly endorse those provisions of the bill that would ban the interstate or foreign dissemination by computer of obscene material, child pornography, and advertisements to buy,

sell or trade child pornography. Federal statutes pertaining to pornography provide a comprehensive prohibition against the importation, mailing and interstate transmission of obscene material and child pornography (18 U.S.C. §§ 1461, 1462, 1465, and 2252). Section 1461 also prohibits the mailing of advertisements for obscene material. Federal law also prohibits the use of children for the production of child pornography (18 U.S.C. § 2251), so long as the requisite interstate nexus can be established. Another statute prohibits the use of the telephone to make obscene comments (47 U.S.C. § 223). Although some of these statutes purport to regulate the transmission of "obscene, lewd, lascivious, indecent, and filthy" material, federal courts have construed all these words as being synonymous with the legal term "obscene." Hamling v. United States, 418 U.S. 87 (1974); Manual Enterprises, Inc. v. Day, 370 U.S. 478 (1962). While it might be argued that some of these statutes cover the use of a computer, explicit legislation on the subject is clearly preferable.

Such legislation would, we believe, pose no constitutional problem. It is abundantly clear that neither obscene material nor child pornography is protected by the First Amendment. New York v. Ferber, 458 U.S. 747 (1982); Miller v. California, 413 U.S. 15 (1973). It is also clear that indecent material which is not obscene but which is in and of itself offensive may be

regulated civilly, if not banned. Federal Communications Commission v. Pacifica Foundation, 438 U.S. 726 (1978).

The extent to which legislation may go beyond this point, to ban material which is communicative in nature and not per se obscene or indecent is somewhat more problematic. As a general rule, the First Amendment prohibits the Government from interfering with communication of factual information, Richmond Newspapers, Inc. v. Virginia, 448 U.S. 555 (1980); First National Bank of Boston v. Bellotti, 435 U.S. 765 (1978), even where the material communicated is of a commercial nature, Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748 (1976). Thus, in our view, legislation which seeks to ban the transmission of descriptive information about juveniles and nothing more would raise serious constitutional problems. This legislation, of course, is more limited because it imposes the condition that such information be provided "for purposes of facilitating, encouraging, offering, or soliciting sexually explicit conduct of or with any minor." The question is whether this qualification is sufficient to cure any constitutional infirmity.

It is clear that the First Amendment does not protect speech which is used as an integral part of conduct which is in violation of a valid criminal statute. Giboney v. Empire Storage & Ice Co., 336 U.S. 490 (1949); United States v. Barnett, 667

F.2d 835 (9th Cir. 1982); United States v. Moss, 604 F.2d 569 (8th Cir. 1979). In this connection, the courts have made a distinction between speech which merely advocates in general terms violation of the law and speech which is intended to incite imminent lawless activity; the former is protected speech, the latter is not. Brandenberg v. Ohio, 395 U.S. 444 (1969); United States v. Damon, 676 F.2d 1060 (5th Cir. 1982). Thus, it seems clear that Congress could ban the interstate or foreign dissemination by computer of information deemed speech which is intimately connected with specific criminal activity.

There are existing precedents for such a federal law. For instance, 18 U.S.C. 875 makes criminal the interstate communication of a telephone threat, and 18 U.S.C. 1084 makes it a criminal offense to use a wire communication facility for the transmission in interstate or foreign commerce of wagering information. Sections 1951 and 1952 of Title 18 make criminal the use of or threat to use physical violence to obstruct interstate commerce, and traveling in interstate commerce in connection with or to facilitate unlawful activity, which is specifically defined in the statute. It should be emphasized that all of these statutes cover conduct which either constitutes or is intimately connected with illegal activity. They do not ban the communication of mere information.

Child abuse is essentially a local crime covered by local statutes, but so also is the underlying criminal conduct which is

the subject of these four statutes. It is the interstate commerce aspect that provides the basis for federal jurisdiction in these statutes, and that same basis would be available here. It is equally appropriate for the federal government to assert jurisdiction over acts of child molestation facilitated by interstate computer transmissions or computer transmissions utilizing an interstate common carrier (see 18 U.S.C. 2511(1)(a)) as it is for the federal government to assert jurisdiction over the crimes which underlie the four existing statutes.

However, a reading of the four cited statutes reveals that they all define the underlying criminal activity in such a specific fashion that it is clear the underlying activity is unlawful. The operative language in S. 1305 is not as precise. The statute as drafted could prohibit the exchange of identifying information which is innocuous on its face where no underlying criminal activity is in being, imminent, or even specifically contemplated. Under these circumstances, we are concerned that the proposed provisions would run afoul of the First Amendment. We suggest that the language "for purposes of facilitating, encouraging, offering, or soliciting sexually explicit conduct of or with a minor" be deleted and that there be substituted in their place "in connection with a specific act, plan, or scheme involving sexual abuse of or sexual conduct with an identifiable minor or minors which is in violation of any state or federal law." We believe this language will enable the statute to survive constitutional challenge.

I would like to turn now to some suggestions for restructuring the provisions of this bill.

Adding a new subsection (d) to 18 U.S.C. 1462 in the manner suggested limits coverage of computer transmissions to those which are by express company or common carrier. While a computer hooked up to a telephone line may be using a common carrier, this is by no means clear. We believe the desired coverage can be more effectively achieved by adding the words "or computer" after the words "common carrier" in the first paragraph of section 1462. The language in present subsection (a) is sufficient, in our opinion, to cover any matter which could be transmitted by computer. Further, we do not believe specific language is necessary to cover those who knowingly permit their computer services to be used to transmit obscene material. They would already be covered under 18 U.S.C. 2 as aiders and abettors.

Under the present scheme of the child pornography statutes, 18 U.S.C. 2251 covers conduct -- actual child abuse -- and 18 U.S.C. 2252 deals with the dissemination of material. The proposed changes in this bill all concern the dissemination of material and properly belong only in section 2252. Further, the proposed amendment to section 2251, to the extent it deals with advertisements for child pornography, is duplicated by the proposed amendment to section 2252. We suggest that coverage of computer transmission of child pornography and advertisements to

buy, sell or trade it could be accomplished by amending 18 U.S.C. 2252(a)(1) to read "knowingly transports or ships in interstate or foreign commerce by any means, including by computer, or mails any visual depiction or any notice, statement, or advertisement to buy, sell, receive, exchange, or disseminate any visual depiction, if --" and by adding the words "or any notice, statement, or advertisement to buy, sell, receive, exchange, or disseminate any visual depiction" after the words "visual depiction" in the first two places in which they appear in 18 U.S.C. 2252(a)(2). A provision prohibiting the interstate or foreign dissemination of identifying information about minors, if amended as suggested above, could be added as a separate subsection of section 2252.

I appreciate the opportunity to appear before you today to discuss S. 1305 and the issues involving the use of computers to transmit obscene material, child pornography and information which is related to child abuse.

THE WHITE HOUSE

WASHINGTON

October 10, 1985

MEMORANDUM FOR BERYL SPRINKEL
CHAIRMAN
COUNCIL OF ECONOMIC ADVISERS

FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Proposed Statement by Beryl Sprinkel to be Submitted for the Record to the Subcommittee on Employment and Housing, Committee on Government Operations

Counsel's Office has reviewed the above-referenced proposed statement, and finds no objection to it from a legal perspective.

cc: David L. Chew

ID # _____ CU

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Subject: Proposed Statement by Beryl Sprinkel to be submitted for the Record - to the Subcommittee on Employment and Housing, Committee on Govt. Operations

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/9/85 **ACTION/CONCURRENCE/COMMENT DUE BY:** 11:00 a.m. 10/10/85

SUBJECT: Proposed Statement by Beryl Sprinkel to be submitted for the Record to the Subcommittee on Employment and Housing, Committee on Government Operations

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	LACY	☐	☐
REGAN	☐	☑	McFARLANE	☐	☐
MILLER	☑	☐	OGLESBY	☑	☐
BUCHANAN	☐	☐	RYAN	☐	☐
CHAVEZ	☐	☐	SPEAKES	☐	☐
CHEW	☐P	☑S	SPRINKEL	☐	☑
DANIELS	☐	☐	SVAHN	☑	☐
FIELDING	☑	☐	THOMAS	☑	☐
FRIEDERSDORF	☑	☐	TUTTLE	☐	☐
HENKEL	☐	☐	_____	☐	☐
HICKEY	☐	☐	_____	☐	☐
HICKS	☐	☐	_____	☐	☐
KINGON	☑	☐	_____	☐	☐

REMARKS: Please give your comments/edits directly to Beryl Sprinkel, with an info copy to my office by 11:00 a.m. tomorrow. Thanks.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

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

Statement

of

Beryl W. Sprinkel
Chairman
Council of Economic Advisers

Submitted for the Record

to the

Subcommittee on Employment and Housing
Committee on Government Operations
United States House of Representatives

October 9, 1985

I am pleased to have the opportunity to submit for the record the views of the Council of Economic Advisers, as requested by the Subcommittee, on problems of workers displaced because of imports and on the effects of imports on United States employment.

The President's trade policy is based on the fundamental premise that free trade and fair trade are in the best interest of the people of the United States. Free trade creates more jobs, better use of all of our economic resources, and a higher standard of living.

Proposals that would restrict imports are, without question, bad for the Nation. The Subcommittee's hearing addresses problems of worker dislocation that result from increases in imports. It is important to recognize, however, that dislocation also results from the imposition of trade barriers.

Trade barriers lead to worker dislocation in two ways. First, trade barriers distort markets and cause resource misallocations that reduce the number of jobs throughout the economy. Second, trade barriers invite retaliation by our trading partners, leading to job losses in exporting industries. While protectionism may temporarily benefit special groups, import restrictions permanently reduce employment and national income.

In the short run, problems of worker dislocation may be associated with changing patterns of trade. Changing patterns of trade are one of many causes of economic change that require adjustment. Other basic changes that require economic adjustments include changes in technology, changes in demographics, and changes in consumer tastes. Owners of capital assets can diversify their holdings to spread risk and smooth the adjustment to trade-induced or other changes. Workers cannot diversify their skills to the same extent. In order to adjust, workers may have to change jobs, and sometimes location. Thus, the adjustment costs of dislocated workers are a matter of concern.

The Council of Economic Advisers is working closely with Secretary Brock in a Cabinet Working Group on Adjustment. In addition to the Council and the Department of Labor, the Working Group comprises the Departments of Commerce and Treasury, and the Offices of Management and Budget and Special Trade Representative.

The Working Group is looking at existing programs as well as alternative measures for meeting the needs of workers who are adversely affected by imports. The Acting Deputy Assistant Secretary of Labor has described for the Subcommittee in some detail the assistance that is currently available to all unemployed workers, as well as the assistance that is targeted to displaced workers in general and to trade-displaced workers in particular.

A review of the record on existing adjustment programs, both in the United States and abroad, shows that the programs are costly and their effectiveness is questionable. Evidence from a wide variety of studies indicates that benefit payments based on continuing weeks of unemployment provide the incentive to remain unemployed. Periodic payments help to maintain income, but retard the necessary adjustment of workers to a changing economic environment. Both higher benefit levels and longer periods of entitlement prolong the duration of unemployment. Training and relocation services may appear to be attractive alternatives to cash benefit payments. A number of studies have examined the effects of government-provided training and relocation programs on workers' subsequent employment and earnings. The evidence is that such programs are not effective. There are some indications that short-term job search assistance of the type provided under the Job Training Partnership Act may be helpful for dislocated workers.

Unfortunately, there is little the Federal Government can do to increase the employability of trade-dislocated workers. Nor do we know how to distinguish, with any degree of precision, workers who lose their jobs because of imports from workers who lose their jobs for other reasons. Displacement

can result from numerous causes other than increased imports, such as shifts in domestic demand or bad management. In the short run, some dislocation is inevitable. In the long run, free trade will foster economic growth and create more jobs.

What we do know, from a number of studies, is that dislocated workers do make successful labor market adjustments. We also know that there are identifiable factors that are associated with more rapid adjustment.

Most displaced workers are reemployed fairly quickly. Only a small fraction of unemployment spells last more than 26 weeks. Reemployment rates are high for dislocated workers, even following plant closings. Also, earnings losses are not permanent. Even in severe cases of dislocation, earnings tend to recover in three to five years to the level they would have reached had the dislocation not occurred.

Earnings losses are relatively higher in high-wage, unionized industries. Following a permanent layoff, older, more senior workers have larger earnings losses than younger workers do. Losses are higher and labor market adjustment is more difficult when job opportunities are limited. On the bright side, readjustment is easier for younger workers, and for all workers in larger markets and when the economy is expanding. In the absence of economic growth and job creation, training, relocation, or other adjustment measures are of little use.

Despite our recent record of strong job growth, the trade deficit has generated concern about the effects of increasing imports on American job opportunities. In many cases, the trade deficit has generated fears that are not based on facts.

For example, it is commonly believed that imports are reducing employment in manufacturing. But a recent detailed study finds no association over 1980-84 between changes in employment and changes in net imports for 73 manufacturing industries. The results of this study do not mean that import penetration in specific industries has not reduced employment growth. But the results do suggest that even in the short run, import penetration was not a major factor in determining employment growth. Overall economic performance is the key factor driving individual industry performance.

It is often alleged that the United States is de-industrializing and becoming a service economy. In fact, goods production as a share of GNP is currently greater than the services share and is relatively high compared to the 1970s. Goods production as a share of real GNP has fluctuated in a relatively narrow range (44 to 47 percent) for the past thirty years. Output shares for goods and services are shown in Chart 1.

The overall decline in employment in goods producing industries is typically cited as evidence of the effect of the trade deficit. In fact, the decline in employment in goods production as a share of total employment has been a gradual and persistent trend over the entire post-war period. This is illustrated in Chart 2. This trend reflects rapid growth in

productivity in goods-producing industries, not a decline in the production of goods. The trend also reflects a long-term, secular shift toward greater employment in the services sector. As is illustrated in Chart 2, the declining trend in employment share in goods production has not been altered during the most recent recession and the current recovery, nor can it be traced to the trade deficit.

Despite claims to the contrary, there is no simple link between the trade deficit and overall growth in job opportunities. In fact, a comparison of the current economic expansion with other postwar expansions indicates that employment has grown more during the current expansion than during any other postwar expansion (Table 1). Employment in services has grown more rapidly in this expansion than in any of the others, and employment in goods-producing industries has grown more rapidly than in all but one of the previous postwar expansions. Employment growth in both goods and services is well above the average of the five previous cycles (Charts 3 and 4).

Employment has grown by some eight million jobs since 1980, when we had a positive balance on current account. In western Europe, in contrast, employment has stagnated while their trade indicators were improving.

Strong job growth in the United States has resulted from our overall economic policies, which have strengthened competitive markets and established a climate conducive to growth, as well as from our policies to reduce barriers to

international trade. The flip side of the trade deficit is, of course, capital inflow. It is important to remember that capital inflow, attracted by high expected returns and a stable economic environment, has contributed significantly to job growth. Also, trade in manufactured components has enabled us to compete in product lines we could not have maintained otherwise.

We should guide economic policy by facts and not by fears. We should not endanger our strong economic recovery and strong record of job growth by adopting protectionist measures. Import restrictions will not save American jobs. While employment in one industry may be higher with protection than without, offsetting job losses will occur in other sectors of the economy that will generally be even larger. Protectionist measures will lead to a misallocation of our economic resources, increase the price consumers pay, and invite retaliation on the part of our trading partners. Therefore, while protectionist actions may temporarily help a few, we all ultimately lose from such policies.

To ensure job growth and continued prosperity, we need to open foreign markets and avoid protectionism. We should neither adopt nor continue labor adjustment measures that are counterproductive in that they create work disincentives or provide ineffective adjustment services. Sound economic policies will create more jobs and will ease the adjustment process.

Table 1

Employment Growth in Past and Current Expansions

Period*	Percent Change		
	Goods	Services	Total
II/54-I/57	7.6%	8.8%	8.3%
II/58-I/60**	8.2	6.2	6.9
I/61-III/63	5.6	6.7	6.3
IV/70-III/73	9.3	9.3	9.3
I/75-IV/77	8.2	9.9	9.4
IV/82-III/85	8.7	11.0	10.4

* Periods are defined as eleven quarters from the trough to correspond with the length of the current recovery.

** This expansion lasted seven quarters.

CHART 1

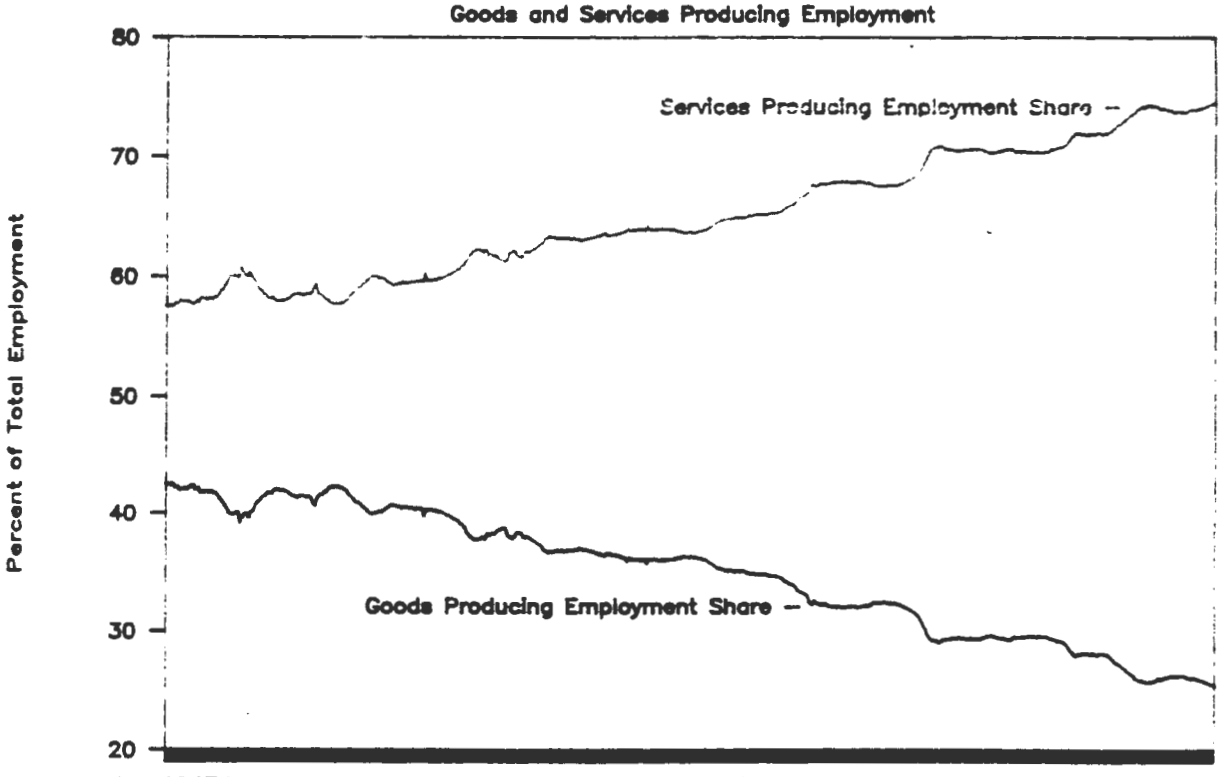
OUTPUT SHARES

Goods and Services Production

CHART 2

EMPLOYMENT SHARES

Goods and Services Producing Employment



Council of Economic Advisers(8 OCT 85)

CHART 3

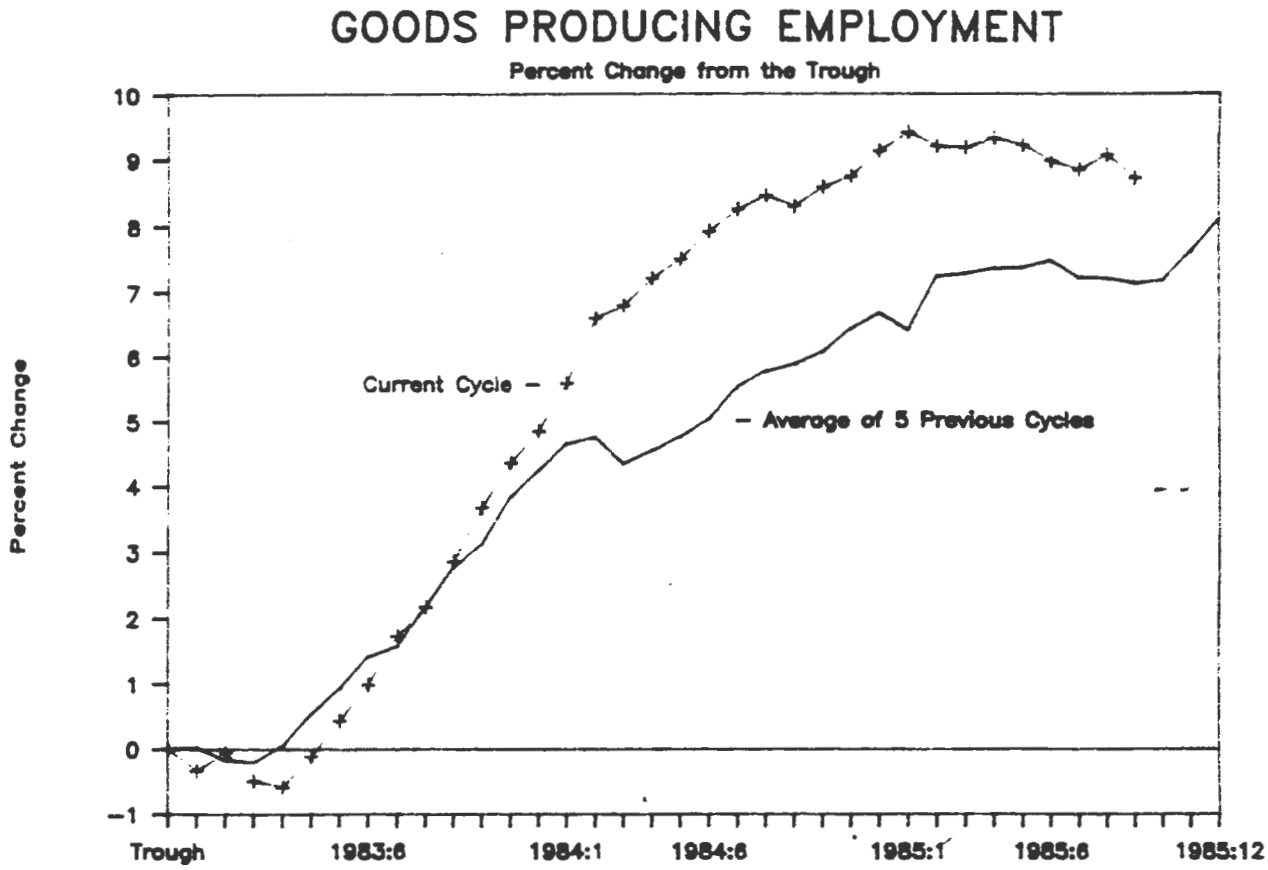
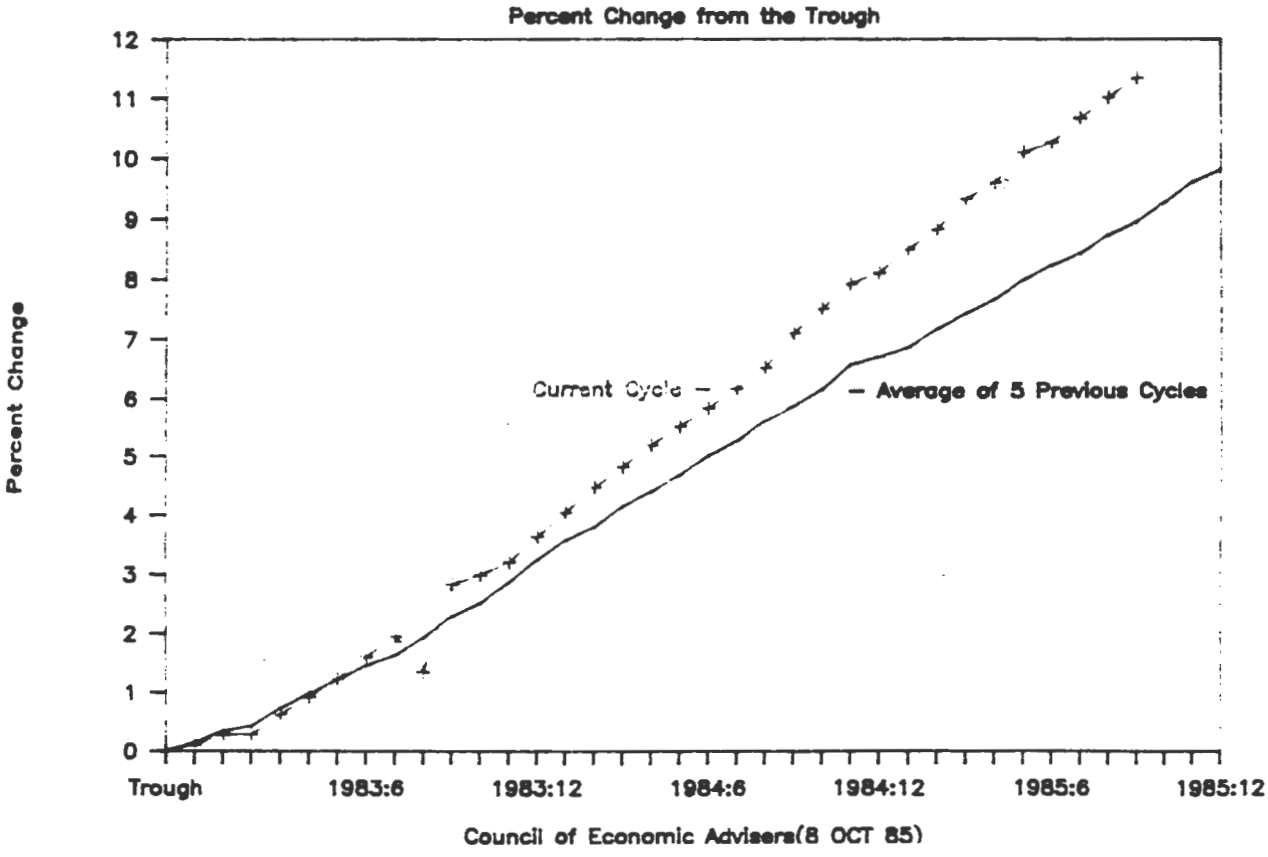


CHART 4



THE WHITE HOUSE

WASHINGTON

October 24, 1985

MEMORANDUM FOR CONNIE BOWERS
LEGISLATIVE ANALYST
OFFICE OF MANAGEMENT AND BUDGET

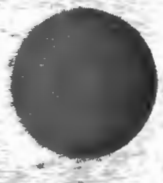
FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: DOJ Testimony Regarding H.R. 1623

Counsel's Office has reviewed the above-referenced testimony, and finds no objection to it from a legal perspective.

ID # _____ CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET



☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 85 / 10 / 24

Name of Correspondent: Connie Dawson

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: DOJ Testimony re: H.R. 1123

ROUTE TO: | **ACTION** | **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CU HOU	ORIGINATOR	85,10,24			/ /
	Referral Note:				
CU AT 18	R	85,10,24		S	85,10,29
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:
- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:
- Type of Response = Initials of Signer
- Code = "A"
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Comments: _____

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Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference ext. 2590.

581

THE WHITE HOUSE

WASHINGTON

October 28, 1988

MEMORANDUM FOR BRANDEN BLUM
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

FROM: JOHN G. ROBERTS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: DOJ Testimony Regarding Computer Crime Legislation

Counsel's Office has reviewed the above-referenced testimony, and finds no objection to it from a legal perspective.

ID # _____ CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Victoria Fleming

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: DOJ testimony re: Computer Crime Legislation

ROUTE TO: Office/Agency (Staff Name)	ACTION Action Code	ACTION Tracking Date YY/MM/DD	DISPOSITION Type of Response	DISPOSITION Code	DISPOSITION Completion Date YY/MM/DD
White House	ORIGINATOR	85/10/08			/ /
Unit 19	Referral Note: R	85/10/26		S	85/10/30
	Referral Note: _	/ /			/ /
	Referral Note: _	/ /			/ /
	Referral Note: _	/ /			/ /
	Referral Note:				

ACTION CODES
- A Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
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DISPOSITION CODES
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