

Weekly Compilation of
**Presidential
Documents**



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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, January 27, 1995

**Executive Order 12945—
Amendment to Executive Order No.
12640**

January 20, 1995

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to provide for the carrying out of the provisions of the Rehabilitation Act of 1973, Public Law 93-112, section 501(a)-(f), as amended (29 U.S.C. 791(a)-(f)), and in order to add two Vice Chair positions to the four already provided to the "President's Committee on Employment of People with Disabilities," it is hereby ordered that:

(1) The first sentence of section 1(b) of Executive Order No. 12640 be amended by deleting the words "four Vice Chairmen" and inserting the words "six Vice Chairs" in lieu thereof; and

(2) The words "Vice Chair" or "Vice Chairs" be inserted in lieu of the words "Vice Chairman" and "Vice Chairmen," respectively, wherever such words appear in Executive Order No. 12640.

William J. Clinton

The White House,
January 20, 1995.

[Filed with the Office of the Federal Register, 2:04 p.m., January 20, 1995]

NOTE: This Executive order was published in the *Federal Register* on January 24. This item was not received in time for publication in the appropriate issue.

**Statement on the Death of
John White**

January 20, 1995

Hillary and I were deeply saddened to learn of the death of former Democratic National Committee Chairman John White. Our prayers are with Nellie and his family

at this difficult time. I am proud to have had the opportunity to work with him and learn from him. His decency, perseverance, and humor are a model for all of us who face the challenges and possibilities within our political system to move ideas forward and improve people's lives. John dedicated his life in service to the Democratic Party and this Nation. As Democrats gather from across the country to formally elect new leadership this weekend, memories of his sharp wit and tireless commitment will be in our hearts.

NOTE: This item was not received in time for publication in the appropriate issue.

The President's Radio Address

January 21, 1995

Good morning. I know I speak for all Americans this week when I send my condolences to the victims of the terrible earthquake in Japan. And to the families of the American victims of that tragedy, let me say, our thoughts and prayers are with you.

If there's any consolation to be found in this kind of disaster, it's that nature's worst brings out humanity's best. I'm proud of the many Americans who joined the massive Japanese relief effort, like the engineers from the University of California at San Diego who flew to Osaka on their own dime and then walked to Kobe to pitch in. They're a fine example of the American inclination to reach out when others are in need.

This week, we as a nation were called upon to address a different kind of crisis closer to home, the financial crisis in Mexico. We had to act not just for Mexico's sake but for the sake of the millions of Americans whose jobs and livelihoods are tied to Mexico's well-being and to the well-being of other nations around the world that could be affected by the difficulties in Mexico.

I'm grateful to the leadership in Congress from both parties. They shared my sense of

urgency in assembling a support package that will prevent this crisis from spreading and help to put Mexico back on a stable and prosperous course.

Every American should understand what's at stake and why it's in the interest of working men and women all across our country to support Mexico. Mexico is our third largest trading partner. And already the goods and services we sell there support 700,000 American jobs. Helping Mexico remain a strong and growing market for our exports is vital to our ability to help create the kind of high-paying jobs that give people their shot at the American dream.

At the same time, we share a 2,000-mile boundary with Mexico and a common concern to stem the flow of illegal immigrants to America. By supporting Mexico, we'll help American—Mexican workers see the prospect of a decent job and a secure future in their home, not across the border.

Finally, Mexico serves as a model for developing countries from Latin America to Asia that are completing the transition to free markets and democracy. If we allow the crisis in confidence in the Mexican economy to continue, it could spread to those other countries whose emerging markets are buying a huge and growing share of our own exports and supporting millions of jobs here at home.

So, you see, we've got a lot at stake. But Mexico's problems can be overcome. And with our help they will be. As serious as the crisis is, it represents a temporary detour from the path to prosperity and stability that Mexico has been on for the past decade. What's happened in these past few weeks is that Mexico ran into a cash flow crunch, much like a family that expects to pay for a new home with money from the sale of the old house, only to have the sale fall through.

The support package we're proposing will back private sector loans to Mexico with a U.S. Government guarantee. That's like the Government cosigning a note that Mexico will use to borrow money. The package will relieve the squeeze on Mexico and help it to get its economy back on solid footing.

I want to be clear about this: This support package is not foreign aid; it's not a gift; it's not a bail-out; it's not a Government loan.

It won't affect our current budget deficit a bit. We will attach strict conditions to make sure that any money Mexico does borrow on the basis of our guarantees is well and wisely used. And those guarantees will be backed by Mexico's oil revenues.

Now, along with Republican and Democratic leaders in the House and the Senate, I call upon the Congress to do the right thing and cast a vote for America and our workers. For 200 years, we've always had our partisan fights, and we always will. But when our national interest is on the line, we all must rise above partisanship and act for our Nation.

President Bush put it very well in the strong statement he issued supporting this proposal when he said, and I quote, "If there ever was a time for a strong bipartisan support for a foreign policy initiative, it is now."

Passing this program will help to preserve a critical export market, support thousands of our jobs, stop more illegal immigration, and give countries all around the world confidence that open markets and democracy are the best guarantees for peace and prosperity.

I hope all of you listening today will tell your Representatives that you support this plan and you want them to support it as well. This package is good for Mexico, but even more important, it's right for America.

Thanks for listening.

NOTE: The address was recorded at 11:42 a.m. on January 20 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on January 21.

Remarks to the Democratic National Committee

January 21, 1995

The President. You remember what Mark Twain said, "The reports of our demise are premature." I could have listened to Al Gore talk all day about that. [*Laughter*]

The Vice President. You thought you might have to. [*Laughter*]

The President. Do you know what he said? He said, "For a while you thought you might have to. [*Laughter*] He was waxing eloquent, you know. He kept saying all that stuff, and I thought, well, why didn't we win

last November? [Laughter] I've got some ideas about that, too, I'll share in a moment.

Let me begin by thanking all these people who are here on the head table and all of you. It is wonderful, wonderful to see you and to see you in good spirits and with a strong heart. And let me also say a special word of thanks to Don Fowler and to Chris Dodd.

I need one of those Don Fowler stickers. I've known Don Fowler since 1972. You think we're in trouble now, you should have been there then. [Laughter] And I owe Don Fowler a lot. I mean, he ran that convention in '88. He wrote the speech I gave in 1988. [Laughter] I was supposed to talk about the future here today, but instead I decided to finish that speech. So you all relax, and I will. [Laughter] I wish you hadn't laughed so hard at that. [Laughter]

I want to thank Chris Dodd, who has been my friend for a long time, almost that long. I've known him about 15 years now. And I remember when we were young men in public life back in 1980 when I went to the Democratic Convention in Connecticut to give the keynote speech and he was about to go to the Senate. And I have watched him, and I wanted him to do this job because I don't think our country has a stronger voice of the values, the ideas of the Democratic Party, and because he's not afraid to fight. I wanted Don Fowler because I thought we ought to have somebody in the leadership who does not have an accent—[laughter]—and because, whether the South knows it or not, we're a lot better for most of them than the other guys are.

So I feel very good about this team. I thank Debbie DeLee for all of her work and for her leadership. I thank David Wilhelm in his absence.

David and Degee brought young Luke by to see me yesterday. And I sat him on the desk in the Oval Office. And they're already saving up for the Inaugural gown for when Luke's inaugurated in 40 or 50 years. [Laughter]

I'd like to say a special word of thanks, too, and honor, in homage—I know there is something on the program about this later, but I'd like to tell you all personally how sad I am about the passing of John White and

how much I appreciate him. He was the co-chairman of our campaign in 1972 in Texas, and I've known him a very long time. He was a great Democrat, a great leader for our party. And I know all of you join me in wishing his wife, Nellie, well and in thanking him from the bottom of our hearts for being such a loyal and effective leader for our party for so very long.

You know, I was listening to the Vice President talk—I say first I need to thank all three of them who spoke. I thank Tipper Gore for being basically, on many occasions, the continuing spark plug of our team, for fighting for the rights and the interests of people who need better mental health opportunities in this country. I do believe that Al Gore will go down in history as the most effective Vice President in the history of the Republic and the person who has exercised the most responsibility. And I want to say this to my wife. I never really thought when we started this she would become quite the target she has been. It's funny, when we lived in Arkansas, which is supposed to be more conservative and traditional than the country as a whole, most people thought it was a pretty good thing when the Governor's wife tried to get kids in education or make sure they didn't go to bed sick at night, if it could be helped. And I'll tell you something else—[applause] I'd like to say something else. When I look at her at night, I think there's a lot worse things that could happen to you in life than to get caught redhanded trying to give health care to 40 million Americans who don't have it.

I come here today in a curious role: as the leader of the party I love but also as the President of the country that includes both Democrats and Republicans, a fair number of people that don't think either party amounts to much and just kind of go with the flow of election after election.

I do regret, in all candor, that any administration that could have done as much as we have done, and any group of Members of Congress that could have supported that, did not find greater favor in the election of November. And I thought, well, maybe there's a lot of reasons for this. There are, objectively, a lot of reasons. First of all, it takes a while for the laws you pass to be actually

felt in the lives of people. And secondly, there are all kind of reasons today why it's hard to get good news out, and it's almost harder if there's more of it. And thirdly, there are a lot of people in this country today who, in the midst of this great recovery, don't feel more secure. And they really don't. And they're our friends and we are their friends, but they may not have known it in the last election, given what they had to listen to.

But the truth is that a whole bunch of folks in America, even in spite of the fact that we've got over 5.5 million new jobs in the last 2 years, are working harder for less money than they had 15 years ago. Their wages have not kept up with inflation. Another 1.1 million Americans lost their health care last year, and they were in working families. They were not people on welfare.

I just signed a bill a few days ago—we celebrated it this week—to try to stabilize the pensions of 40 million Americans who depend upon the Government guarantee system and who were in danger of being let down; 8.5 million of them were in trouble on their pensions. People know that.

More and more workers feel like they're just sort of dispensable products that can be thrown away in this new rapidly changing global economy. And they feel great anxiety. And not all the problems of this country are economic. A lot of people feel insecure on their streets. And they don't like what they see happening to our families and our communities. And they're vulnerable to the siren song they heard in the last election: Promise them anything; tell them what they want to hear; tell them the government is their enemy.

But let me tell you something else right on the front end, folks. When people say change is hard and you have to be strong and you have to be willing to take on popular positions, that isn't just rhetoric, that's true. I used to carry a bunch of—about nine rules of politics around in my billfold when I was Governor, Clinton rules of politics. And one of them was, "Everybody is for change in general, but against it in particular." [*Laughter*]

I remember a story our junior Senator, David Pryor, told me one time about going to a birthday party for a guy who turned 100.

And he said to this guy who had just passed a century of life, he said, "You know, it's remarkable; you have all your faculties about you. You can really—you speak clearly; you hear me when I speak to you." He said, "Yeah." And he said, "You're thinking just right." He said, "That's right." He said, "You must have seen an amazing number of changes in your lifetime." He said, "Yes, son, and I was against every one of them." [*Laughter*] And that's what I see sometimes—you think about it. The last time we had a period of really profound change like this was at the end of the Second World War. We had a President named Harry Truman. He had an 80 percent approval rating on the date that he dropped the bomb on Japan. Two years later, when he sent national health insurance to the Congress for the second time, and he'd gone through 2 years of reverse plastic surgery from the organized interest groups pounding against change, he was at 36 percent approval. But he fought for change because it was necessary. And he reached out and worked with the Republicans when he could to build a structure for the post-cold-war world. He did what was right, and eventually they were able to get it across.

So I say to you, the number one lesson is not to be cynical, not to give up, not to turn back but to bear down and go forward and do what is right by the American people. It will come out all right in the end if we stand up for what is right and do what is right.

You know, I have been very interested in what the new Republican leaders in Congress have said in the last few days. The Speaker, quoting Franklin Roosevelt at length, has basically said, "Well, the Democrats did do almost every good thing that was done in the 20th century. Give them that back, but in the information age, they're irrelevant. We thank them. They did a good job; give them a gold watch, and send them home. And put us in in the information age because in the information age, well, Government is just intrinsically a part of the problem. It is intrinsically bad. And those Democrats, they think there's a program for every problem. They think Government can

solve the problems. They are wrong. They are irrelevant. Throw them away.”

It’s a funny world, that world they’re sketching, a world in which Big Bird is an elitist and rightwing media magnates are populists. [Laughter] It’s an interesting world. I’m still trying to get it, but I’m working at it real hard.

But I say to you, my friends, we have an obligation that is more than contesting the other party, and certainly I do. I do not believe there is a program for every problem in the information age. I do not believe Government can solve all the problems. But I do not believe that Government is inherently bad. Our Founders created Government at a time of limited Government. And I still think what they said it was for is the best statement we could ever make: We hold these truths to be self-evident, that all men are created equal, endowed by their Creator with certain inalienable rights, and among these are life, liberty, and the pursuit of happiness. And Government was instituted to help the American people pursue those ends. That is what I believe.

And you know, in times of sweeping change, times of great uprooting, times which are uncertain and insecure for people, it is more important than ever that we work hard not only to do the right specific things but to define that, to say what we believe. So will we have a different form of Government in the 21st century? You bet we will. And will it be less bureaucratic and more entrepreneurial and more creative? You bet; it must be. But does it still need to be on the side of average Americans to help empower them, to give them the tools, to give them the means so that they can survive and do well and have the American dream in their own lives and rid themselves of this gripping insecurity that still dominates the lives of so many million American families? I say, yes, that is our job.

And so I challenge the leaders of the other party: You won a piece of responsibility; exercise it. Stop the politics of demonization and division and let’s think about exercising joint responsibility. You say you want to restrain Government spending; so do I. Without help from them, we took \$11,000 in debt off of every family in this country. We reduced the

size of Government, as the Vice President said. We have begun to reinvent it to make it work. Nobody looks the other way now when there’s an emergency and the Federal Emergency Management Agency comes, like they did when the Republicans were in power. They now say, “Bring them on. They’re our friends; they’re our helpers; they get things done.” When California had their terrible earthquake, we got that highway rebuilt in about half the time—the busiest highway in America—they said they could do. If you go into the Small Business Administration now, you can fill out a one-page form for a loan, get an answer in 3 days. You don’t have to wait months after going through page after page.

I talked to university administrator after university administrator who tells me that they are saving weeks of time now in college loan applications because they like our new college loan program, our direct loan program that cuts costs to the taxpayers and cuts costs to the students and gives people a better way to pay back their college loans and cut out bureaucracy. They say they want to help us. I say, come on. We need the help. We’d like to have some support. We’ve been carrying this burden for 2 years, reducing the Government, reducing the bureaucracy, making it work better. We would like to have a partner; you are welcome. Let’s go, let’s talk about positive ideas for our future.

They say we have to do something about immigration. They’re right; there are too many illegal immigrants in America. But we have increased the number of border guards. We have accelerated the deportation of people convicted of crimes. We have faced these problems after they were ignored by the people who were here before. If they want to help in a responsible and fair way, I say, come on.

They say they’re for welfare reform. Well, in the last 2 years, we gave 24 States permission to get around Federal rules and regulations to find new ways to put people to work, to give them a chance in life. So I say, okay, come on; help.

They say they want to be tough on crime. Most of them voted against the crime bill that put 100,000 police on the street, passed “three strikes and you’re out,” gave our peo-

ple some prevention programs and law enforcement community leaders to give kids something to say yes to and a better future. But we want help in these areas, and I say, come on.

They say they want to give tax relief to working people. So do we. In the last 2 years, as the Vice President said, we not only made 90 percent of the small businesses eligible for tax cuts, but for working families under \$26,000, their taxes this year will be, on the average, \$1,000 less than it would have been if this administration had never come to office. That's under the laws that are already there. So let's look at what we can do.

But let's look at what we should not do. In the last 2 years, a lot of the important things we did were opposed by somewhere between a majority and 100 percent of the members of the other party. Now they're in the majority. But I don't think we should repeal the family leave law. I don't think we should repeal the tax cuts for working families on low income to keep them off welfare. I don't think we should repeal the Brady bill. And I don't think we should repeal—I know it may have cost us the House of Representatives, and most people who studied it closely believe it did—I don't believe we should appeal the assault weapons. You don't need them. I'm not sure about this; you may need assault weapons to hunt giraffes, but you can go with ducks just fine with an ordinary shotgun.

This is a serious thing. Policemen lay down their lives every day in this country because of the upsurge in assault weapons. Talk to people who run the emergency rooms of our hospitals about the increasing mortality rate of people with gunshot wounds, and you know what they'll tell you: it's happening because there's more bullets in people's bodies who are shot with guns on average than there used to be. A lot of good Democrats laid down their careers to give our children a chance to stay alive on the street, give our police officers a chance to stay alive while they do their duty. We must not go back on that.

I'll tell you something else. We shouldn't repeal the law that will make it possible to immunize all the kids in this country against serious diseases who are under 2 years old.

We shouldn't repeal the national service law. We should not do that. Do you know on Martin Luther King's birthday, those national service volunteers were building houses in Atlanta, repairing tattered housing in Chicago, and helping people fight the floods in California. And they're earning money to go to college, which is important to their future and ours. And we shouldn't repeal. We shouldn't repeal it.

I guess what I want to say to you is that I don't think the Government in any given time is intrinsically good or bad. Is it relevant? Is it working? Does it reflect our values and our interests? That is the question. There are many areas in which we can find agreement, and we must be big enough to seek those areas. Even though in so many places they turned away from the same opportunity in the previous 2 years, we have to let that go. Our job is to think about the people out there in America, those who are left behind in this global economy who need help to work their way from the underclass to the middle class. We need to think about people out there who are working harder and falling further behind who deserve to have the American dream in a swelling opportunity middle class.

We need to be true to many of you in this room who are successful people, who are winning in the global economy but who know that your ultimate success and that of your children and your grandchildren depends upon our ability to go forward together. And you haven't left the Democratic Party because you believe that America is one country and one community, and we're going forward together. We have to be true to those people.

And so we have to work together. I hope that we will get bipartisan support for the administration's middle class bill of rights, which could just as well be called the bill of rights and responsibilities. It reflects all three things that I sought to do from the day I came here: to create a new economic policy, a new way of governing, and a new covenant of rights and responsibilities.

If we give a tax deduction for education after high school, if we let people withdraw tax free from an IRA for educational purposes, we are helping to rebuild our economy, we're having a nonbureaucratic govern-

mental effort to help people grow, and we are establishing rights and responsibilities because you cannot be given an education, all you can be given is an opportunity to get an education. You have to do that for yourself.

Anybody can offer a tax cut. We saw that for the 12 years before we showed up. You know, you can quadruple the debt of the country, increase inequality, and claim you gave everybody a tax cut, even if it wasn't a fair one.

What we ought to do is to give hard-working, middle class Americans the benefit of this economic recovery by having a tightly disciplined tax relief focused largely on middle class Americans in ways that are paid for so that we do not explode the deficit. That should be our goal, and that will be my goal.

We're gunning with another round of re-inventing Government proposals. We want there to be bipartisan support for that. We also think there ought to be some more political reform. I applaud the Republicans for supporting the law applying to Congress the same laws that are applied to the private sector. I think that's a good idea. And we should be for that; everybody should be for that. But we ought not stop there. We ought to also pass lobby reform and require disclosure and ban the gifts and the trips and let the American people know that there is no special political class in this country forgetting about them.

The Democrats ought to keep pushing until we get lobby reform and responsible campaign finance reform and the things that will move us forward as a people in increasing the trust of the voters in their Government. We ought to be doing that and say, "Join hands with us and do that, too. We like what you did, let's go further." That's the attitude that we ought to have.

And we ought to also be for more welfare reform. But I want to say something about this. I may be the only President who ever actually spent a lot of time talking to people on welfare. I may be the only President who ever, when he was a Governor, actually went into a welfare office, not just one, but many, and watched how they work. We need to change this system. And our goal should be to move from welfare to work, from depend-

ence to independence, from just proving you can biologically have children to responsible parenting. That ought to be our goal.

But our goal ought to be to liberate the energies and capacities of people to be good parents and to be good workers, not to punish people because they happen to be poor. And there will be some strong differences that need to be debated here, because I believe the American people desperately want a change in the welfare system. I believe they do not like the direction of our culture in terms of the breakup of families and the rising number of our children born out of wedlock. But I do not believe they want to punish parents and children just because they're poor or because they've made some mistakes in their lives.

I think we ought to require a system that promotes parenting, that promotes education, that promotes work. And we can do it in a way that builds people up, not tears them down. We can do it in a way that unites this country, not divides it. And the Democrats ought to take it as their solemn mission to make sure that that is exactly the kind of welfare reform we have in this country when I sign a bill on it.

Finally, let me make this point. Both parties and all candidates bear some responsibility for the fact that our public life has deteriorated in recent years, by treating the voters as if they were purely consumers in two senses: first, consumers in the sense that all they care about is economics. That's not true. There are other ways of defining our common security. And second and most importantly, perhaps, for us as a party, that we would treat them as consumers of politics, not participants in it. Who's got the best 30-second ad? Who rushes most quickly to define his or her opponent as a bad person? Who answers the ad best? And the American people become political couch potatoes very often no more involved in politics than they are in the Super Bowl.

We've got an excuse, I do, for being a couch potato at the Super Bowl: I'm not good enough to play or young enough or strong enough. But we're all good enough to play in citizenship. And one of the reasons that we were successful in 1992 is that we got rid of a bunch of that. We did all those town

meetings; we got on those buses and rode across the country; we stopped in little cross-roads where nobody had ever been before. And we treated people like they had good sense and could be involved in a dialogue about our country's future.

We must not draw the wrong lesson from the recent election. We must not think that the only answer is for us to have better negative ads than they do. Because we have obligations to the people of this country as well as to the party we love. And I am telling you—Andy Jackson, one of the founders of our party, said that the answer to every problem of democracy is more democracy. So we have to do a better job of reconnecting our citizens to our enterprise. The people cannot respond to us just because we pass a lot of bills in Congress; they have to be a part of that. Their lives have to change.

You know, some of the happiest people I've seen in America since I've had the honor of being your President—people who are fighting disasters. I remember when that 500-year flood hit the Middle West. I met a little girl named Brienne Schwantes, who had brittle-bone disease, down in Iowa—lived in Wisconsin, came down to Iowa—the child had all kinds of broken bones—fighting the flood, knowing that she could break a lot of her bones again, because it was a great enterprise and it made her feel that she could give something. And all the other people were just the same.

When I was in California last week, we were celebrating the 1-year anniversary of the earthquake. They had 5,600 damaged school buildings a year ago; all but 40 are open today. And they are brimming with pride about what they did. They're dealing with the floods. I flew to northern California—I went to a little unincorporated town in Congressman Fazio's district, Rio Linda, where Rush Limbaugh had his first radio program. And I was in this little Methodist church with all the volunteers in this flood. And this lady comes up to me—we were all standing around this circle, we were going to say a prayer—and she puts her arm around me, and she said, "Well, I'm a Republican, Mr. President, but I think I'll stand here with you anyway." Why? Because she was an American first. She was proud of what she

was doing. She was helping people in trouble. And she felt more like a person who mattered.

And whether it's right or wrong, whenever our party, that has labored so long and so hard to lift up ordinary people and give them a chance to live out their dreams, suffers a reversal, it's because a lot of them don't think we think they matter. And what we have got to do, in addition to all these things we're doing here in Washington, is to change the way we are conducting politics, to make citizenship matter again, to let people become actors, not couch potatoes, in the great drama that is unfolding.

I am telling you, the next century will be the most exciting time this country ever had. Our best days are still ahead of us. We will have opportunities for people to move from total deprived circumstances into real success because of the technological changes that are occurring if we have the courage to make the right decisions and if we do it together so that people feel they matter. This party would not be here after 200 years unless at every critical juncture in our history, we had been able to do that.

So I tell you, when I say our job is to create opportunity, but to provide responsibility and an opportunity to exercise it, it begins with the work of citizenship. When you go home, I want every one of you to think about that. What can you do with the State party? What ought you to do with the Republican Party in your State? What kind of debates can you sponsor? What kind of ways can you reach out and touch people?

We must make people matter again. You know, we'll win some elections in the future if none of this happens. We'll be smarter, and we'll get cleverer, and the next time this happens we'll do better. But what the country needs is to take these incredible technological changes that are going on and use them to connect people together again, not continue to drive them apart. You just think about that.

Why do people think they matter more in adversity than in creating a future that we can all be a part of? Why does there have to be a flood or a tornado before everybody who walks the streets, without regard to their income, their education, their race, their

background, or their politics, feels like they are first and foremost an American? That is what we have to give back to them. And if we do, we'll be doing fine because we will remember that the most important thing is whether the American people do fine.

Thank you, and God bless you all.

NOTE: The President spoke at 12:50 p.m. at the Hilton Hotel and Towers. In his remarks, he referred to the following Democratic National Committee officers: Donald Fowler, national chairman; Senator Christopher Dodd, general chairman; Debra DeLee, former interim chair and 1996 Democratic Convention CEO; and David Wilhelm, former chair, and his wife, Degee.

Remarks on Signing the Congressional Accountability Act of 1995

January 22, 1995

Good morning, everyone. I'm delighted to be joined this morning by Senator Nickles, Senator Ford, Senator Lieberman, Senator Grassley, and Senator Glenn and by Congressman Armey, Congressman Fazio, Congressman Shays, Congressman Gutknecht, and also by former Congressman Dick Swett and former Speaker Foley, who were instrumental in supporting this legislation in the previous session of the Congress where it passed the House but not the Senate.

Let me say that I am extremely pleased, and I think the American people are extremely pleased, that we are beginning the new year with a reform that requires Congress to live under the laws it imposes on the American people. I'm encouraged that we've begun this year with the White House and Congress, with Republicans and Democrats working together on a reform that has long been needed.

Most Americans are actually surprised when they learn that some of our most basic laws don't apply to Congress and their staffs. This legislation ensures that we'll change that. It guarantees that the cafeteria workers and the police who work in Congress and who help millions of tourists every year will have the same rights as all Americans do to a safe environment, to collective bargaining, to civil rights protection.

It does something else that's very important. Over the years, Washington has too often isolated itself from the every day experience of ordinary Americans. It's become remote from the consequences of the actions Congress takes. I want to end this. Congress clearly wants to end this. Now, when Congress passes a law it will immediately know the consequences of the law if it affects private employers as well.

This will help us reconnect Government to the lives of ordinary Americans. That's why I supported this change when I ran for President and why I have supported it as President. It will help us to do what we must do to continue to fight to bring a reality check to Washington. That's why I worked to cut the White House staff, to eliminate the executive dining rooms, to cut back the widespread use of Government limousines, to reduce the deficit, to shrink the Federal bureaucracy to its smallest size in 30 years.

I'll admit that last year when this reform didn't pass I was disappointed. But I am very happy today. I want to thank all the Senators who are here, Senators Lieberman, Glenn, and Grassley, Senator Nickles, for what they all did. I thank Congressman Shays and Congressman Hoyer, who is not here, and the other Members of the House for all the work that they did. And again I say, I thank those who worked on this last year when it passed the House.

Already this year, Congress has enacted other important reforms, like reducing the staff and the number of committees. I want to congratulate the Members of Congress on these steps and, in particular, majority leader Dole and Speaker Gingrich, the Senate democratic leader, Tom Daschle, and the Senate House democratic leader, Dick Gephardt.

These changes I hope are the beginning of something that will continue for the next several years. We must use this impetus to make much deeper changes in the culture of Washington that has too often disconnected it from ordinary Americans. The American people, for example, know that lobbyists frequently get access to Congress they can never hope to get. They know the voices of special interests still sometimes ring too loud. They know too much of what goes

on here goes on behind closed doors. Congress should ban the practice of gifts and meals and travels and entertainment from lobbyists. It should pass the strongest possible version of the line item veto, lobby disclosure reform, and real comprehensive campaign finance reform.

I want to discuss these matters in detail tomorrow evening, but this is a job we must finish. This bill demonstrates the common resolve of people here that those in power should not lose touch with those who sent them here. Now we've got to go on. We must make this system more open, more fair, and less elitist. That's the goal we all share. I look forward to working with all of the Members here and all the Members of the Congress in both parties to achieve that goal.

Now I want to get on with signing the bill.

NOTE: The President spoke at 10 a.m. in the Oval Office at the White House. S. 2, approved January 22, was assigned Public Law No. 104-1.

Executive Order 12946—President's Advisory Board on Arms Proliferation Policy

January 20, 1995

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 1601 of the National Defense Authorization Act, Fiscal Year 1994 (Public Law 103-160), and the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2) ("Act"), except that subsections (e) and (f) of section 10 of such Act do not apply, and section 301 of title 3, United States Code, it is hereby ordered as follows:

Section 1. Establishment. There is established within the Department of Defense the "President's Advisory Board on Arms Proliferation Policy" ("Board"). The Board shall consist of five members who shall be appointed by the President from among persons in private life who are noted for their stature and expertise regarding the proliferation of strategic and advanced conventional weapons and are from diverse backgrounds. The President shall designate one of the members as Chairperson of the Board.

Sec. 2. Functions. The Board shall advise the President on implementation of United States conventional arms transfer policy, other issues related to arms proliferation policy, and on other matters deemed appropriate by the President. The Board shall report to the President through the Assistant to the President for National Security Affairs.

Sec. 3. Administration. (a) The heads of executive agencies shall, to the extent permitted by law, provide to the Board such information as it may require for the purpose of carrying out its functions.

(b) Members of the Board shall serve without compensation, but shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law, including 5 U.S.C. 5701-5707 and section 7(d) of the Act, for persons serving intermittently in government service.

(c) The Department of Defense or the head of any other Federal department or agency may detail to the Board, upon request of the Chairperson of the Board, any of the personnel of the department or agency to assist the Board in carrying out its duties.

(d) The Secretary of Defense shall designate a federally funded research and development center with expertise in the matters covered by the Board to provide the Board with such support services as the Board may need to carry out its duties.

(e) The Department of Defense shall provide the Board with administrative services, facilities, staff, and other support services necessary for the performance of its functions.

Sec. 4. General. (a) The Board shall terminate 30 days after the date on which the President submits the final report of the Board to the Congress.

(b) For reasons of national security or for such other reasons as specified in section 552(b) of title 5, United States Code, the Board shall not provide public notice or access to meetings at which national security information will be discussed. Authority to make such determinations shall reside with the Secretary of Defense or his designee who must be an official required to be appointed by and with the advice and consent of the Senate.

(c) Information made available to the Board shall be given all necessary security protection in accordance with applicable laws and regulations.

(d) Each member of the Board and each member of the Board's staff shall execute an agreement not to reveal any classified information obtained by virtue of his or her service with the Board except as authorized by applicable law and regulations.

William J. Clinton

The White House,
January 20, 1995.

[Filed with the Office of the Federal Register, 5:01 p.m., January 20, 1995]

NOTE: This Executive order was released by the Office of the Press Secretary on January 23, and it was published in the *Federal Register* on January 24.

Message to the Congress on Disaster Assistance to Japan *January 20, 1995*

To the Congress of the United States:

I have directed the Secretary of Defense to provide appropriate disaster assistance to the Government of Japan in response to the devastating earthquake of January 17, 1995. As required by section 404 of title 10, United States Code, I am notifying the Congress that the United States commence disaster relief operations on January 18, 1995, at 11:06 p.m., eastern standard time. To date, the U.S. military has provided 37,000 blankets. In addition, the following information is provided:

1. Disaster relief assistance is being provided in response to an earthquake affecting Kobe and Osaka, Japan.
2. Reports indicate at least 3,100 people have died, nearly 900 are missing, over 16,000 are injured, and an estimated 240,000 are homeless. The destruction of basic physical infrastructure poses a threat to the lives of the survivors.
3. Currently, U.S. military involvement has been limited to 15 U.S. Air Force C-130 Hercules sorties. Further requests for U.S. military assistance in the form of transportation, supplies, services, and equipment are unknown at this time.

4. Switzerland is providing search and rescue dog teams. Assistance by other countries is unknown.

5. Anticipated duration of disaster assistance activities is unknown.

William J. Clinton

The White House,
January 20, 1995.

NOTE: This message was released by the Office of the Press Secretary on January 23.

Executive Order 12947—Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process

January 23, 1995

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code,

I, William J. Clinton, President of the United States of America, find that grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. Except to the extent provided in section 203(b) (3) and (4) of IEEPA (50 U.S.C. 1702(b) (3) and (4)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date: (a) all property and interests in property of:

- (i) the persons listed in the Annex to this order;
- (ii) foreign persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, because they are found:

- (A) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or
 - (B) to assist in, sponsor, or provide financial, material, or technological support for, or services in support of, such acts of violence; and
 - (iii) persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any of the foregoing persons, that are in the United States, that hereafter come within the United States, or that hereafter come within the possession or control of United States persons, are blocked;
- (b) any transaction or dealing by United States persons or within the United States in property or interests in property of the persons designated in or pursuant to this order is prohibited, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons;
- (c) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order, is prohibited.

Sec. 2. For the purposes of this order: (a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, corporation, or other organization, group, or subgroup;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States; and

(d) the term "foreign person" means any citizen or national of a foreign state (including any such individual who is also a citizen or national of the United States) or any entity not organized solely under the laws of the United States or existing solely in the United States, but does not include a foreign state.

Sec. 3. I hereby determine that the making of donations of the type specified in section 203(b)(2)(A) of IEEPA (50 U.S.C. 1702(b)(2)(A)) by United States persons to persons designated in or pursuant to this order would seriously impair my ability to deal with the national emergency declared in this order, and hereby prohibit such donations as provided by section 1 of this order.

Sec. 4. (a) The Secretary of the Treasury, in consultation with the Secretary of State and, as appropriate, the Attorney General, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by IEEPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

(b) Any investigation emanating from a possible violation of this order, or of any license, order, or regulation issued pursuant to this order, shall first be coordinated with the Federal Bureau of Investigation (FBI), and any matter involving evidence of a criminal violation shall be referred to the FBI for further investigation. The FBI shall timely notify the Department of the Treasury of any action it takes on such referrals.

Sec. 5. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m., eastern standard time on January 24, 1995.

(b) This order shall be transmitted to the Congress and published in the *Federal Register*.

William J. Clinton

The White House,
January 23, 1995.

[Filed with the Office of the Federal Register, 10:10 a.m., January 24, 1995]

NOTE: This Executive order was released by the Office of the Press Secretary on January 24, and it and the attached annex were published in the *Federal Register* on January 25.

**Message to the Congress on
Terrorists Who Threaten To Disrupt
the Middle East Peace Process**

January 23, 1995

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that I have exercised my statutory authority to declare a national emergency with respect to the grave acts of violence committed by foreign terrorists that threaten to disrupt the Middle East peace process and to issue an Executive order that:

- Blocks all property, including bank deposits, of foreign persons or organizations designated in the Executive order or pursuant thereto, which is in the United States or in the control of United States persons, including their overseas branches; and
- Prohibits any transaction or dealing by United States persons in such property, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such designated persons.

I have designated in the Executive order 12 foreign organizations that threaten to use violence to disrupt the Middle East peace process. I have authorized the Secretary of State to designate additional foreign persons who have committed, or pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or who assist in, sponsor, or provide financial, material or technological support for, or services in support of, such acts of violence. Such designations are to be made in coordination with the Secretary of the Treasury and the Attorney General.

The Secretary of the Treasury is further authorized to designate persons or entities that he determines, in coordination with the Secretary of State and the Attorney General,

are owned or controlled by, or acting for or on behalf of, any of the foreign persons designated under this order. The Secretary of the Treasury is also authorized to issue regulations in exercise of my authorities under the International Emergency Economic Powers Act to implement these measures in consultation with the Secretary of State and the Attorney General and to coordinate such implementation with the Federal Bureau of Investigation. All Federal agencies are directed to take actions within their authority to carry out the provisions of the Executive order.

I am enclosing a copy of the Executive order that I have issued. The order was effective at 12:01 a.m., eastern standard time on January 24, 1995.

I have authorized these measures in response to recurrent acts of international terrorism that threaten to disrupt the Middle East peace process. They include such acts as the bomb attacks in Israel this past weekend and other recent attacks in Israel, attacks on government authorities in Egypt, threats against Palestinian authorities in the autonomous regions, and the bombing of the Jewish Mutual Association building in Buenos Aires, as well as the car bomb at the Israeli Embassy in London.

Achieving peace between Israel and its neighbors has long been a principal goal of American foreign policy. Resolving this conflict would eliminate a major source of instability in a part of the world in which we have critical interests, contribute to the security and well-being of Israel, and strengthen important bilateral relationships in the Arab world.

Attempts to disrupt the Middle East peace process through terrorism by groups opposed to peace have threatened and continue to threaten vital interests of the United States, thus constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.

Terrorist groups engaging in such terrorist acts receive financial and material support for their efforts from persons in the Middle East and elsewhere who oppose that process. Individuals and groups in the United States, too, have been targets of fundraising efforts on behalf of terrorist organizations.

Fundraising for terrorism and use of the U.S. banking system for transfers on behalf of such organizations are inimical to American interests. Further, failure to take effective action against similar fundraising and transfers in foreign countries indicate the need for leadership by the United States on this subject. Thus, it is necessary to provide the tools to combat any financial support from the United States for such terrorist activities. The United States will use these actions on our part to impress on our allies in Europe and elsewhere the seriousness of the danger of terrorist funding threatening the Middle East peace process, and to encourage them to adopt appropriate and effective measures to cut off terrorist fundraising and the harboring of terrorist assets in their territories and by their nationals.

The measures we are taking demonstrate our determination to thwart acts of terrorism that threaten to disrupt the Middle East peace process by attacking any material or financial support for such acts that may emanate from the United States.

William J. Clinton

The White House,
January 23, 1995.

NOTE: This message was released by the Office of the Press Secretary on January 24.

**Address Before a Joint Session of the
Congress on the State of the Union**
January 24, 1995

Mr. President, Mr. Speaker, Members of the 104th Congress, my fellow Americans: Again we are here in the sanctuary of democracy, and once again our democracy has spoken. So let me begin by congratulating all of you here in the 104th Congress and congratulating you, Mr. Speaker.

If we agree on nothing else tonight, we must agree that the American people certainly voted for change in 1992 and in 1994. And as I look out at you, I know how some of you must have felt in 1992. [*Laughter*]

I must say that in both years we didn't hear America singing, we heard America shouting. And now all of us, Republicans and Democrats alike, must say, "We hear you.

We will work together to earn the jobs you have given us. For we are the keepers of a sacred trust, and we must be faithful to it in this new and very demanding era."

Over 200 years ago, our Founders changed the entire course of human history by joining together to create a new country based on a single powerful idea: "We hold these truths to be self-evident, that all men are created equal, . . . endowed by their Creator with certain unalienable Rights, and among these are Life, Liberty and the pursuit of Happiness."

It has fallen to every generation since then to preserve that idea, the American idea, and to deepen and expand its meaning in new and different times: to Lincoln and to his Congress to preserve the Union and to end slavery; to Theodore Roosevelt and Woodrow Wilson to restrain the abuses and excesses of the industrial revolution and to assert our leadership in the world; to Franklin Roosevelt to fight the failure and pain of the Great Depression and to win our country's great struggle against fascism; and to all our Presidents since to fight the cold war. Especially, I recall two who struggled to fight that cold war in partnership with Congresses where the majority was of a different party: to Harry Truman, who summoned us to unparalleled prosperity at home and who built the architecture of the cold war; and to Ronald Reagan, whom we wish well tonight and who exhorted us to carry on until the twilight struggle against communism was won.

In another time of change and challenge, I had the honor to be the first President to be elected in the post-cold-war era, an era marked by the global economy, the information revolution, unparalleled change and opportunity and insecurity for the American people. I came to this hallowed Chamber 2 years ago on a mission, to restore the American dream for all our people and to make sure that we move into the 21st century still the strongest force for freedom and democracy in the entire world. I was determined then to tackle the tough problems too long ignored. In this effort I am frank to say that I have made my mistakes, and I have learned again the importance of humility in all human endeavor. But I am also proud to say

tonight that our country is stronger than it was 2 years ago. [Applause] Thank you.

Record numbers of Americans are succeeding in the new global economy. We are at peace, and we are a force for peace and freedom throughout the world. We have almost 6 million new jobs since I became President, and we have the lowest combined rate of unemployment and inflation in 25 years. Our businesses are more productive. And here we have worked to bring the deficit down, to expand trade, to put more police on our streets, to give our citizens more of the tools they need to get an education and to rebuild their own communities.

But the rising tide is not lifting all boats. While our Nation is enjoying peace and prosperity, too many of our people are still working harder and harder, for less and less. While our businesses are restructuring and growing more productive and competitive, too many of our people still can't be sure of having a job next year or even next month. And far more than our material riches are threatened, things far more precious to us, our children, our families, our values.

Our civil life is suffering in America today. Citizens are working together less and shouting at each other more. The common bonds of community which have been the great strength of our country from its very beginning are badly frayed. What are we to do about it?

More than 60 years ago, at the dawn of another new era, President Roosevelt told our Nation, "New conditions impose new requirements on Government and those who conduct Government." And from that simple proposition, he shaped the New Deal, which helped to restore our Nation to prosperity and define the relationship between our people and their Government for half a century.

That approach worked in its time. But we today, we face a very different time and very different conditions. We are moving from an industrial age built on gears and sweat to an information age demanding skills and learning and flexibility. Our Government, once a champion of national purpose, is now seen by many as simply a captive of narrow interests, putting more burdens on our citizens rather than equipping them to get ahead.

The values that used to hold us all together seem to be coming apart.

So tonight we must forge a new social compact to meet the challenges of this time. As we enter a new era, we need a new set of understandings, not just with Government but, even more important, with one another as Americans.

That's what I want to talk with you about tonight. I call it the New Covenant. But it's grounded in a very, very old idea, that all Americans have not just a right but a solemn responsibility to rise as far as their God-given talents and determination can take them and to give something back to their communities and their country in return. Opportunity and responsibility: They go hand in hand. We can't have one without the other. And our national community can't hold together without both.

Our New Covenant is a new set of understandings for how we can equip our people to meet the challenges of a new economy, how we can change the way our Government works to fit a different time, and, above all, how we can repair the damaged bonds in our society and come together behind our common purpose. We must have dramatic change in our economy, our Government, and ourselves.

My fellow Americans, without regard to party, let us rise to the occasion. Let us put aside partisanship and pettiness and pride. As we embark on this new course, let us put our country first, remembering that regardless of party label, we are all Americans. And let the final test of everything we do be a simple one: Is it good for the American people?

Let me begin by saying that we cannot ask Americans to be better citizens if we are not better servants. You made a good start by passing that law which applies to Congress all the laws you put on the private sector, and I was proud to sign it yesterday. But we have a lot more to do before people really trust the way things work around here. Three times as many lobbyists are in the streets and corridors of Washington as were here 20 years ago. The American people look at their Capital, and they see a city where the well-connected and the well-protected can work

the system, but the interests of ordinary citizens are often left out.

As the new Congress opened its doors, lobbyists were still doing business as usual; the gifts, the trips, all the things that people are concerned about haven't stopped. Twice this month you missed opportunities to stop these practices. I know there were other considerations in those votes, but I want to use something that I've heard my Republican friends say from time to time, "There doesn't have to be a law for everything." So tonight I ask you to just stop taking the lobbyists' perks. Just stop. We don't have to wait for legislation to pass to send a strong signal to the American people that things are really changing. But I also hope you will send me the strongest possible lobby reform bill, and I'll sign that, too.

We should require lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PAC's. And as I have said for 3 years, we should work to open the airwaves so that they can be an instrument of democracy, not a weapon of destruction, by giving free TV time to candidates for public office.

When the last Congress killed political reform last year, it was reported in the press that the lobbyists actually stood in the Halls of this sacred building and cheered. This year, let's give the folks at home something to cheer about.

More important, I think we all agree that we have to change the way the Government works. Let's make it smaller, less costly, and smarter; leaner, not meaner. *[Applause]*

I just told the Speaker the equal time doctrine is alive and well. *[Laughter]*

The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter. The old way of governing around here protected organized interests. We should look out for the interests of ordinary people. The old way divided us by interest, constituency, or class. The New Covenant way should unite us behind a common vision of what's best for our country. The old way dispensed services through large, top-down, inflexible

bureaucracies. The New Covenant way should shift these resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. The old way of governing around here actually seemed to reward failure. The New Covenant way should have built-in incentives to reward success. The old way was centralized here in Washington. The New Covenant way must take hold in the communities all across America. And we should help them to do that.

Our job here is to expand opportunity, not bureaucracy, to empower people to make the most of their own lives, and to enhance our security here at home and abroad. We must not ask Government to do what we should do for ourselves. We should rely on Government as a partner to help us to do more for ourselves and for each other.

I hope very much that as we debate these specific and exciting matters, we can go beyond the sterile discussion between the illusion that there is somehow a program for every problem, on the one hand, and the other illusion that the Government is a source of every problem we have. Our job is to get rid of yesterday's Government so that our own people can meet today's and tomorrow's needs. And we ought to do it together.

You know, for years before I became President, I heard others say they would cut Government and how bad it was, but not much happened. We actually did it. We cut over a quarter of a trillion dollars in spending, more than 300 domestic programs, more than 100,000 positions from the Federal bureaucracy in the last 2 years alone. Based on decisions already made, we will have cut a total of more than a quarter of a million positions from the Federal Government, making it the smallest it has been since John Kennedy was President, by the time I come here again next year.

Under the leadership of Vice President Gore, our initiatives have already saved taxpayers \$63 billion. The age of the \$500 hammer and the ashtray you can break on "David Letterman" is gone. Deadwood programs, like mohair subsidies, are gone. We've streamlined the Agriculture Department by

reducing it by more than 1,200 offices. We've slashed the small business loan form from an inch thick to a single page. We've thrown away the Government's 10,000-page personnel manual.

And the Government is working better in important ways: FEMA, the Federal Emergency Management Agency, has gone from being a disaster to helping people in disasters. You can ask the farmers in the Middle West who fought the flood there or the people in California who have dealt with floods and earthquakes and fires, and they'll tell you that. Government workers, working hand in hand with private business, rebuilt southern California's fractured freeways in record time and under budget. And because the Federal Government moved fast, all but one of the 5,600 schools damaged in the earthquake are back in business.

Now, there are a lot of other things that I could talk about. I want to just mention one because it will be discussed here in the next few weeks. University administrators all over the country have told me that they are saving weeks and weeks of bureaucratic time now because of our direct college loan program, which makes college loans cheaper and more affordable with better repayment terms for students, costs the Government less, and cuts out paperwork and bureaucracy for the Government and for the universities. We shouldn't cap that program. We should give every college in America the opportunity to be a part of it.

Previous Government programs gathered dust. The reinventing Government report is getting results. And we're not through. There's going to be a second round of reinventing Government. We propose to cut \$130 billion in spending by shrinking departments, extending our freeze on domestic spending, cutting 60 public housing programs down to 3, getting rid of over 100 programs we do not need, like the Interstate Commerce Commission and the Helium Reserve Program. And we're working on getting rid of unnecessary regulations and making them more sensible. The programs and regulations that have outlived their usefulness should go. We have to cut yesterday's Government to help solve tomorrow's problems.

And we need to get Government closer to the people it's meant to serve. We need to help move programs down to the point where States and communities and private citizens in the private sector can do a better job. If they can do it, we ought to let them do it. We should get out of the way and let them do what they can do better. Taking power away from Federal bureaucracies and giving it back to communities and individuals is something everyone should be able to be for.

It's time for Congress to stop passing on to the States the cost of decisions we make here in Washington. I know there are still serious differences over the details of the unfunded mandates legislation, but I want to work with you to make sure we pass a reasonable bill which will protect the national interests and give justified relief where we need to give it.

For years, Congress concealed in the budget scores of pet spending projects. Last year was no difference. There was a \$1 million to study stress in plants and \$12 million for a tick removal program that didn't work. It's hard to remove ticks. Those of us who have had them know. *[Laughter]* But I'll tell you something, if you'll give me line-item veto, I'll remove some of that unnecessary spending.

But I think we should all remember, and almost all of us would agree, that Government still has important responsibilities. Our young people—we should think of this when we cut—our young people hold our future in their hands. We still owe a debt to our veterans. And our senior citizens have made us what we are. Now, my budget cuts a lot. But it protects education, veterans, Social Security, and Medicare, and I hope you will do the same thing. You should, and I hope you will.

And when we give more flexibility to the States, let us remember that there are certain fundamental national needs that should be addressed in every State, North and South, East and West: Immunization against childhood disease, school lunches in all our schools, Head Start, medical care and nutrition for pregnant women and infants—*[applause]*—medical care and nutrition for preg-

nant women and infants, all these things, all these things are in the national interest.

I applaud your desire to get rid of costly and unnecessary regulations. But when we deregulate, let's remember what national action in the national interest has given us: safer food for our families, safer toys for our children, safer nursing homes for our parents, safer cars and highways, and safer workplaces, cleaner air, and cleaner water. Do we need common sense and fairness in our regulations? You bet we do. But we can have common sense and still provide for safe drinking water. We can have fairness and still clean up toxic dumps, and we ought to do it.

Should we cut the deficit more? Well, of course we should. Of course we should. But we can bring it down in a way that still protects our economic recovery and does not unduly punish people who should not be punished but instead should be helped.

I know many of you in this Chamber support the balanced budget amendment. I certainly want to balance the budget. Our administration has done more to bring the budget down and to save money than any in a very, very long time. If you believe passing this amendment is the right thing to do, then you have to be straight with the American people. They have a right to know what you're going to cut, what taxes you're going to raise, and how it's going to affect them. We should be doing things in the open around here. For example, everybody ought to know if this proposal is going to endanger Social Security. I would oppose that, and I think most Americans would.

Nothing has done more to undermine our sense of common responsibility than our failed welfare system. This is one of the problems we have to face here in Washington in our New Covenant. It rewards welfare over work. It undermines family values. It lets millions of parents get away without paying their child support. It keeps a minority but a significant minority of the people on welfare trapped on it for a very long time.

I've worked on this problem for a long time, nearly 15 years now. As a Governor, I had the honor of working with the Reagan administration to write the last welfare reform bill back in 1988. In the last 2 years,

we made a good start at continuing the work of welfare reform. Our administration gave two dozen States the right to slash through Federal rules and regulations to reform their own welfare systems and to try to promote work and responsibility over welfare and dependency.

Last year I introduced the most sweeping welfare reform plan ever presented by an administration. We have to make welfare what it was meant to be, a second chance, not a way of life. We have to help those on welfare move to work as quickly as possible, to provide child care and teach them skills, if that's what they need, for up to 2 years. And after that, there ought to be a simple, hard rule: Anyone who can work must go to work. If a parent isn't paying child support, they should be forced to pay. We should suspend drivers' license, track them across State lines, make them work off what they owe. That is what we should do. Governments do not raise children, people do. And the parents must take responsibility for the children they bring into this world.

I want to work with you, with all of you, to pass welfare reform. But our goal must be to liberate people and lift them up from dependence to independence, from welfare to work, from mere childbearing to responsible parenting. Our goal should not be to punish them because they happen to be poor.

We should, we should require work and mutual responsibility. But we shouldn't cut people off just because they're poor, they're young, or even because they're unmarried. We should promote responsibility by requiring young mothers to live at home with their parents or in other supervised settings, by requiring them to finish school. But we shouldn't put them and their children out on the street. And I know all the arguments, pro and con, and I have read and thought about this for a long time. I still don't think we can in good conscience punish poor children for the mistakes of their parents.

My fellow Americans, every single survey shows that all the American people care about this without regard to party or race or region. So let this be the year we end welfare as we know it. But also let this be the year that we are all able to stop using this issue to divide America. No one is more

eager to end welfare—[applause]—I may be the only President who has actually had the opportunity to sit in a welfare office, who's actually spent hours and hours talking to people on welfare. And I am telling you, the people who are trapped on it know it doesn't work; they also want to get off. So we can promote, together, education and work and good parenting. I have no problem with punishing bad behavior or the refusal to be a worker or a student or a responsible parent. I just don't want to punish poverty and past mistakes. All of us have made our mistakes, and none of us can change our yesterdays. But every one of us can change our tomorrows. And America's best example of that may be Lynn Woolsey, who worked her way off welfare to become a Congresswoman from the State of California.

I know the Members of this Congress are concerned about crime, as are all the citizens of our country. And I remind you that last year we passed a very tough crime bill: longer sentences, "three strikes and you're out," almost 60 new capital punishment offenses, more prisons, more prevention, 100,000 more police. And we paid for it all by reducing the size of the Federal bureaucracy and giving the money back to local communities to lower the crime rate.

There may be other things we can do to be tougher on crime, to be smarter with crime, to help to lower that rate first. Well, if there are, let's talk about them, and let's do them. But let's not go back on the things that we did last year that we know work, that we know work because the local law enforcement officers tell us that we did the right thing, because local community leaders who have worked for years and years to lower the crime rate tell us that they work. Let's look at the experience of our cities and our rural areas where the crime rate has gone down and ask the people who did it how they did it. And if what we did last year supports the decline in the crime rate—and I am convinced that it does—let us not go back on it. Let's stick with it, implement it. We've got 4 more hard years of work to do to do that.

I don't want to destroy the good atmosphere in the room or in the country tonight, but I have to mention one issue that divided

this body greatly last year. The last Congress also passed the Brady bill and, in the crime bill, the ban on 19 assault weapons. I don't think it's a secret to anybody in this room that several Members of the last Congress who voted for that aren't here tonight because they voted for it. And I know, therefore, that some of you who are here because they voted for it are under enormous pressure to repeal it. I just have to tell you how I feel about it.

The Members of Congress who voted for that bill and I would never do anything to infringe on the right to keep and bear arms to hunt and to engage in other appropriate sporting activities. I've done it since I was a boy, and I'm going to keep right on doing it until I can't do it anymore. But a lot of people laid down their seats in Congress so that police officers and kids wouldn't have to lay down their lives under a hail of assault weapon attack, and I will not let that be repealed. I will not let it be repealed.

I'd like to talk about a couple of other issues we have to deal with. I want us to cut more spending, but I hope we won't cut Government programs that help to prepare us for the new economy, promote responsibility, and are organized from the grassroots up, not by Federal bureaucracy. The very best example of this is the national service corps, AmeriCorps. It passed with strong bipartisan support. And now there are 20,000 Americans, more than ever served in one year in the Peace Corps, working all over this country, helping people person-to-person in local grassroots volunteer groups, solving problems, and in the process earning some money for their education. This is citizenship at its best. It's good for the AmeriCorps members, but it's good for the rest of us, too. It's the essence of the New Covenant, and we shouldn't stop it.

All Americans, not only in the States most heavily affected but in every place in this country, are rightly disturbed by the large numbers of illegal aliens entering our country. The jobs they hold might otherwise be held by citizens or legal immigrants. The public service they use impose burdens on our taxpayers. That's why our administration has moved aggressively to secure our borders more by hiring a record number of new bor-

der guards, by deporting twice as many criminal aliens as ever before, by cracking down on illegal hiring, by barring welfare benefits to illegal aliens. In the budget I will present to you, we will try to do more to speed the deportation of illegal aliens who are arrested for crimes, to better identify illegal aliens in the workplace as recommended by the commission headed by former Congresswoman Barbara Jordan. We are a nation of immigrants. But we are also a nation of laws. It is wrong and ultimately self-defeating for a nation of immigrants to permit the kind of abuse of our immigration laws we have seen in recent years, and we must do more to stop it.

The most important job of our Government in this new era is to empower the American people to succeed in the global economy. America has always been a land of opportunity, a land where, if you work hard, you can get ahead. We've become a great middle class country. Middle class values sustain us. We must expand that middle class and shrink the underclass, even as we do everything we can to support the millions of Americans who are already successful in the new economy.

America is once again the world's strongest economic power: almost 6 million new jobs in the last 2 years, exports booming, inflation down. High-wage jobs are coming back. A record number of American entrepreneurs are living the American dream. If we want it to stay that way, those who work and lift our Nation must have more of its benefits.

Today, too many of those people are being left out. They're working harder for less. They have less security, less income, less certainty that they can even afford a vacation, much less college for their kids or retirement for themselves. We cannot let this continue. If we don't act, our economy will probably keep doing what it's been doing since about 1978, when the income growth began to go to those at the very top of our economic scale and the people in the vast middle got very little growth, and people who worked like crazy but were on the bottom then fell even further and further behind in the years afterward, no matter how hard they worked.

We've got to have a Government that can be a real partner in making this new economy

work for all of our people, a Government that helps each and every one of us to get an education and to have the opportunity to renew our skills. That's why we worked so hard to increase educational opportunities in the last 2 years, from Head Start to public schools, to apprenticeships for young people who don't go to college, to making college loans more available and more affordable. That's the first thing we have to do. We've got to do something to empower people to improve their skills.

The second thing we ought to do is to help people raise their incomes immediately by lowering their taxes. We took the first step in 1993 with a working family tax cut for 15 million families with incomes under \$27,000, a tax cut that this year will average about \$1,000 a family. And we also gave tax reductions to most small and new businesses. Before we could do more than that, we first had to bring down the deficit we inherited, and we had to get economic growth up. Now we've done both. And now we can cut taxes in a more comprehensive way. But tax cuts should reinforce and promote our first obligation: to empower our citizens through education and training to make the most of their own lives. The spotlight should shine on those who make the right choices for themselves, their families, and their communities.

I have proposed the middle class bill of rights, which should properly be called the bill of rights and responsibilities because its provisions only benefit those who are working to educate and raise their children and to educate themselves. It will, therefore, give needed tax relief and raise incomes in both the short run and the long run in a way that benefits all of us.

There are four provisions. First, a tax deduction for all education and training after high school. If you think about it, we permit businesses to deduct their investment, we permit individuals to deduct interest on their home mortgages, but today an education is even more important to the economic well-being of our whole country than even those things are. We should do everything we can to encourage it. And I hope you will support it. Second, we ought to cut taxes \$500 for families with children under 13. Third, we ought to foster more savings and personal re-

sponsibility by permitting people to establish an individual retirement account and withdraw from it tax free for the cost of education, health care, first-time homebuying, or the care of a parent. And fourth, we should pass a GI bill for America's workers. We propose to collapse nearly 70 Federal programs and not give the money to the States but give the money directly to the American people, offer vouchers to them so that they, if they're laid off or if they're working for a very low wage, can get a voucher worth \$2,600 a year for up to 2 years to go to their local community colleges or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way, move it from the Government directly to the workers of America.

Now, any one of us can call for a tax cut, but I won't accept one that explodes the deficit or puts our recovery at risk. We ought to pay for our tax cuts fully and honestly.

Just 2 years ago, it was an open question whether we would find the strength to cut the deficit. Thanks to the courage of the people who were here then, many of whom didn't return, we did cut the deficit. We began to do what others said would not be done. We cut the deficit by over \$600 billion, about \$10,000 for every family in this country. It's coming down 3 years in a row for the first time since Mr. Truman was President, and I don't think anybody in America wants us to let it explode again.

In the budget I will send you, the middle class bill of rights is fully paid for by budget cuts in bureaucracy, cuts in programs, cuts in special interest subsidies. And the spending cuts will more than double the tax cuts. My budget pays for the middle class bill of rights without any cuts in Medicare. And I will oppose any attempts to pay for tax cuts with Medicare cuts. That's not the right thing to do.

I know that a lot of you have your own ideas about tax relief, and some of them I find quite interesting. I really want to work with all of you. My test for our proposals will be: Will it create jobs and raise incomes; will it strengthen our families and support our children; is it paid for; will it build the middle class and shrink the underclass? If it does, I'll support it. But if it doesn't, I won't.

The goal of building the middle class and shrinking the underclass is also why I believe that you should raise the minimum wage. It rewards work. Two and a half million Americans, two and a half million Americans, often women with children, are working out there today for \$4.25 an hour. In terms of real buying power, by next year that minimum wage will be at a 40-year low. That's not my idea of how the new economy ought to work.

Now, I've studied the arguments and the evidence for and against a minimum wage increase. I believe the weight of the evidence is that a modest increase does not cost jobs and may even lure people back into the job market. But the most important thing is, you can't make a living on \$4.25 an hour, especially if you have children, even with the working families tax cut we passed last year. In the past, the minimum wage has been a bipartisan issue, and I think it should be again. So I want to challenge you to have honest hearings on this, to get together, to find a way to make the minimum wage a living wage.

Members of Congress have been here less than a month, but by the end of the week, 28 days into the new year, every Member of Congress will have earned as much in congressional salary as a minimum wage worker makes all year long.

Everybody else here, including the President, has something else that too many Americans do without, and that's health care. Now, last year we almost came to blows over health care, but we didn't do anything. And the cold, hard fact is that, since last year, since I was here, another 1.1 million Americans in working families have lost their health care. And the cold, hard fact is that many millions more, most of them farmers and small business people and self-employed people, have seen their premiums skyrocket, their copays and deductibles go up. There's a whole bunch of people in this country that in the statistics have health insurance but really what they've got is a piece of paper that says they won't lose their home if they get sick.

Now, I still believe our country has got to move toward providing health security for every American family. But I know that last year, as the evidence indicates, we bit off

more than we could chew. So I'm asking you that we work together. Let's do it step by step. Let's do whatever we have to do to get something done. Let's at least pass meaningful insurance reform so that no American risks losing coverage for facing skyrocketing prices, that nobody loses their coverage because they face high prices or unavailable insurance when they change jobs or lose a job or a family member gets sick.

I want to work together with all of you who have an interest in this, with the Democrats who worked on it last time, with the Republican leaders like Senator Dole, who has a longtime commitment to health care reform and made some constructive proposals in this area last year. We ought to make sure that self-employed people in small businesses can buy insurance at more affordable rates through voluntary purchasing pools. We ought to help families provide long-term care for a sick parent or a disabled child. We can work to help workers who lose their jobs at least keep their health insurance coverage for a year while they look for work. And we can find a way—it may take some time, but we can find a way—to make sure that our children have health care.

You know, I think everybody in this room, without regard to party, can be proud of the fact that our country was rated as having the world's most productive economy for the first time in nearly a decade. But we can't be proud of the fact that we're the only wealthy country in the world that has a smaller percentage of the work force and their children with health insurance today than we did 10 years ago, the last time we were the most productive economy in the world. So let's work together on this. It is too important for politics as usual.

Much of what the American people are thinking about tonight is what we've already talked about. A lot of people think that the security concerns of America today are entirely internal to our borders. They relate to the security of our jobs and our homes and our incomes and our children, our streets, our health, and protecting those borders. Now that the cold war has passed, it's tempting to believe that all the security issues, with the possible exception of trade, reside here at home. But it's not so. Our security still

depends upon our continued world leadership for peace and freedom and democracy. We still can't be strong at home unless we're strong abroad.

The financial crisis in Mexico is a case in point. I know it's not popular to say it tonight, but we have to act, not for the Mexican people but for the sake of the millions of Americans whose livelihoods are tied to Mexico's well-being. If we want to secure American jobs, preserve American exports, safeguard America's borders, then we must pass the stabilization program and help to put Mexico back on track.

Now let me repeat: It's not a loan; it's not foreign aid; it's not a bailout. We will be given a guarantee like cosigning a note, with good collateral that will cover our risks. This legislation is the right thing for America. That's why the bipartisan leadership has supported it. And I hope you in Congress will pass it quickly. It is in our interest, and we can explain it to the American people because we're going to do it in the right way.

You know, tonight, this is the first State of the Union Address ever delivered since the beginning of the cold war when not a single Russian missile is pointed at the children of America. And along with the Russians, we're on our way to destroying the missiles and the bombers that carry 9,000 nuclear warheads. We've come so far so fast in this post-cold-war world that it's easy to take the decline of the nuclear threat for granted. But it's still there, and we aren't finished yet.

This year I'll ask the Senate to approve START II to eliminate weapons that carry 5,000 more warheads. The United States will lead the charge to extend indefinitely the Nuclear Non-Proliferation Treaty, to enact a comprehensive nuclear test ban, and to eliminate chemical weapons. To stop and roll back North Korea's potentially deadly nuclear program, we'll continue to implement the agreement we have reached with that nation. It's smart. It's tough. It's a deal based on continuing inspection with safeguards for our allies and ourselves.

This year I'll submit to Congress comprehensive legislation to strengthen our hand in combating terrorists, whether they strike at home or abroad. As the cowards who

bombed the World Trade Center found out, this country will hunt down terrorists and bring them to justice.

Just this week, another horrendous terrorist act in Israel killed 19 and injured scores more. On behalf of the American people and all of you, I send our deepest sympathy to the families of the victims. I know that in the face of such evil, it is hard for the people in the Middle East to go forward. But the terrorists represent the past, not the future. We must and we will pursue a comprehensive peace between Israel and all her neighbors in the Middle East.

Accordingly, last night I signed an Executive order that will block the assets in the United States of terrorist organizations that threaten to disrupt the peace process. It prohibits financial transactions with these groups. And tonight I call on all our allies and peace-loving nations throughout the world to join us with renewed fervor in a global effort to combat terrorism. We cannot permit the future to be marred by terror and fear and paralysis.

From the day I took the oath of office, I pledged that our Nation would maintain the best equipped, best trained, and best prepared military on Earth. We have, and they are. They have managed the dramatic downsizing of our forces after the cold war with remarkable skill and spirit. But to make sure our military is ready for action and to provide the pay and the quality of life the military and their families deserve, I'm asking the Congress to add \$25 billion in defense spending over the next 6 years.

I have visited many bases at home and around the world since I became President. Tonight I repeat that request with renewed conviction. We ask a very great deal of our Armed Forces. Now that they are smaller in number, we ask more of them. They go out more often to more different places and stay longer. They are called to service in many, many ways. And we must give them and their families what the times demand and what they have earned.

Just think about what our troops have done in the last year, showing America at its best, helping to save hundreds of thousands of people in Rwanda, moving with lightning speed to head off another threat to Kuwait,

giving freedom and democracy back to the people of Haiti. We have proudly supported peace and prosperity and freedom from South Africa to Northern Ireland, from Central and Eastern Europe to Asia, from Latin America to the Middle East. All these endeavors are good in those places, but they make our future more confident and more secure.

Well, my fellow Americans, that's my agenda for America's future: expanding opportunity, not bureaucracy; enhancing security at home and abroad; empowering our people to make the most of their own lives. It's ambitious and achievable, but it's not enough. We even need more than new ideas for changing the world or equipping Americans to compete in the new economy, more than a Government that's smaller, smarter, and wiser, more than all of the changes we can make in Government and in the private sector from the outside in.

Our fortunes and our posterity also depend upon our ability to answer some questions from within, from the values and voices that speak to our hearts as well as our heads; voices that tell us we have to do more to accept responsibility for ourselves and our families, for our communities, and yes, for our fellow citizens. We see our families and our communities all over this country coming apart, and we feel the common ground shifting from under us. The PTA, the town hall meeting, the ball park, it's hard for a lot of overworked parents to find the time and space for those things that strengthen the bonds of trust and cooperation. Too many of our children don't even have parents and grandparents who can give them those experiences that they need to build their own character and their sense of identity.

We all know what while we here in this Chamber can make a difference on those things, that the real differences will be made by our fellow citizens, where they work and where they live and that it will be made almost without regard to party. When I used to go to the softball park in Little Rock to watch my daughter's league, and people would come up to me, fathers and mothers, and talk to me, I can honestly say I had no idea whether 90 percent of them were Republicans or Democrats. When I visited the

relief centers after the floods in California, northern California, last week, a woman came up to me and did something that very few of you would do. She hugged me and said, "Mr. President, I'm a Republican, but I'm glad you're here." [Laughter]

Now, why? We can't wait for disasters to act the way we used to act every day, because as we move into this next century, everybody matters. We don't have a person to waste. And a lot of people are losing a lot of chances to do better. That means that we need a New Covenant for everybody.

For our corporate and business leaders, we're going to work here to keep bringing the deficit down, to expand markets, to support their success in every possible way. But they have an obligation when they're doing well to keep jobs in our communities and give their workers a fair share of the prosperity they generate.

For people in the entertainment industry in this country, we applaud your creativity and your worldwide success, and we support your freedom of expression. But you do have a responsibility to assess the impact of your work and to understand the damage that comes from the incessant, repetitive, mindless violence and irresponsible conduct that permeates our media all the time.

We've got to ask our community leaders and all kinds of organizations to help us stop our most serious social problem, the epidemic of teen pregnancies and births where there is no marriage. I have sent to Congress a plan to target schools all over this country with antipregnancy programs that work. But Government can only do so much. Tonight I call on parents and leaders all across this country to join together in a national campaign against teen pregnancy to make a difference. We can do this, and we must.

And I would like to say a special word to our religious leaders. You know, I'm proud of the fact the United States has more houses of worship per capita than any country in the world. These people who lead our houses of worship can ignite their congregations to carry their faith into action, can reach out to all of our children, to all of the people in distress, to those who have been savaged by the breakdown of all we hold dear. Because so much of what must be done must

come from the inside out and our religious leaders and their congregations can make all the difference, they have a role in the New Covenant as well.

There must be more responsibility for all of our citizens. You know, it takes a lot of people to help all the kids in trouble stay off the streets and in school. It takes a lot of people to build the Habitat for Humanity houses that the Speaker celebrates on his lapel pin. It takes a lot of people to provide the people power for all of the civic organizations in this country that made our communities mean so much to most of us when we were kids. It takes every parent to teach the children the difference between right and wrong and to encourage them to learn and grow and to say no to the wrong things but also to believe that they can be whatever they want to be.

I know it's hard when you're working harder for less, when you're under great stress to do these things. A lot of our people don't have the time or the emotional stress, they think, to do the work of citizenship.

Most of us in politics haven't helped very much. For years, we've mostly treated citizens like they were consumers or spectators, sort of political couch potatoes who were supposed to watch the TV ads either promise them something for nothing or play on their fears and frustrations. And more and more of our citizens now get most of their information in very negative and aggressive ways that are hardly conducive to honest and open conversations. But the truth is, we have got to stop seeing each other as enemies just because we have different views.

If you go back to the beginning of this country, the great strength of America, as de Tocqueville pointed out when he came here a long time ago, has always been our ability to associate with people who were different from ourselves and to work together to find common ground. And in this day, everybody has a responsibility to do more of that. We simply cannot want for a tornado, a fire, or a flood to behave like Americans ought to behave in dealing with one another.

I want to finish up here by pointing out some folks that are up with the First Lady that represent what I'm trying to talk about—citizens. I have no idea what their party affili-

ation is or who they voted for in the last election. But they represent what we ought to be doing.

Cindy Perry teaches second graders to read in AmeriCorps in rural Kentucky. She gains when she gives. She's a mother of four. She says that her service inspired her to get her high school equivalency last year. She was married when she was a teenager—stand up, Cindy. She was married when she was a teenager. She had four children. But she had time to serve other people, to get her high school equivalency, and she's going to use her AmeriCorps money to go back to college.

Chief Stephen Bishop is the police chief of Kansas City. He's been a national leader—stand up, Steve. He's been a national leader in using more police in community policing, and he's worked with AmeriCorps to do it. And the crime rate in Kansas City has gone down as a result of what he did.

Corporal Gregory Depestre went to Haiti as part of his adopted country's force to help secure democracy in his native land. And I might add, we must be the only country in the world that could have gone to Haiti and taken Haitian-Americans there who could speak the language and talk to the people. And he was one of them, and we're proud of him.

The next two folks I've had the honor of meeting and getting to know a little bit, the Reverend John and the Reverend Diana Cherry of the AME Zion Church in Temple Hills, Maryland. I'd like to ask them to stand. I want to tell you about them. In the early eighties, they left Government service and formed a church in a small living room in a small house, in the early eighties. Today that church has 17,000 members. It is one of the three or four biggest churches in the entire United States. It grows by 200 a month. They do it together. And the special focus of their ministry is keeping families together.

Two things they did make a big impression on me. I visited their church once, and I learned they were building a new sanctuary closer to the Washington, DC, line in a higher crime, higher drug rate area because they thought it was part of their ministry to change the lives of the people who needed

them. The second thing I want to say is that once Reverend Cherry was at a meeting at the White House with some other religious leaders, and he left early to go back to this church to minister to 150 couples that he had brought back to his church from all over America to convince them to come back together, to save their marriages, and to raise their kids. This is the kind of work that citizens are doing in America. We need more of it, and it ought to be lifted up and supported.

The last person I want to introduce is Jack Lucas from Hattiesburg, Mississippi. Jack, would you stand up? Fifty years ago, in the sands of Iwo Jima, Jack Lucas taught and learned the lessons of citizenship. On February 20th, 1945, he and three of his buddies encountered the enemy and two grenades at their feet. Jack Lucas threw himself on both of them. In that moment, he saved the lives of his companions, and miraculously in the next instant, a medic saved his life. He gained a foothold for freedom, and at the age of 17, just a year older than his grandson who is up there with him today—and his son, who is a West Point graduate and a veteran—at 17, Jack Lucas became the youngest Marine in history and the youngest soldier in this century to win the Congressional Medal of Honor. All these years later, yesterday, here's what he said about that day: "It didn't matter where you were from or who you were, you relied on one another. You did it for your country."

We all gain when we give, and we reap what we sow. That's at the heart of this New Covenant. Responsibility, opportunity, and citizenship, more than stale chapters in some remote civic book, they're still the virtue by which we can fulfill ourselves and reach our God-given potential and be like them and also to fulfill the eternal promise of this country, the enduring dream from that first and most sacred covenant. I believe every person in this country still believes that we are created equal and given by our Creator the right to life, liberty and the pursuit of happiness. This is a very, very great country. And our best days are still to come.

Thank you, and God bless you all.

NOTE: The President spoke at 9:14 p.m. in the House Chamber of the Capitol.

Remarks at Kutztown University in Kutztown, Pennsylvania

January 25, 1995

The President. Thank you very much. You all sit down and relax. Cold outside, warm in here. I want to thank Dr. David McFarland for that introduction and for making me feel so very welcome here at Kutztown. I've had a great time already.

I know that before I came out, your Mayor, Mayor Schwoyer, and Congressman Holden who came up from Washington with me today, Secretary Reich and Secretary Riley talked, and I thank them for what they said. And I thank, especially, my colleagues, Congressman Holden and Secretary Reich and Secretary Riley for what they have done for the cause of education.

I am so happy to be here with all of you today. There are a lot of reasons I came here. One is, I'm beginning to feel old, and I heard that you've got a guy my age on your football team, and I wanted to—where is he? Where is Chuck Roseberry? Where is he? Stand up. Where are you? [Applause] I know he's here somewhere. Where are you? Yes. That's good.

You know, it's all I can do every morning to get up and go jog, and I resent you. I can't believe it. But I'm impressed. I'm also glad to be joined here by your former Congressman, Gus Yatron, and your former Senator, Harris Wofford. I thank them both for being here along with Catherine Baker Knoll, our State treasurer. Thank you, Catherine Baker Knoll, for coming—our State treasurer. I'm glad to see you, too. And our neighboring Congressman, Paul McHale, wanted to come but he could not. There's a very important vote this afternoon in the Congress, and the Congressman Holden has already gone back; besides, he's heard this speech before. [Laughter]

I want to say how very proud I am to be here, because this is a time of great challenge for our Nation, and I believe that this institution represents a big part of the answer to that challenge.

You know, just a few months ago, I had a brief roundtable with a lot of your community leaders, businesspeople, teachers, and students, who are associated with the efforts of this fine institution to help solve the problems of this area, to get an education to people, to help the businesses grow, to help start new businesses.

I wanted to come here because I was very, very impressed with your entrepreneurial development and global education center, the work you've done for small businesses, the work you've done for minority businesses, the work you've done to try to bring together people of all ages and all backgrounds who want to get an education, and who want to serve and who want to help. And I'd like to ask all these folks who just met with me to stand up, because I learned a lot from them, and I'm grateful for what they did. Would you all stand up, please? Thank you very much. [Applause]

There's one other group of people I'd like to acknowledge who are here who represent a lot of what I talked about last night, who are young people trying to serve our country at the grassroots level by helping people solve their problems. They are the members of the Pennsylvania Service Corps, part of AmeriCorps. They're working to help people build housing, to reduce neighborhood violence, to clean up the local environment, to help people with AIDS. Busloads of them are here, and you just heard from them. [Laughter] I thank them for their enthusiasm, their devotion to their country, and for symbolizing what I think all of us have to do more of: learn and gain by serving and giving.

You know, this is a beautiful rural area. I understand I am the first President since 1948 to come to this county, and the first person ever to visit this community as President. And I am delighted to be here.

Pennsylvania as a whole, and this area have been through dramatic and sweeping economic changes in the last several years. The economic opportunity that made Pennsylvania one of the great manufacturing States of America and one of the great economic powers of the entire post-cold-war world have changed; those forces have changed dramatically. And as those of you who are younger

enter your adult years and look forward to the future, you know that we have moved from an industrial age to an information age; you will hear it everywhere.

What you may not hear is that it does not mean that manufacturing will be less important. Quite the contrary, if we do it right, it means that America will continue to be the leading manufacturing country in the world. But more and more and more, manufacturing will require more knowledge, higher skills, a better education, fewer people producing more things, which means that education will be important, and it will also be important for us to continually be able to start more and more new businesses.

Big enterprises are like the Federal Government: we're downsizing. We're making the Federal bureaucracy smaller so we can give the money back to you to educate people, to provide tax relief, to bring the deficit down, to fight crime. That's what we're doing. That is very, very important. It matters to your future that Federal debt is now \$10,000 a family less than it would have been if our deficit reduction plan had not passed. It matters that the economic programs have helped to contribute to this enormous rise in productivity in America. And we have over 6 million new jobs in our country now in the last 2 years, with low inflation and with every prospect of continuing our growth.

But what's going to enable us to solve our problems over the long run is the ability and strength of the American people to solve their problems at the local level, to make the most of their own lives, and to work together in communities. I said last night in my speech, and I will say again today, that I believe what our country needs is a New Covenant based on an old idea, the idea that, with opportunity must come responsibility. They have to go hand in hand. If you don't have both, you can't solve the problems of America.

If you tell people to be responsible all the time and they never get any benefit out of it, pretty soon they get tired and quit. But if people just always say, I want my rights, and we don't think about what responsible conduct is for ourselves and our friends and neighbors, then pretty soon our society comes apart. We have to have both. And we

have to base our efforts in community after community after community where people can sit down, the way these people did with me today, and talk to each other and work with each other to develop the God-given potential of all of our people.

In the world we are moving into, the success of the United States as a whole will be more dependent than ever before on the success of every community to educate and develop the capacities of every person who lives in the community, everywhere and everywhere. We don't have a person or a community we can walk away from and turn our backs on.

That's why, even though we've been cutting Government spending—and last year for the first time in 25 years, we cut both defense and domestic spending, except for Medicare and the health programs of the Government and Social Security, of course—we cut domestic and defense spending for the first time in 25 years to deal with the deficit.

But we did not cut education. We expanded Head Start. We expanded our efforts to help our public schools achieve educational excellence. We set up a program to try to support networks like the ones I saw today, for businesses to work with schools to help young people who don't go to 4-year colleges at least get some education and training after high school, so they can get better jobs and have higher incomes. We reformed the college loan program so that student loans now are less costly to middle class students, have better repayment terms, and they actually cost the Government less in terms of tax dollars. It is a good program.

And with all of that, let me remind you of what the fundamental facts are in this economy and why these efforts are so important. Even though we had 6 million new jobs in the economy in the last 2 years, even though we had more high-wage jobs coming back into our economy in 1994 than in the last 5 years combined, most Americans are working a longer work week than they were working 15 years ago for about the same income once you make adjustments for inflation.

Most of our people have found that this new exciting global economy, which moves with lightning speed and opens up vast op-

portunities for people who can take advantage of it, has left them working harder for less, with less security. All these changes are great if you can always get a new job, but if you're the one losing the job, the change doesn't look very good.

So what our job is, is to make more success stories, like the programs I see here. It is to empower more schools to do what this one did, to drop their categories and open their walls and reach out to all kinds of people, and make education a community enterprise and a lifetime enterprise. That is what we must do.

And that is why I say to the American people and to the Congress, we have gotten the deficit down, and we have gotten the economy going, and there are more cuts we can make in Government spending, and we can afford to provide some more tax relief to hard-working Americans, but we should do it with a focus on education so that we can raise people's incomes who have worked harder for less in the short run with the tax relief, but in the long run with better education, which is the only way to raise people's incomes over the long run.

You think about the things that this country's done in our past that really did something for the economy. I think you can make a compelling case that, at the end of World War II, the passage of the GI bill did more to explode the American economy than any other single action, because it made it possible for our returning servicemen to go back to school and to get an education. And that money has repaid itself many times over.

So I have said that that's the kind of thing we ought to focus on now. The middle class bill of rights that I proposed last night to the American people and to Congress—and as I said, it might better be called a middle class bill of rights and responsibilities because you, by definition, have to be responsible to take the benefits of it—focuses heavily on education in three ways, and I want to emphasize them.

First of all, I think you ought to be able to deduct the cost of education after high school from your taxes. You think about it: If you own a home, you can deduct interest from your taxes. And in the early years of a home mortgage, it's almost all interest. Why

do we do that? Because we want people to be able to own their homes. If you run a business and you invest in new equipment, you can deduct the cost from your taxes. Why do we do that? Because we want our businesses to modernize. You know, the stories I heard over here before I came out were, the cost of equipment is going up dramatically, but now we can produce more with fewer people. We've got to support that.

But if our people today can't get an education—not everybody needs a 4-year college degree—but if they can't get an education, if the systems aren't there for that education, they may not get to the homeownership. They may not have the American dream that we want. So I say, if education is the most important thing for personal success in the 21st century, we ought to permit people to deduct the cost of it from their taxes: Raise your income in the short run; raise your income in the long run.

Audience Member. That's right, Bill! [*Applause*]

The President. That's right. You know, we flew that person up here from Washington, and I was beginning to think they weren't going to say anything. [*Laughter*]

The second thing I want to say is, we want to broaden the number of Americans who can invest tax-free in an IRA, an individual retirement account, but we want to let people withdraw from the IRA, tax-free, to pay for education expenses, so that you can take better care of yourself.

The last education component is, we want to take about 70 different programs the Federal Government runs in training, which require enormous administrative costs, collapse them and give the money to the American people who are eligible for them. So if a person loses a job and is on unemployment, or if a person is in a lower wage job so they're eligible for Federal training help, instead of having to figure out which of 70 programs you qualify for, you just get a voucher of \$2,600 a year—up to that—for 2 years, and you take it to this school, or take it to a local community college or take it wherever you choose if you're eligible to get it. It's a kind of a GI bill for American workers. It will make a huge difference. And it's the kind of thing Government ought to be doing: less

bureaucracy, more direct help to people to get the education and training they need to grow and to learn.

I want all of you to help me do this for you. We are trying to change the focus of the National Government to the grassroots of America. There are a lot of other things that I will be talking about over the next few weeks that are part of this New Covenant, welfare reform, what we're going to do in crime to lower the crime rate and implement the crime bill, what we're going to do to try to grow the economy, and other ways. But nothing, nothing can make a bigger difference than trying to get more education and more people in more ways. So I hope that you will do two things: first, I hope you will say, with your voices, without regard to your party, "Cut the deficit. Cut spending. Reduce the size of the Federal bureaucracy. Keep on doing what you're doing, but do not cut education. Increase investment and education so we can grow this economy and grow America." And I hope you will support the middle class bill of rights, and I hope you will support the AmeriCorps program in Pennsylvania, and I hope you will support—[*applause*—I hope you will support the programs at this school to develop entrepreneurs because they're all grassroots community-building programs that develop the ability of people to fulfill their own dreams and bring us together across the lines that divide us.

You know, I don't have an—literally, I don't have a clue about which of the people I was sitting and talking with this morning were Democrats, which were Republicans, who was an Independent. I don't have any idea who they voted for in the last election. I probably should have checked. [*Laughter*] I mean, I don't. Why? Why? Because they are organized around developing the potential of the people here. They have built a community of interest where everybody wins by helping everybody else. Now, that's what makes America go. That's what makes America grow. I see it when I visited these community services programs. I see it, as I said last night in my speech, when I go out after a disaster. I mean, it's a terrible thing to say, but if you go to one of these places where they're putting sand bags on a levee against a flood or where they're trying to help people

deal with the aftermath of the fires, as I saw in California, the earthquakes, people have their shoulders back and their heads held high and their eyes are clear and their voices are strong. Why? Because they know they matter.

And when Americans get in trouble, you know, we would take the shirt off our back for people. And we fight, and we work in these things, because we know we matter, because we're doing something that makes us feel better and stronger and we're helping other people as well. We have to return that spirit to our country every day, in every way, in all of our activities. That is what this is all about, and we can do that.

So what I want to say to you is, we've got a lot of economic challenges, and we've got some profound social problems. But we can deal with them, we can solve them, we can move on them. I see it—I have seen all over this country. I am telling you, there is not a problem this country has that is not being addressed in a way that all of you will be proud of by somebody, somewhere. What we have to do is to figure out a way to galvanize and organize and energize all of that work so that it spreads across our whole country.

The New Covenant is a way of thinking about that. Responsibility in return for opportunity, building this country at the community level, that's what I'm committed to doing. My role in that will be in this coming Congress to try to pass the middle class bill of rights, to try to emphasize education, to try to keep downsizing the Federal Government and controlling the deficit and cutting unnecessary spending, but building up those things which will enable people to make the most of their own lives. That is my job.

Your job is to support institutions like this to get all the education you can to break down the walls between business and government and education at the grassroots level and to try to help me pass this. Would you do that? I need you. I hope you will, and I want your support for it. [*Applause*]

Folks, the best days of this country are still before us. This is the most exciting era we have ever known. You are going to see opportunities in the next 20 years for people to make a living in exciting and interesting ways that we could not have imagined 20 years

ago. But our job is to make sure that, as President Kennedy said, “the rising tide lifts all boats.” We can’t have an America where 20 or even 40 percent of us are the only ones that really do well in this global economy, and it need not be that way.

But if we want our best days to lie ahead, we have got to—we have got to say we are going to get an education for all of our people. It’s going to be a lifetime project. Our educational institutions are going to become the center of our communities. We’re going to tear down the walls that divide us. We’re going to make education available to everybody, and we’re going to use the power of Government not to expand or create a new bureaucracy but to empower people at the grassroots level to chart their own future and to make their own lives in this new and exciting age.

That is our mission. If we do it, our best days are ahead. I want that more than anything for you, for our children, and our grandchildren and our country. And I can tell you, the world still needs that. There are a lot of things out there in the rest of the world that are still a threat to decency and humanity and progress. You saw this terrible terrorist attack in the Middle East the last couple of days. The world needs a strong America, and Americans deserve it. And we’re going to get it with your help.

Thank you, and God bless you all.

NOTE: The President spoke at 12:36 p.m. in the fieldhouse. In his remarks, he referred to David McFarland, president of the university, and Mayor James Schwoyer of Kutztown.

Remarks to University Presidents

January 26, 1995

Well, good morning. I’m delighted to see all of you, and most of you, I’m delighted to see you again. We’re glad to have you at the White House. As all of you know, in the State of the Union, I did my best to restate my vision for our country and the role of education and educational institutions in that vision.

The job of every American at the close of the 20th century is to do what we can to guarantee that, as we move to the next cen-

ture, the American dream will be available to all of our people, and that our country will remain the world’s strongest force for freedom and democracy. That means, to use my formulation, that we have to make some profound changes in our country which will require a New Covenant of commitment to opportunity and to responsibility, a commitment to the strength of our communities and the work of citizenship. We have to empower our people to make the most of their own abilities. We have to expand opportunity without expanding bureaucracy in the information age, and we have to enhance our security at home as well as abroad.

The work of education does all that, and helps us to strengthen our communities at the grassroots level. And as I said the other night, the middle class bill of rights I’ve proposed should be called the bill of rights and responsibilities, because as all of you know well, you can’t give somebody an education, you can only give them the opportunity for an education. It’s something that people have to seize for themselves.

In the last 2 years, we’ve made remarkable progress on the education front, from expanding Head Start to passing the Goals 2000 program. It’s promoting reforms within our public schools, like charter schools and the character education movement that the Secretary of Education has done so much to promote, to promoting the partnerships from school to work for the young people who don’t go to universities, to dramatically changing the student loan program in ways that have lowered the cost of the loans, improved the repayment options for students, cut down on the paperwork for institutions of higher education, and miraculously lowered the cost of Federal Government as well.

I’m very pleased with all this, but as all of you know, we still have a lot to do. I want to talk a little bit today about the middle class bill of rights and a couple of other issues that are very, very important. To emphasize the importance of the bill to me, I’d just ask us all to remember that, as exciting as this new world is for all of us, most Americans are still working a longer work week for the same or lower wages than they were making 15 years ago. There is an education premium in this new economy that is greater than has

ever been the case in the entire history of the Republic, ever. And your work, your mission and your opportunities, therefore, are greater than ever before.

It's also true, as I have seen recently with Dr. Wilson at Cal State Northridge or yesterday at Kutztown University in Pennsylvania or at the Carl Sandburg Community College in Illinois, that the institutions of higher education themselves are probably the most significant institutions in America today for rebuilding a sense of community and effective citizenship at the grassroots level, because I see it over and over again: People from all ages, all income groups, all walks of life, all political backgrounds, all races, meet together, tear down the walls between them and work to solve problems.

I had a fascinating, fascinating session yesterday at Kutztown talking with the business leaders and immigrants and students about what they were doing to prepare their area to succeed in this new time.

The middle class bill of rights does something we should have done a long time ago: It gives a deduction for the cost of education after high school; it provides for tax-free withdrawals from an IRA and gives a broader number of people access to an IRA for the cost of education; it collapses about 70 of our education and training programs into one block and lets people, not local governments but people draw down a voucher worth \$2,600 a year for up to 2 years for education and training programs of their choice.

These programs, a lot of these training programs were organized and established at a time when there weren't as many grassroots community options as there are now. And so all these three things, it seems to me, have a major contribution to make to increasing the number of our people who are in educational programs, increasing the strength of our communities and the strength of our economy. And we need the help of every university and college administrator and executive, professor and student in this country to pass this program.

There is a great push for a middle class tax cut in this Congress, and it is appropriate because of the stagnant incomes of most middle class Americans, and because we have succeeded in getting control of the deficit

and in getting the economy going again. The middle class bill of rights is paid for fully by spending cuts. In fact, we will offer in our budget more than twice as many spending cuts as the tax relief costs, so that we'll have further deficit reduction and pay for the middle class bill of rights. I would urge you to support that concept, too. We have our responsibilities here, and we ought to pay for whatever we do.

I'd like to make two further points. One is, I know that all of you are working on this and worried about it, and I know the demographic changes in our country have put great pressures on you. But in the 1980's, the cost of a college education was the only thing that went up more rapidly than the cost of health care in the market basket of families' essentials. So one of your responsibilities in this is going to be to try to hold down the costs. Cynics are saying that if we provide tax relief for the cost of a college education, that a lot of college executives will simply raise the cost of education to deal with problems at home. We cannot let that happen. We've got to send a signal to America that if you do this, we will use this opportunity to put more people in our institutions and give more people opportunity.

The last point I want to make before introducing the Vice President is—and he will talk about this at greater length—is that we do not want to lose the ground we have gained. We do not want to see overall cuts in education programs. Our budget will reduce the deficit, dramatically cut the budget, and not cut education programs.

We do not need to see a cap in the direct loan program. The direct loan program is saving the Government money, saving the student money, and saving the institutions time and money. We do not want it—if you don't want to join it, that's your business, but you ought to have the opportunity to do it. The Government should not tell you, you cannot become part of this.

The Secretary of Education has done a superb job in administering this program and we don't want to back off of it. There are other programs, as you know, which are profoundly important to you, the work study program, the Pell grants and others. We are committed to keeping them intact. So I ask

you for your support for the middle class bill of rights. I ask you to make it clear to the Congress that you will not take advantage of this by using it basically to increase costs for the same services; this is going to be used to expand educational opportunity, and I ask you to fight to keep the reforms that we've put in place and the programs that you've relied on over the years. We can do these things, and if we do, we will truly be moving forward in a dramatic way for all of our people.

[At this point, the Vice President and Secretary of Education Richard Riley made remarks.]

The President. Thank you very much, Secretary Riley. Before I turn the microphone over to President Kelly of Tulane, I wanted to just emphasize two other points, if I might.

First, one of the things our administration has tried to do is to make sure that we all work together to do what was necessary here in Washington make sense of our common efforts. And Tom Glynn is here from the Labor Department, and I want to say a special word of appreciation to the cooperation of the partnership that the Education and the Labor Departments have had on all these issues; Secretary Shalala, from the Department of Health and Human Services, who used to be in your line of work, and some days wishes she still were—[laughter]—Joe Duffey, who used to be in your line of work and who probably almost never wishes he still were—[laughter]—because he had such a good job at the USIA; Sheldon Hackney, who used to be in your line of work and I think it just depends on what day it is—[laughter]—done a great job at the National Endowment for the Humanities; and of course, our wonderful adviser and leader on science and technology, Jack Gibbons, is here; Carol Rasco, the Domestic Policy Council Chief in the White House, and others. We're all honored to be here with you.

There is one other point I wanted to make that none of us mentioned. And that is, I want to begin by thanking you for responding so well to the call I issued in a letter to all of you last September on national service, and I asked you to support the AmeriCorps

program and the whole concept of service for students and do what you could to enhance that. I got hundreds of letters back, literally hundreds of letters back. It was a very rewarding exchange, and there are even three colleges: Hampshire in Massachusetts, Loyola of Chicago, and Earlham in Indiana that have agreed to match the \$4,725 educational grant that every AmeriCorps student earns in a year with a grant from the college to double the impact of it. And so, doubtless, they'll be getting more AmeriCorps students in some places. But that's a very good thing to do.

There are those who believe that we ought to eliminate the AmeriCorps program. I think that would be a terrible mistake because it—it again, it does all the things that I think we should be doing. It promotes education, it promotes citizenship, it strengthens community bonds, and it is totally non-bureaucratic. It involves people helping others, one on one, in established grassroots organizations.

So we understand that the new Congress—many of the Members came in with a commitment to slash spending, and we've been slashing spending. We'd like to have some help. And we understand that they came in with a commitment to reduce the size of the Federal bureaucracy. We've been doing that. There are 100,000 fewer people here today than there were on the day I became President. We'd like to have some help doing that.

We just don't believe that raising the cost of going to college, reducing access, undermining national service, is the way to do it. And we want to work with them in good faith, but we think we have to have your help in supporting the right kind of tax cuts that raise incomes in the short run and in the long run, through education, and the right kind of budget cutting. Those are the two requests we ask of you. Help us get the right kind of tax cuts, the right kind of budget cuttings; let's do it in a way that will increase the incomes and the opportunities of the American people so that we really do expand access to the American dream.

Thank you.

NOTE: The President spoke at 9:16 a.m. in the Indian Treaty Room at the Old Executive Office Building. In his remarks, he referred to Blenda Wilson, president, California State University, Northridge, and Eamon Kelly, president, Tulane University.

Remarks to the World Economic Forum

January 26, 1995

Good evening, and thank you, Professor Schwab, for that introduction. I'm pleased to join all of you, especially Secretary-General Boutros-Ghali, Councillor Cotti of Switzerland, and Prime Minister Carlsson of Sweden. And I'm delighted to have this opportunity to speak to the World Economic Forum.

Let me begin by saying I've very much enjoyed listening to the questions you asked the Secretary-General and to his answers. I was profoundly moved by the wisdom of his answer about the media. I wrote it down, and now I will use it in the next press conference. I noted you also talked about the academic wisdom and the media power represented in your group. I hope also there is academic power and media wisdom in your group.

The thoughts that you shared and the projects that grow out of your meetings clearly are going to play a vital role in determining the issues that dominate all of our international agenda. Your opinions will play a key part in shaping the debate on some of the most important issues of our time.

Two years ago, I took office with the strong conviction that the American people, as all the people of the world, were facing a new and rapidly changing global economy. I believed then, and I believe more strongly now, that the incomes and living standards of Americans are tied directly to what happens outside our borders. It is now impossible to separate international and domestic economic concerns. As soon as our administration began its work, we devised a detailed strategy to set a new direction. And during the last 2 years, we have devoted ourselves to preparing our country and our people for this global economy and to creating an international system of free and expanding trade

that benefits not just the American people but all the world's people.

We've made good strides. The essential first step for us was to put our own house in order. Let's not forget that, 2 years ago, it was a very open question whether the United States could summon the political will to cut our deficit significantly. But as many of you who specialize in global economics had urged for years, we changed that dynamic. We did the hard work. We cut the deficit dramatically, more than \$600 billion, or about \$10,000 for every family in our country.

This year, the deficit will shrink for the third year in a row, for the first time since Harry Truman was the President of the United States. Cutting the deficit has helped us to create almost 6 million new jobs in the last 2 years, to keep the inflation to 2.7 percent and to boost our exports by 11 percent. The combined measure of unemployment and inflation is at its lowest point since 1968. In fact, a survey of your own members last year concluded that the United States is now the most competitive economy on Earth, and we appreciate that, and we're going to do our best to keep it that way.

To ensure that, we know we must continue to invest in our own people, to empower individuals to take advantage of the opportunities of the global economy and to make the most of their own lives. Today, when exports account for so many of our high-skill, high-wage jobs and when what we earn depends so directly on what we know and what we are capable of learning, education is more important than ever before.

That's why I proposed as part of my middle class bill of rights, that we make education and training more accessible than ever before in the United States, through a range of tax cuts for students of all ages and through a system of cash vouchers for people who have been laid off and must be retrained. Another part of our strategy has been to lay the foundation for a new era of global growth and open markets in the century to come.

Already, after 7 years, we've made some real progress by adopting the GATT treaty. Those negotiations were begun here in the United States under Presidents Reagan and

Bush. They were completed, they were approved by Congress, and I was proud to sign them into law last year. That's the most ambitious trade agreement ever.

We also brought the NAFTA treaty into force with support from both Democrats and Republicans, and since then, trade with our NAFTA partners have accounted for 100,000 new American jobs. On the basis of the agreement forged at the Summit of the Americas last month, we've begun to create a free trade zone for our own hemisphere. And finally, we've extended our efforts to the booming economies of the Asia-Pacific region. At the APEC summit in Jakarta, we forged an agreement to create a vastly more open trade area there by 2020. All told, these 2 years in the United States have been one of the most intense and productive periods of economic innovation, both domestically and internationally, in recent times.

But while the promise of these new arrangements is clearly enormous, their benefits will not simply fall into our lap. Indeed, with the completion of this array of trade agreements, we're entering a new and difficult phase of the global economy. Now, we face the challenge of turning visions into concrete realities, a time for painstaking efforts, for dismantling the old barriers and creating the new arrangements, brick by brick, for implementing these new trade pacts and completing the architecture of the international economy.

It's also a time for careful reform. We must reexamine the international institutions that have played such an important role in the post-war era and consider how they are adapting to the new realities. These institutions have served us well for nearly half a century. In many respects, they still do. They have evolved with the changing world economy, discarding old missions and assuming new ones.

But as all of you know, change in the world economy has taken on astonishing dimensions. Globalization has met the growth in interdependence on a scale that would have been inconceivable a decade ago, that richly rewards good decisions and good policies. But we've also seen that 24-hour markets can respond with blinding speed and sometimes ruthlessness that the statesmen of the

Bretton Woods era never would have imagined.

And for that reason, at last year's summit in Naples, my G-7 colleagues and I saw the need to review our international economic institutions, identifying new needs and evaluating how best to adapt the institutions to meet the tremendous challenges of the 21st century. This review will be a central part of our discussions at the Halifax summit in June.

In just the last few weeks, the crisis in Mexico has reminded us that the road ahead will have its difficult stretches. Mexico today has an economy with strong fundamentals and a capacity to grow and to meet its obligations. But partly because Mexico relied on too many short-term foreign loans, a fallen market confidence turned into a dangerously self-fulfilling prophecy.

I am confident that the guarantee program we are putting together to put Mexico back on track will win approval in our Congress and will make a difference in the world economy. The combined leadership of the U.S. Congress, the Chairman of the Federal Reserve Board, and the Secretaries of Treasury and State are constructing a creative and unprecedented package. Some have said it's just foreign aid and a bailout. Well, they're not right. It's the kind of response to address a problem before it spreads that the new world economy demands.

Failure to act could have grave consequences for Mexico, for Latin America, for the entire developing world. More important, our approach will safeguard hundreds of thousands of Americans whose livelihoods are now tied to Mexico's well-being. So it's the right thing to do for the rest of the world, but it's also the right thing to do for America.

The crisis in Mexico has helped to show us again just how much smaller our world has become and how our stake in what happens in other countries has dramatically increased. This is not just true for economic affairs but also for a whole range of other problems, like attacking the capital movements by drug cartels and organized crime, dealing seriously with the interconnection of global terrorisms or environmental policies that have regional impact or social policies that bear on the global population issue.

The challenge before us is to adapt our international institutions, to deepen the cooperation between nations so that we can confront a new generation of problems that know no national borders. Indeed, the job of constructing a new international economic architecture through our trade agreements and the revitalization of our institutions is, for our generation, as pressing and important as building the postwar system was to the generation of the Marshall plan and Bretton Woods, the heroic generation of Dean Acheson and Jean Monnet. Then they had the immense job of proving that democracy and capitalism could provide for fulfilling and meaningful lives in the aftermath of war and in the face of the rival system of communism.

Today our job, again, is to persuade people that democracy and free markets can give all people the opportunity to live out their dreams, but we must do so without the prod of a rival political system to contend with or the fresh memory of war to spur us on.

Today, as never before, we can see the extraordinary possibilities that lie before us in the 21st century. It promises to be an era in which free people, working across open borders, will have a chance to create growing prosperity, economic security, to fulfill their God-given potential and their dreams as never before in human history.

But it won't happen without hard work, real dedication, and clear vision. I am glad to be speaking to this group at Davos because you are exactly the kind of people who must help make certain that the international system we build works fairly and safely. We must rise to the example of our predecessors. We must forge a system that will benefit the people of all walks of life and all parts of the globe, not just those for whom the global economy now holds the very richest opportunities.

We must do it because it's the right thing to do, because it's the fair thing to do, and because, ultimately, it is clearly in all of our best interests.

Thank you very much.

NOTE: The President spoke by satellite at 12:47 p.m. from Room 459 of the Old Executive Office Building to the meeting in Davos, Switzerland. In his remarks, he referred to Klaus Schwab, World Economic Forum founder; United Nations

Secretary-General Boutros Boutros-Ghali; Falvio Cotti, Chief, Department of Foreign Affairs, Switzerland; and Prime Minister Ingvar Carlsson of Sweden.

Interview with Tom Brokaw of NBC Nightly News

January 26, 1995

State of the Union Address

Mr. Brokaw. Mr. President, your Chief of Staff, Leon Panetta, said that your State of the Union speech the other night was the most important one of your Presidency. When you got back to the living quarters and you were alone with Hillary, how did the two of you critique it?

The President. Well, I thought it was effective in the sense that I got a chance to get back to the basic values and the basic ideas that got me into the race for President in the first place, really that drove my whole public service career before I became President. It was a little longer than I wanted it to be, partly because I was frankly not anticipating that the Congress and especially the Republicans would respond as positively as they did to some of the things that I said. And I appreciated it, but it lengthened the speech some.

That was a good problem to have. That was what my friend Mack McLarty calls a high-class problem.

Mr. Brokaw. Well, I always get the impression, though, that once you get up there and get into a roll, so to speak, it's pretty hard for you to sit down; you love art of political oratory so much.

The President. Well, I like—the State of the Union I like because it really gives the President an opportunity that's not there at any other time of the year to talk both to the Congress and to the American people in a way that goes way beyond ordinary politics and partisanship and at least gives the opportunity to go to the heart of the problems and the challenges and the opportunities of the country.

President's Popularity

Mr. Brokaw. Mr. President, we did a poll that began really shortly after the State of the Union speech. Good news and bad news

for you in it. Your job performance rating is 51 percent positive, 40 percent negative. Those people who agreed with the goals of the State of the Union Speech, 58 percent; only 9 percent disagreed. But then this question: Bill Clinton, do you think that he's a man of strong convictions, or is he easily swayed? Those who felt that you had strong convictions, 31 percent; easily swayed, 61 percent. That's a continuing problem for you.

The President. It is, but it's obviously a problem of perception rather than reality. If you look at all the strong opponents I've got, I wouldn't have them if I didn't have strong convictions. No other President, while sitting in office, has ever taken on the NRA. I did, at great cost. We reversed 12 years of trickle-down economics and reversed this deficit in a brutal fight where we prevailed by only one vote in each House, largely because the Members knew they would be angering the wealthiest and most powerful people in our society by raising the income taxes in the top 1.2 percent.

I took on the strongest constituencies in my own party, including my friends in the labor movement, to pass the Brady bill. I took on the banking interests of the country to reduce the costs of the student loan program and lower the cost of it. So I clearly am a person of strong convictions who has taken on brutal, tough fights. I went forward with the Haiti mission when nobody was for it.

So it's clear that, (a) I'll take on unpopular things; (b) I'll make enemies; and (c) I'll fight until I win.

But we live in an environment in which I think maybe because of the way it's covered and maybe because of my style, because naturally I don't talk in ways that try to threaten people; I like to try to bring people together. Maybe I've contributed to my own problem.

But the historic record is that we have taken on tough fights others ignored and walked away from; we got results because we fought through to the end. And that, it seems to me, if you just take the four examples I gave you, will be the enduring truth. And my job now is to show the American people as this new Congress meets that I will work with them in a reasonable way. I don't think they want to be hard-headed and totally un-

compromising, but there are some things that I will draw the line on and fight for.

New Covenant

Mr. Brokaw. But with all due respect, Mr. President, you used that phrase the other night—the New Covenant was a phrase that you used in your acceptance speech, but then once you took office, you didn't put many of those issues front and center and until the Republicans just beat your brains in on November 8th, like the middle class bill of rights, for example, talking more about leaner Government, a higher minimum wage, school prayer you even made some references to.

The President. Now wait a minute, let's go back. That's simply not true. What did I do when I first got here? What was in the first economic plan? I said to the American people, "We've got to bring the deficit down and get the economy going first. So I cannot afford to give all the middle class a tax cut. We're going to start with a working families tax cut that this year will lower taxes \$1,000 a family, for every family with an income of under \$26,000."

Now we did something miraculous. In the whole history of American politics, nobody has ever given a tax cut to 15 million American families and kept it a secret. But somehow I succeeded in doing that. We made 90 percent of our small businesses eligible for a tax cut. We gave a tax cut to people who start new businesses. We made a good first step, and I said, "In '93, let me get the deficit down. Let's get the economy going. Let's give these people a tax cut. Then we'll come back and do the rest."

In terms of reducing the Government and the bureaucracy, they didn't start that, my goodness, we did. When the Republican administrations were here, we've now got 100,000 fewer people working for the Federal Government than we did on the day I became President. If the Republican Congress passes no other bill, we will have 250,000 fewer people working here at the end of my 4-year term. We'll have the smallest Government since Kennedy was President. Now that's stuff we did. We did that. I may be a poor communicator of it, but that was at the centerpiece.

I sent welfare reform legislation to the Congress last year, and when they didn't pass it, we just kept on giving States permission to get around the Federal rules to move people from welfare to work and to support responsible parenting, 24 States, more than were given waivers from the Federal rules in the previous 12 years combined.

So I believe what I said in the State of the Union Address is consistent with what I've been trying to do. I think a lot of people, in all candor, thought that the health care program was against that because they were convinced it was a big Government program. I don't think it was a big Government program, but I did bite off more than I could chew. I tied to do too much too quick.

But if you look at what we've done, it's consistent with the New Covenant message all along.

Presidential Initiatives

Mr. Brokaw. Part of the case against Bill Clinton that will be made even by your friends from time to time is that you talk the talk, but don't walk the walk. Take minimum wage. Our polls shows that there is an overwhelming majority for it. But you've made it clear from the White House that you're not going to go up and make the fight to the last breath on Capitol Hill for minimum wage.

The President. That is not at all what I have done. First of all, who reversed 12 years of flagrant deficit spending? We did by one-vote fights in both Houses in the most brutal fight anybody can remember. We did that. We walked the walk and took a lot of grief for it.

And one of the reasons the Democrats lost this last session in this last election is because the Republicans convinced the voters that we raised everybody's taxes when what we did was raise taxes sharply on the top 1.2 percent, and a lot of those folks funded those campaigns.

We took on the NAFTA fight. It was deader than a doornail when I became President, and we brought it back to life. We took on the NRA on the Brady bill and the assault weapons ban. You may agree or disagree—no other sitting President had ever done it.

So this "walk the walk" business is a bogus charge.

On the minimum wage, Senator Kennedy, clearly a big supporter of the minimum wage, suggested to me before the State of the Union Address, he said instead of putting a number in there, why don't you challenge the Congress in a bipartisan fashion to come up with a reasonable number. If you say a specific number on your own, even though everybody knows you want to go to \$5, if you say it, then the Congress, the Republicans may feel that they have to be for something else. Let them take credit for it.

Now, I don't know who told you in this White House that I'm not going to push for it, but I'm going to push very hard for it. But I think—if you look at realistically where we are, we have a majority in both Houses in the hands of the Republicans. We have leaders in the Republican Party—the Republican majority leader says we ought to abolish the minimum wage altogether.

I have to create the conditions in which we can raise the minimum wage if I possibly can. I want the Congress to do it in a bipartisan fashion. I want them to have a full share of credit for it. I will work very hard for it. But I don't want to waste a lot of time making strong posturing and undermining the chance that we can raise it. I want to raise it. I want it to get done.

And I think in the end—Theodore Roosevelt said, who was a very good speaker, that in the end the measure of what we do should be what we do not what we say. So I'm doing my best to actually get it raised.

Entitlement Programs

Mr. Brokaw. It seems to me, Mr. President, that one of your greatest challenges in the next year or so is to reconnect to those middle and working class families that have traditionally voted Democrat that have strayed now from the fold. Their children are going to be saddled with great debt as a result of the entitlements that are building up year after year. Why don't you take on entitlements, including Social Security and Medicare, in terms of getting the cost under control, by not eliminating them and not reducing the benefits, but maybe cutting back on the COLA's, the cost of living increase, taxing

the wealthy more for Medicare, and saying to the country candidly, we have to do something about this?

The President. Well, let's look at the record. First of all, in 1993, in that budget battle that passed by one vote, we did take on Social Security. We asked upper income Social Security recipients to pay a little more on their income to bring them in line with private pensions. And it was a big issue in the last election. The Republicans ran against us on it. They said we were wrong. It was the responsible thing to do.

We lowered the rate of Medicare increases by taking disciplined steps to bring the cost under control. And I said all along that I thought that upper income Medicare recipients, people with incomes of \$100,000 a year or more, might have to pay more for it in order to fund health reform and bring the cost under control over the long run.

But I do not believe that we should mislead the American people. Let's just take Social Security. Social Security has produced a surplus for this budget for years and years, ever since the Social Security reform in the mid-eighties. We take in more every year than we pay out in Social Security. Social Security payments are the same percentage of our income today that they were in 1972.

Now, it is today not a problem for the deficit. Medicare and Medicaid, the medical programs, have been a big problem. We have got to them down. We have got to control the inflation rate there. And we are working on it. And I think that it has to be taken on. I met with Senator Kerrey the other day, and I told him we would have to continue to work on these things. But I think it's very important that we understand what we're doing and what we're not doing. I don't think we have to hurt the vast number of Medicare recipients. I don't think we have to pretend that Social Security is contributing to the deficit when it's not.

Mr. Brokaw. Yes, but it will be if we continue at the projected rate.

The President. That's right. It will be by the year 2019 or something. And we will have to have at some point in the future another effort like we had in 1983 to take a hard look at it and deal with it. And we have to preserve the integrity of the system, and the American

people plainly are willing to see us do some things.

We're now raising the retirement age gradually, as you know, under the law passed years ago from 65 to 67, and we'll look at that.

Mr. Brokaw. But it's—

The President. But the main thing we have to do—let me just say this—the main thing we have to do is to get health care costs more in line with inflation and continue to control other spending. We have brought the deficit down a lot. We can bring it down some more, but we need to do in a way that is really—that is fair and disciplined. That's why I've challenged the Republicans; let's work together on this. Let's try to—you want to help now. We had to do it all alone with one party for 2 years, now we can do it in a two-party way, and I think it will be good.

Mr. Brokaw. But in your speech the other night and most remarks from the Republican side as well, they say, "Well, Medicare will be off the table. Social Security will be off the table." We've learned in the last couple of weeks about what a hot button, for example, veterans' benefits are.

We can't get to where we need to get to without dealing honestly with these entitlements, can we?

The President. Well, first of all, we're dealing dramatically where we need to get—the deficit of this country, as a percentage of our annual income, is much lower than it was when I took office. We've taken \$10,000 in national debt off every family in the country. We're moving in the right direction.

The issue is not, do we have to deal with health care costs in Medicare and Medicaid, the issue is, how do we deal with it. How do we deal with these other problems, and what is the fair way to do it.

What I said was that I didn't think we should have Medicare cuts to pay for tax cuts. I thought that was wrong. I think the American people think that is wrong.

You know, we are working very hard, and we'll have some more proposals to control the rising costs of Medicare. But I think the American people want us to do it in a way that doesn't take benefits away from needy senior citizens who have paid into this pro-

gram and are entitled to be taken care of. And I think we can do it. You know, we're moving in the right direction. The economy is coming up. The deficit is going down. We're moving. The basic components of the deficit now are interest on the debt accumulated between 1981 and 1993 in rising health care costs. And so we have to understand that it's going to take a while to get that down. Most of the burden we're paying now on the deficit is because of those two things. And we can solve them. We have to solve them with discipline.

We can also continue to cut other programs. We're cutting a lot of other Government spending in this budget: \$140 billion in spending cuts.

Balanced Budget

Mr. Brokaw. Your Labor Secretary, Robert Reich, says that a balanced budget is not a high priority for your administration. Is that a fair statement?

The President. Well, it's not a high priority maybe for the Labor Secretary. What is a high priority is continuing to control the deficit and moving it down, driving it, driving it. What he meant, I think, was that no one believes you can do it overnight or in the next year or two, and that if we adopt a balanced budget amendment before the people vote on it, they're entitled to know, does this mean their taxes are going up, does this mean they're going to cut Medicare and Social Security across the board, what is the price of it, will you get the same economic benefit if you take the deficit down to two percent of our annual income, or one percent? What are we trying to do?

The Kerrey commission itself said that the long term goal of the country should be to at least have the annual deficit down at about two percent of our income because we're investing that much every year and we'd be more or less like a State government or a private business running their books and balancing them.

Education and Retraining

Mr. Brokaw. Mr. President, in the course of your administration, it is indisputable that more than 5 million new jobs have now been created; but, unfortunately, once you get just

below the senior management level, purchasing power has stayed flat at best. It has not declined.

The President. Absolutely.

Mr. Brokaw. You've put a big emphasis on job retraining and so on. But given the new technology of the workplace, aren't we going to get to a situation in this country where we are fixed? Those who are extremely well educated will do well, the rest are going to have to scramble for their working lifetime.

The President. I wouldn't characterize it quite that way, but you've put your finger on the biggest problem of the economy. If your goal is what my goal is, which is to open the American dream to all Americans who are willing to work for it, and you recognize that in a knowledge-based economy as opposed to the old industrial economy, education is the key to income, then it becomes more understandable how we could have had 5.6 million new jobs in 2 years, the lowest inflation in 30 years, the lowest combined inflation in unemployment in 20 years, the lowest African unemployment in 20 years, and still, no income increases for most people.

It's because, in the global economy and with all of this technology changing, it tends to depress wages except for those who are educated. That's why I think the middle class bill of rights is the right answer: Encourage people to get a tax cut by investing education in theirs and their children, and take these Government training programs and collapse them and just give a check or a voucher to people to go back to school.

I think—you know, I've been going to these community colleges, these other colleges that are community-based. I think that you're going to see the educational institutions of the country become the focal point for business and labor and small business people getting together to train and educate and raise incomes. That is the only thing we can do, over the long run, to restore the American dream. So my view is, give people the tools they need to take care of themselves by lowering their tax burden now and raising their income in the long run.

It is going to be a challenge—this by the way is going on in every industrial country—but we have the capacity to do it, because

we've got so much grassroots strength in these community educational institutions if we can get people to take advantage of it.

Mr. Brokaw. But isn't this whole problem of job creation in America going to ultimately prove to be a great frustration for welfare reform, because we've talked so much about making welfare recipients go to work and learn to get a job when there are not jobs out there for people right now that pay a living wage who are not even on welfare?

The President. Well, but there are two issues here, and let's separate them, because for the first time in our country's history in this new age, they are separate. There's creating jobs and raising incomes. We're creating jobs and more high-paying jobs, but the income levels generally are not rising.

What we have to do is to raise the basic income level, which is what the working family tax cut and the minimum wage increase is all about, get people from welfare to work, but we also have to raise incomes knowing that creating jobs won't necessarily raise everybody else's income. They're two separate things. That's why we need both welfare reform and the minimum wage increase and the middle class bill of rights to pass. They're two different things. We can do them. Is it going to be easy? Of course not. If it were easy, it would already be done. But if we work together, we can make a difference. We can change the course of our future if we work at it.

President's Safety

Mr. Brokaw. Let me ask you about a couple of other issues. Another man has been arrested today for making a threat on your life. There have been all kinds of incidents here at the White House, a plane crashing into it, a man firing off rounds from Pennsylvania Avenue. Has this made you more uneasy as, essentially, the target who lives here?

The President. No.

Mr. Brokaw. Really?

The President. No. I think—I have two reactions to all of it. First of all, some of it may be coincidental. These things happen from time to time and may run in waves. Secondly, throughout our history, any leader who raised strong hopes and wanted to make big changes has tended to spark an adverse

reaction too, just almost like a law of physics. If you're moving strongly in one direction, you will have an equal and opposite force in the other direction.

And I do think as I said the other night in the State of the Union Speech, there is a certain level of frustration and anger in the country that is being channeled in ways that often makes us see each other as enemies rather than just opponents in a certain sense. And I think that's bad. I think that—what I have to do and what I tried to do in the State of the Union Speech, is to say, "We're all Americans. We've got to look at each other in ways that enable us to build people up. And I hope we can change the atmosphere and make it more positive."

But for me, personally, I don't ever think about it. You can't afford to think about it. You realize that—I mean, every day I just have a certain number of hours in the day. I have this job for a certain amount of time. I've got to focus on what I can do for the American people. And the Secret Service is very good. They do a terrific job. They're better at it today than they were last year. They get better all the time. And you can't have perfect protection. You can't be perfect. So I don't think much about it.

Hillary Clinton

Mr. Brokaw. Will Hillary have as active a role and as public a role in the second half of the first term as she has had in the first half?

The President. I think she will plainly have an active role and a public role. In many ways today as we speak she's out at the University of California at San Diego dedicating the Eleanor Roosevelt College there and visiting again a hospital to emphasize her concern about having more women take advantage of mammographies under Medicare, something that is a big concern to both of us, not only because of what happened to my mother but because so many women suffer from breast cancer. And she can't not do that.

You know, when I met Hillary, she was already involved in the problems of families and children. When we were in law school she took an extra year to work on children and family problems. And when we went

home to Arkansas we always worked together on these family problems and these health care problems. It's the work of her life, and she'll keep on doing it, and I would encourage her to do it.

Speaker of the House

Mr. Brokaw. Mr. President, what do you think of Newt Gingrich?

The President. I think he's a very interesting fellow. I think he's got a lot of good ideas. I think he's open to looking at things in new and different ways.

Mr. Brokaw. Do you think he plays fair?

The President. Well, you know, let me say I think for right now what I want to say is, we need to focus on playing fair with the American people in the future. And we differ on some things, and I'm sure we'll have our fights and arguments, but my commitment to him is a commitment to the American people. The American people gave the Republicans the majority in the House and Senate. The people who were there elected their leaders. He has made some clear statements that he wants to change the country in ways that are positive and in ways that I think we can work together on. So I'm going to get out there and try to work with him.

Where I disagree with him, I will disagree. I am strongly committed to national service. I don't want to see us do away with it. I hope I can change his mind on that, and if not, I hope I can prevail. There are other areas where we disagree, but if we're going to work together to reduce the bureaucracy and expand opportunity in this country, then we ought to do it, and we ought to look to the future, not to the past.

Baseball Strike

Mr. Brokaw. Mr. President, is there anything that you can do about the baseball strike?

The President. I'm certainly trying. You know, I have named Mr. Usery the mediator, and I talked to him this morning. I asked him to get the parties back together in the strike and to give me a report by February the 6th, and if he couldn't get them to agree, he should actually make a proposal and tell them what he thinks they should do based on having heard all sides.

Mr. Brokaw. Would you throw out the first ball on a game that was being played by so-called "replacement players"?

The President. Well, I believe the players and the owners ought to come back together and give us a baseball season. I think they ought to give us spring training. You know, they have this feeling that baseball is always a game, not just a business. There are communities in spring training areas all over the South that are dependent on them for income and opportunity. But there are people—there's still a significant percentage of the American people, probably you and I among them—who really believe baseball is something special. And you know, there's a few hundred owners and a few hundred more players, and baseball generates \$2 billion worth of revenues every year; about a thousand people ought to be able to figure out how to divide that up and give baseball back to the American people, and I hope they'll do that.

Mexican Loan Guarantees

Mr. Brokaw. You've also been working very hard this week on Mexico, pressing for a \$40 billion fund to help prop up the peso. Even the most casually informed American taxpayer is going to say, "Wait a minute. Why do we want to risk \$40 billion of my money for Mexico, when you look at the experience of the last 15 years in South America when some very sophisticated banks and other investors simply got burned by putting dollars down there?"

The President. Well, they did, but we're not going to risk it. That's the difference. And I want to point out, one, we should help Mexico because it's in our interest. They're our third biggest trading partner. We've got \$40 billion at risk and three quarters of a million jobs in America. Secondly, we have other interests at risk. We have the prospect of a new flood of illegal immigration if there's an economic collapse in Mexico. Thirdly, if Mexico has an economic collapse, we know, from what we've seen already that it will bleed off into Argentina and all these other countries that are supporting our move to support more democracy and more free market economics in Latin America. So we have interests there.

Now, this is not foreign aid. It's not a loan. It's not a gift. We are cosigning a note. That's what the loan guarantee is. And we will only do it if we have good collateral. Mexico has never failed on any of its financial obligations to us in the past, and this will be something where we will cosign a note with good collateral. I think it's in our interest. I know it's not popular, but it's in our interest clearly and we should do it.

Russia

Mr. Brokaw. Do you think that Boris Yeltsin is in charge of Russia every day?

The President. I think he is in charge of Russia.

Mr. Brokaw. Every day?

The President Well, if he's in charge, he's in charge every day. I think he's running the government. He's the elected President. He's been much more vigorous in the last few days in his assertion of policy with regard to Chechnya. The United States supports the territorial integrity of Russia and all of its neighbors, but we want to see an end to the violence there and a political reconciliation. I do believe he's in charge, and he's the elected President, and we've worked with him and our country is better off. There are no Russian missiles pointed at America now for the first time since the dawn of the nuclear age. We're destroying 9,000 nuclear weapons and ways of delivering them. We're moving in the right direction there.

Super Bowl XXIX and the 1996 Election

Mr. Brokaw. Mr. President, I want to conclude with two scorecard questions. Who do you like in the Super Bowl, and who do you most want to run against in 1996?

The President. I want the Republicans to decide who I'm going to run against, and I'll abide their judgment and gladly receive them. And I'm for the team from California.

Mr. Brokaw. Now, Mr. President, there's northern California and a southern California. [Laughter] One has a lot more votes than the other.

The President. They do.

Mr. Brokaw. You're not going to get off by just saying California.

The President. Both those communities voted for me. And I'm going to be for them. [Laughter]

NOTE: The interview began at 11:42 a.m. in the Roosevelt Room at the White House and was embargoed for release until 4 p.m. A tape was not available for verification of the content of this interview.

Statement on the Baseball Strike

January 26, 1995

America has been living without baseball for far too long. Now, as the strike drags on, it threatens the start of the 1995 season. It could well damage the economies of the spring training States. It is imperiling the livelihoods of tens of thousands of workers whose jobs depend on baseball. And it is trying the patience and depressing the spirits of millions of baseball fans—including me. It is time for this strike to end.

It has always been my belief—and it continues to be—that the baseball strike, like any labor dispute, should be settled through good-faith bargaining between the parties. It was with this principle in mind that I endorsed the Secretary of Labor's proposal to appoint the best mediator around—former Labor Secretary Bill Utery—to help the parties sort out their differences.

Over the last 2 days, I have spoken with Secretary Reich and with former Secretary Utery about the status of the strike negotiations. We discussed all of the alternatives. I remain convinced that the best way to get baseball back for America is for the parties to reach their own settlement. But we cannot wait indefinitely.

This morning, I asked Bill Utery to bring the owners and the players back to the table, and to step up the pace and intensity of his mediation efforts.

I have asked him to report back to me by February 6 with the progress they have made. If the parties have not reached an agreement by then—or are not on track towards a speedy settlement—I have asked Mr. Utery, if he believes it appropriate, to put forth his own recommendations for a proposed settlement between the parties.

I hope it doesn't come to that. I urge the owners and the players to give their full support to this mediation effort, and to settle this unfortunate dispute themselves. It is time to put behind us the rancor and cynicism that are shadowing the American ideal of baseball. It is time to let all the excitement that the 1995 season can offer sweep away that tarnished image. It's time to "play ball."

Remarks and an Exchange With Reporters Prior to a Meeting With Welfare Recipients

January 27, 1995

O.J. Simpson Trial

The President. Is everyone in? This is a big pool today.

Q. The O.J. trial is not on—

The President. The O.J. trial hasn't started yet today, has it? Thank goodness it's in California or you all wouldn't pay any attention to what we're doing. [*Laughter*]

Q. Have you been watching it?

The President. I've seen a little of it. I saw a little of the argument last night.

Welfare Reform and the Economy

I think all of you know, as I said in my State of the Union, perhaps the most important legislative issue Congress will take up this year is welfare reform. And I strongly believe we have to end the welfare system as we know it. Tomorrow I'm having a working session with Members of the Congress, with representatives of State and local government.

But I wanted to begin this process by meeting with four people here who made the decision to choose work over welfare. I thank these women for coming in to meet with me, and I thank them for the work they've done to make the most of their own lives.

When we meet tomorrow, we need to be mindful of how this system has worked, what works about it, what doesn't work about it, what the human impact's going to be, and how we really can foster work and independence and good parenting. And that will be the focus of our discussion today and the focus of our discussion tomorrow.

One other point I'd like to make is that today we had the economic report on 1994,

and we see now that last year we had the strongest economic growth in 10 years and the best combined rates of high growth and low inflation in 30 years. So we're moving in the right direction—or, 25 years. We're moving in the right direction.

And as we take up these decisions in the Congress over the budget and over the things that we are going to do, I would say we have to keep in mind that the most important social program is a job. And the most important thing that we can do to get to the New Covenant of more opportunity and more responsibility is to make sure as we are working to legislate and to create more responsibility at the grassroots level, we also keep opportunity in mind. And so we've got to keep the economic recovery going. We've got to pass responsible welfare reform. And those are the two things that I want to emphasize today.

Q. Mr. President, what worries you about some of the welfare remedies that are being proposed by Republicans in Congress?

The President. Well, some of them seem to say that we should cut people off of assistance without regard to what will happen to their children and without regard to whether they will have an opportunity to get the skills they need to move into the work force. And I think that's the thing that bothers me most of all.

The other thing I wanted to do is to make sure that as we give more responsibility to the States, which is something I strongly support—we've given two dozen States permission to get out from under Federal rules and regulations to try their own remedies; no one of us has all the answers to this; nobody does, otherwise the problem would be solved—but I want to make sure that we do not do it in a way that strongly disadvantages some States and helps others. I think we have to be fair to all States. Not every State at every point in time in the future will have the same percentage of its citizens eligible for welfare.

The third thing I want to point out is, I think it's important that we do not forget that a lot of people who go on public assistance will only do it one time in their lives and do it because they hit a bump in the road, they have a marriage that breaks up, they lose a job, they have some personal misfor-

tune. They're there for 4 or 5 months, 6 months, and then they get off, their lives are stabilized, it never happens again.

I think as we try to deal with the problem of long-term welfare dependency, we shouldn't forget and we shouldn't do anything that unduly burdens the people that never were in danger of being long-term welfare dependent but do need some short-term help. Those are the three things that bother me most as we get ready to go into this debate.

I think that there is a genuine consensus across party lines, regional lines, income lines, racial lines that we ought to promote work and education and responsible parenting. I just want to make sure we don't fall into those other traps.

Q. Mr. President, what do you think of the balanced budget?

Q. Would your plan cost more at the beginning, though?

The President. The plan I presented last year cost somewhere in the beginning—I think we underestimated the savings. The more you invest in putting people to work, the quicker you will reduce long-term taxpayer costs. The more people are put into the work force, even if you have to spend some money to do it—for example, we gave Oregon permission to take the welfare checks and actually use it by giving it to employers as a wage supplement. They wanted to try it, and we said have at it. I'm going to be very interested to see whether that works. Maybe a lot of States will do that. The Government can't afford a lot of public service jobs. Maybe the answer is to let the welfare checks go as employer supplements, to pay those wage supplements.

But the point is that however we do it, the more we focus on work and giving people a living wage and an opportunity to work, the better off we'll be. That's another good argument for raising the minimum wage.

Balanced Budget Amendment

Q. Mr. President, what do you think of the House passing the Balanced Budget Amendment? Are you for it?

The President. I'm glad they adopted the Stenholm amendment.

Q. Are you?

The President. Absolutely, it makes the bill much better. I still believe that if it's going to be presented to the country, they ought to tell the country what's involved—what's involved. Let's have—there's a right to know here. I'm all for open Government, and I think there's a right to know what is involved. Let the people know what is involved, both in the short run what will have to be cut and what, if any, downsides there are, what's going to happen when we get into a recession, how will that be impacted? The people need more information about this before the legislators vote on it. If it's going to be sent out there, there ought to be a cover sheet showing how it would be done.

Thank you very much.

NOTE: The President spoke at 10:30 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

January 23

In the afternoon, the President had a telephone conversation with President Ernesto Zedillo of Mexico concerning Mexico's progress in implementing its economic stabilization package and the legislation in the U.S. Congress concerning a loan guarantee package for Mexico.

January 24

The President announced his intention to appoint Miguel Angel Corzo to be a member of the Cultural Property Advisory Committee.

The President announced his intention to appoint Paul Cole, Terrance L. Craney, Yvette Herrera, and Esteban Soriano to the National Skills Standard Board.

January 25

In the morning, the President traveled to Kutztown, PA. Following his arrival, he went to Kutztown State University where he met with students, teachers, and area business people and residents in the Keystone Gymnasium.

In the afternoon, the President returned to Washington, DC.

The President announced his intention to appoint the following individuals to be members of the Panel of Arbitrators and/or Conciliators of the International Centre for Settlement of Investment Disputes:

- Antonio J. Colorado, conciliator;
- Frederick Frank, conciliator;
- O. Jerome Green, conciliator;
- D. Holly Hammonds, conciliator;
- David Michael Ifshin, arbitrator;
- Carolyn B. Lamm, arbitrator;
- Lawrence B. Low, arbitrator;
- Robert B. Owen, arbitrator.

The President appointed Nobel Laureate Elie Wiesel to head the Presidential delegation to the commemoration marking the 50th anniversary of the liberation of the Auschwitz-Birkenau concentration and death camp to take place on January 26–27 in Krakow, Poland.

The White House announced that the President has invited Chancellor Helmut Kohl to make an official visit on February 9.

The White House announced the President will meet with President Issaias Afewerke of Eritrea on February 1 at the White House.

January 26

The President announced his intention to nominate Kirsten S. Moy as the administrator of the Community Development Financial Institutions Fund.

The White House announced the President has made the following appointments to the White House Staff:

- Kathryn O’Leary (Kitty) Higgins, currently Chief of Staff at the Department of Labor, will be the new Cabinet Secretary, with the title of Assistant to the President for Cabinet Affairs;
- Bob J. Nash, currently Under Secretary of Agriculture for Rural Economic and Community Development, has been

named Assistant to the President and Director of Presidential Personnel;

- Rahm Emanuel, currently Assistant to the President and Deputy Director of Communications, has been appointed to the new position of Director of Special Projects;
- John B. Emerson, currently a Deputy Assistant to the President, has been named Deputy Assistant to the President and Deputy Director of Intergovernmental Affairs;
- Stephen B. Silverman, currently a Special Assistant to the President and acting Cabinet Secretary, will resume his role as Deputy Cabinet Secretary, with the title Deputy Assistant to the President for Cabinet Affairs.

January 27

In the late afternoon, the President met with the U.S. Conference of Mayors in Room 450 of the Old Executive Office Building.

The White House announced that the President has directed a team of U.S. disaster experts to travel to Japan on January 30 to tour areas affected by the recent earthquake.

The President announced his intention to appoint Frank J. Biondi, Jr., to be a member of the President’s Export Council.

The President announced his intention to appoint Stephanie Gonzales to the President’s Commission on White House Fellowships.

The President announced his intention to appoint Clayton Lukow as Chair and Federal Representative of the Big Blue River Compact Commission.

The President announced his intention to appoint the following members of the Advisory Committee for the 1995 White House Conference on Aging:

- James E. Birren;
- David K. Brown;
- Robert Butler;
- Karyl Eckles;
- Charles J. Fahey;
- Evelynn C. Gioiella;
- Lou Glasse;
- Ed Haas;
- Henry Jay Hannigan;
- James Santiago Hena;
- Carmela Lacayo;
- John E. Lyle;

—Martha A. McSteen;
 —Mary Mulvey;
 —Ron Pollack;
 —Steve Protulis;
 —Eugene Rinaldi;
 —Teresa Scannelli;
 —E. Percil Stanford;
 —Jeannette C. Takamura;
 —Eric G. Tangelos;
 —Don Watanabe.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted January 23

Janet Bond Arterton,
 of Connecticut, to be U.S. District Judge for the District of Connecticut, vice Jose A. Cabranes, elevated.

Willis B. Hunt, Jr.,
 of Georgia, to be U.S. District Judge for the Northern District of Georgia, vice Horace T. Ward, retired.

Susan Y. Illston,
 of California, to be U.S. District Judge for the Northern District of California, vice Barbara A. Caulfield, resigned.

Charles B. Kornmann,
 of South Dakota, to be U.S. District Judge for the District of South Dakota, vice John B. Jones, retired.

John L. Bryant, Jr.,
 of the District of Columbia, to be a Member of the National Museum Services Board for a term expiring December 6, 1997, vice Helmuth J. Naumer, term expired.

Submitted January 24

Maxine M. Chesney,
 of California, to be U.S. District Judge for the Northern District of California, vice John P. Vukasin, Jr., deceased.

Karen Nelson Moore,
 of Ohio, to be U.S. Circuit Judge for the Sixth Circuit, vice Robert B. Krupansky, retired.

Marianne C. Spraggins,
 of New York, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1997, vice Thomas J. Healey, term expired.

Checklist of White House Press Releases

The following list contains release of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released January 23

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the President's telephone conversation with President Ernesto Zedillo of Mexico

Announcement of the President's intention to nominate Marianne Camille Spraggins to be a member of the Board of Directors of the Securities Investors Protection Corporation

Announcement of the President's nomination of the following individuals to serve on the U.S. District Court: Janet Bond Arterton for the District of Connecticut; Willis B. Hunt, Jr., for the Northern District of Georgia; Susan Y. Illston for the Northern District of California; and Charles B. Kornmann for the District of South Dakota

Released January 24

Transcript of a press briefing by Chief of Staff Leon Panetta on the State of the Union Address

Statement by Press Secretary Mike McCurry on the President's action against terrorists who threaten to disrupt the Middle East peace process

Fact sheet on the Executive order on transactions with terrorists who threaten to disrupt the Middle East peace process

Advance text of the State of the Union Address

Announcement on travel by Cabinet members and other administration officials to discuss the middle class bill of rights

Released January 25

Statement by Press Secretary Mike McCurry on the visit of German Chancellor Helmut Kohl

Statement by Press Secretary Mike McCurry on the visit of Eritrean President Issaias Afewerke

Statement by Press Secretary Mike McCurry on the conference for trade and investment in Ireland

White House statement on the Presidential delegation to the 50th anniversary of the liberation of Auschwitz

Released January 26

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the constitutional requirements of a balanced budget

Released January 27

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Council of Economic Advisers Chair Laura D'Andrea Tyson on the economy

Transcript of a press briefing by Health and Human Services Secretary Donna Shalala on welfare reform

Statement by Press Secretary Mike McCurry on the visit of U.S. disaster experts to Japan

Fact sheet on the President's record on welfare reform

Announcement on the President's meeting with members of the U.S. Conference of Mayors

**Acts Approved
by the President**

Approved January 23

S. 2 / Public Law 104-1
Congressional Accountability Act of 1995

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