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Remarks to the Democratic Leadership Council

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Thank you very much. Thank you very much, Senator Breaux, and ladies and gentlemen, thank you for that warm welcome. It's wonderful to be back here. I want to thank John Breaux for his leadership of the DLC, his constancy, and his friendship and support to me in this last challenging year. I want to congratulate Dave McCurdy, who has been one of our most faithful members for a long time, on his upcoming leadership of the DLC.

I want to say how wonderful it is for me to see so many of you, my friends from all across America here, particularly some of my friends from New Hampshire I see in the audience. Hillary spent yesterday in New Hampshire and came home gloating that she had been there and I hadn't. Thank you very much.

What's Bruno doing over here? Are you segregating him?

I have given a lot of thought to what I ought to say here today. It was 8 or 9 years ago now that—well, almost 9 years ago—after the Democrats had lost yet another Presidential election, that a group of Democrats gathered to try to sharply define what we stood for and where we wanted our party to go. It was clear that we needed an infusion of new ideas and new energy, a new direction and reinvigoration into the party that most of us belong to by heritage, instinct, and conviction.

My wife used to tell me—I repeated often on the campaign trail—that insanity was doing the same thing over and over again and expecting a different result. But we decided we would try some new things and see if we could produce some different results, because we knew that our country needed a new direction. After all, in the previous 12 years we had seen the quadrupling of the deficit, the stagnation of wages, profound economic and social problems in this country going unaddressed, and middle class Americans continuing to stay with our opponents in the other party largely because they felt we could not be trusted to promote their economic interests or their values and our policies here at home, to promote our national interests abroad or to give them a Government that gave them honest value for the hard-earned dollars they put into it in taxes.

In the Democratic Leadership Council we always understood that for our politics and our policies to move this Nation, we had to express the basic values of mainstream America and promote those economic interests. The heart and soul of the American experiment has always been a personally secure and growing middle class, challenged to achieve new opportunities, challenged to be part of a larger community, challenged ever more to assume the new responsibilities of each new age.

The American dream that we were all raised on is a simple but powerful one: If you work hard and play by the rules, you should be given a chance to go as far as your God-given ability will take you. Throughout our history our party has been the fulcrum that allowed working people to lift themselves up into the middle class. And we know that if we're to be true to our historic mission we must be the party of the values and the interests of the middle class and, more importantly, the values and the interests of those who want to become part of the growing middle class and the American dream. We must fight their fight. We must give voice to their concerns. We must give them the chance to build security while embracing change. And above all, we must honor those basic values of opportunity, responsibility, and community, of work and family and faith. This is what it means, in my view, to be a new Democrat. I was proud to campaign as one, I'm proud to govern as one.

Because we are Democrats we believe in our party's historic values of opportunity, social justice, and an unshakable commitment to the interests of working men and women and their children. Because we are new Democrats we promote those old values in new ways. We believe in expanding opportunity, not Government. We believe in empowerment, not entitlement. We believe in leading the world, not retreating from it. We believe that the line between domestic and foreign policy is becoming increasingly blurred as the interests and the future of every American and every city and hamlet in this country is increasingly caught up with events that happen beyond our borders. And most of all, we believe in individual responsibil-

ity and mutual obligation, that Government must offer opportunity to all and expect something from all, and that whether we like it or not, we are all in this battle for the future together.

With that vision and those values, I believe that these ideas are beginning to change our Nation. When I was preparing this speech last night, I came across a talk I gave back in March of 1990 when I became the chairman of the DLC, and I found a few words I wanted to repeat today.

I said that everyone hopes that the 1990's will see a political renaissance for the National Democratic Party. Every one of us knows we can't realize all our goals until we elect a Democratic President, but I believe that in the end any resurgence for the Democrats depends upon the intellectual resurgence of our party. That's another way of saying that ideas matter.

If you look at the elections in the last several months, it seems to me the real message of them has been lost in the argument about party labels, and we don't win 100 percent of them. People say, "Well, they should have won the ones they won. What about the ones they lost?" Look what the message was in Dennis Archer's victory in Detroit—one of our strong DLC members who will be here later—or in my friend Bob Lanier's 91 percent victory in Houston. He said, "Elect me. I will stop spending money on this, and I will instead spend money on police, and I will deploy them properly and the crime rate will go down." And sure enough, it did, and 91 percent of the people reelected him. Look at the common threads that run through all these elections and you will see the ideas that we have been working to espouse in the Democratic Leadership Council for years and years.

I believe that we have achieved a victory of new ideas. I come here to say more than anything else, however, that when you produce policies that embody these values of opportunity and responsibility and community in a democratic society—small d—that elects people to Congress and that requires the President to work with the Congress, that requires the accommodation of various interests all across the country in the private sector and requires a partnership with people at the State and local level, having the best ideas in the world does not free you of the obligation to make difficult decisions.

I further come here to say that we don't want to be in the position that some of our predecessors were in the other party where they were willing, from time to time, to exalt political rhetoric over reality and where they were willing, from time to time, to let the perfect become the enemy of the good.

Our obligation is to do good things to move this country forward that embody our ideas and our philosophies. That does not relieve us of the obligation to make the hard decisions. It imposes that obligation on us, and that is what we are trying to do.

As we approach the end of the year it is time to take stock of how far we have come, and I want to start, again, by paying my debts to this organization. Seven Cabinet members of this administration were DLC members—seven.

My Chief of Staff, Mack McLarty, who came with me today, was an early and strong supporter of the DLC. We have Elaine Kamarck who was one of yours who did such a brilliant job on our reinventing Government program. And Bruce Reed and Bill Galston are the intellectual firepower behind what we're doing in welfare reform and crime and family preservation. Jeremy Rosner wrote the wonderful words that I was privileged to speak at the Middle East peace signing, one of the best speeches I have had the opportunity to give as the President. I know it was a pretty good subject, but I had a pretty good speech writer, too, thanks to his growth, and I think you had a lot to do with that. There are so many others, Doug Ross, Jim Blanchard, and others, who are active in the DLC, who are now part of our administration.

I also want to thank those who are here today from my administration to talk about national service, welfare reform, and other things, including Donna Shalala and Eli Segal and Roger Altman. Let's look at what we've done together. And let me begin by again thanking the DLC members and the Congress, many of whom are here behind me, and without whom none of this would have happened.

The first thing we did was to move beyond the failed economic policies of the past, beyond tax-and-spend and beyond trickle-down. Our economic plan is imbued with ideas the DLC has been advocating for years. We had the largest deficit reduction plan in history, fueled in part by more than 350 specific spending cuts that I have now signed entirely into law. And I want to remove some of the veil of rhetoric

about that. I'm not talking about smaller increases than were in the last Bush budget. I'm talking about 350 accounts in the Federal budget where we are spending less money this year than we did last year. Real spending cuts.

We did ask the wealthiest Americans to pay their fair share, and overwhelmingly, most of them told me as I was campaigning around the country, "I will do that if you'll bring the deficit down and give me value for money in what you spend the money on." This was not a question of class warfare; it was a question of fundamental fairness trying to reverse the situation in which the middle class found itself for the last 12 years of paying higher taxes on lower income.

In addition to that, for working families with less than $180,000 a year in income, there will be no tax increase. Let me read you from a review of the new tax law written by the Kiplinger personal finance magazine, hardly an arm of the Democratic Party. I quote from Kiplinger—where were these people when I needed them, when we were debating this in Congress? I quote, "About 110 million Americans will file individual tax returns next spring. On 108 million of them taxes will take a smaller bite than they did this year." That's right, smaller. The fact is, Kiplinger says, "More than 98 percent of us are not affected by the higher income tax rates which reach back to the first of the year. Our tax bills will go down a bit on the same income because taxes are indexed for inflation." If you are part of the forgotten middle class, don't forget that.

In addition, in this economic plan there are progrowth DLC ideas, investment incentives. Small business expensing is dramatically increased so that 90 percent of the small businesses in this country, because of the increase in the expensing, will pay lower Federal income taxes this year than they did last year, 90 percent. There is a venture capital gains tax here for small businesses and new businesses where the investment is held for 5 years or longer, tax rate cut by 50 percent. There are expansions in the resource and development tax credit and other things designed specifically to spur high technology growth in areas where we need it and where we have great opportunities moving toward the 21st century.

There are pro-work, pro-family welfare reform ideas in this economic plan, including the earned-income tax credit, about which I will speak more later, I think the most significant pro-work, pro-family economic reform we have enacted in 20 years. There are reinventing Government DLC ideas in this economic plan, including a major overhaul of the college loan program in which we save billions in administrative costs and put it into providing lower interest loans to college students who can pay them back on easier terms as a percentage of their income. But we toughen the collection terms so we make sure they can't beat the bill. These things were all in that economic plan, and because of that, what really matters is the result.

And let me say here, a cautionary note, this country is dealing with structural economic challenges of 20-year duration. We are dealing with social challenges that have been building for 30 years. We are reversing economic policies that were in place for 12 years. We will not be able to turn this around overnight. The average American has not yet felt a significant change in his or her economic circumstances. But look at the direction we are going in. We have historically low interest rates. Inflation is down to very low levels, 20-year low levels. Investment is up. Housing sales last month were at a 14-year high. The unemployment rate drop this month was the best drop in 10 years.

We've had 1.6-plus million new jobs come into this economy since January. The private sector jobs since January are about 50 percent more, almost 50 percent more than were created by the private sector in the previous 4 years. One of the ironies is that under this administration for the next 4 years, Government jobs won't grow as much as they did in the past 4 years. The private sector jobs will grow more.

Now we have a long way to go. We still are dealing with stagnant incomes. We are still dealing with the fact that more and more people who lost their jobs lose them permanently and have to find new and different jobs. And that imposes new obligations on us. But we have unemployment down, investment up, no inflation, and low interest rates. We are moving in the right direction.

The decision to go after the deficit and to do it in a progressive, fair way with new ideas was the right decision. And the rhetoric is now being wiped away by the reality. The Kiplinger report will be found now by ordinary people when they get their tax forms in April. And a lot of the blows that this administration and this party suffered unfairly and wrongly in the

last year happened because people put out bogus rhetoric that could not be overcome by the reality. Now when you see the Kiplinger report and the tax forms come out, and people don't pay more taxes, they pay less and we've got low inflation, high investment, more jobs, and lower unemployment, the truth will out just like it always does.

Again I will say, all the good ideas in the world does not relieve you of the obligation to make the hard decisions and to do it in a way that permits us to go forward. That is, somebody has to decide, and we have to move, and we have to act, and it all has to count up to a majority so you can go forward. That's what democracies do.

But it won't be enough. This on its own terms will not be enough to expand incomes and create jobs sufficient to restore the interest of middle class America. Why? Because you have to have a growing economy in a global context. With productivity going up, a lot of big companies are downsizing. They are going to become more profitable. But what does productivity increase mean? It means the same person can produce more, right? Sometimes it means fewer people can produce more. We've had utterly astonishing growth in productivity in the manufacturing section in America, now coming into the service sector and into the Government sector, as we use more and more new technology. What does that mean? That means fewer people do more work. That means higher unemployment, and since you got all these unemployed people out here, it means pressure to keep wages down.

So if you want incomes to go up and jobs to increase, what must you do? You must have more customers. There have to be more customers for America's goods and services. There is no other way to increase incomes and to increase jobs in this country.

That is why we have pursued another course, long advocated by the DLC, trying to broaden the opportunity for Americans to sell their goods and services. That is why last summer I met with the G–7 and got those countries to agree to expanding market access for manufacturing products. That is why I have started trying to build a new and very different relationship with Japan. It is simply unsustainable over the long run for these two great economies to have the kind of imbalance in our economic relationship that we have. That is why I fought so hard along with the DLC for the North American Free Trade Agreement. And that is why our Trade Ambassador, Mickey Kantor, has hardly slept for the last 48 hours as we try to work out an agreement with Europe that's good for us and good for them on the GATT rounds, so that we can try to get a new worldwide trade agreement by the end of the year.

I want to say a special word of thanks to all of you who were involved in the NAFTA struggle. It was not an easy one. The Speaker of the House called it a Lazarus project: It came back from the dead. But I particularly appreciate the courageous stance taken by those who had to disagree with their friends honestly and openly because none of us could figure out how to grow this economy and grow more jobs unless we have more customers in an environment in which the global economy is growing. That's why I went out to meet with the APEC ministers.

Someday the whole story of this great struggle will be known, but I do want to say I am very grateful to the people in the Congress who did the work, and to Mr. McLarty who kept in close touch with the President's office in Mexico, and to all the people on my staff and all the people who have made this happen, people like my good friend Steny Hoyer, who really stuck his neck out on this and took a big risk for it.

It is a simple, elemental principle that we must grow the global economy if a rich country, whether it's America, Japan, or the European Community, is going to be able to maintain higher incomes and more jobs.

Now, the second thing we've got to do is to enable people to succeed in this economy. In other words, we have to enable people in America—if we have good economic policies and if we can get global economic growth, we have to enable more Americans to succeed. It must be possible in our country, in other words, to be a successful worker and a successful parent, since most workers are parents and most parents have to work. That's why I supported and signed the Family and Medical Leave Act, something you would support. That's why I fought so hard in the economic plan for the earned-income tax credit.

That phrase is totally Greek to most people. They don't understand it. But what it means is that on April 15th between 15 and 16 million working families in this country, representing over 40 million American citizens who worked

this year for incomes of $23,000 a year or less—going up to $26,000 in a couple of years—will get an income tax reduction. Why? Because even though they work 40 hours a week and they have children in the home, they are at, just below, or just hovering above the Federal poverty line. This is the most important thing we can do in welfare reform, to make a simple statement that if you have kids and you work 40 hours a week, you will not be in poverty; we will reward your work. The tax system will keep you out of poverty.

It was a very, very difficult thing to do because it costs money, and it complicated the politics of passing the budget. But it was the right thing to do because unless we can reward work and family at the same time, we are not going to get where we need to go. And it matters. We cannot ask the American people to be in the position every year—and for many of them, every week and every day—of choosing between being a good parent and a good worker. You have to be able to succeed at both in the world in which we are living. And I think it was terribly important.

The next thing I want to say is we've got to train a whole generation to think about work in a different way, and we have to reorganize our systems. We literally have to reinvent our systems for dealing with how people deal with work, the loss of it, and the acquisition of new jobs. There are lots of things involved in that, but one of them plainly is opening the doors of college education to all Americans. I mentioned earlier that we have reformed the student loan law. We also passed one of the DLC's most cherished ideas, the national service act, into law, thanks to, literally, the parenting work of Eli Segal in developing the legislation, getting it through, setting up the organization, and maintaining the confidence of large numbers of Republicans as well as Democrats in the United States Congress.

And I know he's going to talk about that in a moment, but 3 years from now, 100,000 young people will be able to earn some money for further education while rebuilding their communities from the grassroots up. This idea has the potential to totally reshape the way Americans think about their country and to bring a dramatic change in this country on a whole range of social problems from the grassroots up. And Senator Nunn and Congressman McCurdy and any number of other people in the DLC were out there pounding on this idea for years and years and years. And I thank you for that, and I hope you are proud of the fact that it is a law of the land.

The last thing I want to say about what we've tried to do already is that we recognized in this organization a long time ago that if people didn't feel a certain level of basic security, it was very difficult for them to make the changes we need to make. If you want to challenge people to seize opportunities and to assume more responsibility, if you want people to be able to live with, basically, the chaotic nature of the world in which we find ourselves—a very exciting world if you can figure out how to win in it—there has to be some sense that the basic fabric of society is being maintained, that there is some order, some security, some discipline which we need to observe.

That is why this crime and violence issue is so important: huge increases in violent crime in many communities in this country; police at an increasingly disadvantageous position—now over three violent crimes for every police officer in the country, where it used to be the reverse, three police officers for every crime just 30 years ago; and all the stories you know about children killing children, or young teenagers being better armed than police officers.

We know there are some things that work. We know—the DLC does, we've been advocating this for years—that community policing works. Mayor Lanier in Houston just proved it in the ultimate way, by getting over 90 percent of the vote. I was trying to think of who else could get 90 percent of the vote for anything. It tells you how passionately people care about this public safety issue.

We are trying our best in these difficult budget times to get a crime bill out that will produce 100,000 new police officers. But they must be properly trained and properly deployed. That is a challenge for you in the DLC; it is a challenge for us as Americans to make sure not only that we pass a bill in Congress that provides the police officers but that when they get down to whatever town or city they're in, that they are properly trained and properly deployed. Community policing works. You can lower crime, not just by catching more criminals but because it actually helps to prevent crime from occurring in the first place. It really matters.

There are some other things we ought to do in that crime bill, too, and I'll just mention

two. We need to provide alternative punishments for youthful offenders so that we can use the prison space we have to keep people who shouldn't get out for as long as they should stay in. The boot camp proposals are in this crime bill, another DLC idea that we have advocated for years and years, something that I tried to do at home when I was a Governor. And it's an important part of the bill.

There are two other things in the bill. Senator Kohl, from Wisconsin, has put an amendment in to ban the ownership of handguns by young people under 18 and to limit access to them to properly controlled circumstances by minors. And it passed overwhelmingly.

Then there was an amendment by Senator Feinstein to ban several assault weapons and to specify a number of hunting weapons that cannot be restricted at all because they're hunting rifles and they are things that people use for sporting purposes. I think it is a good, balanced amendment, and I hope it will be in the final provision of the crime bill.

Lastly, let me say that I was elated earlier this week, on Tuesday, to sign the Brady bill into law, and I thank the DLC for its longstanding support of the Brady bill.

I also want to say that it is perfectly clear to me that one of the biggest problems we face as Democrats is that we know that the Government has a role to play in dealing with a lot of these problems. But we also know that in America there is a historic distrust of Government that is healthy. And in the more recent years that distrust has risen to record levels which is not healthy, and we have to do something about it. But the only way we can do anything about it is by giving people better value for their Government. And I want to really say a special word of thanks for the work that David Osborne and Elaine Kamarck have done in helping the Vice President on this reinventing Government project.

I want you to know that this is not just a report. The report recommends that we do what most companies have been doing for years to eliminate unnecessary layers of management and empower front-line workers to become more responsive to customers to constantly improve our services. We are moving to implement that report. The House voted right before they left to implement our recommendation to reduce by 252,000 by attrition, not by laying people off, the Federal work force over a 5-year period. The Senate voted to pay for the crime bill by doing that. But both have agreed that we ought to do it.

The question now is whether we will be given the tools to do it in a humane and responsible way, in a way that is good for the Federal employees, good for the Federal work force, good for the taxpayers of the country. But it is a very important thing. We can only make this Government work if we have the tools to do it. We have, for example, clear evidence that the Pentagon can meet a lot more of our national security needs if we have procurement reform, that we are still wasting billions of dollars in the way we buy things.

When I was in Alameda the other day on the U.S. carrier *Carl Vincent* having lunch with some career Navy personnel, an enlisted man with 19 years of service told me that he had just—because he was on a ship he had access to emergency procurement, sort of an escape hatch from the procurement clause—he said, "I went down to a computer store and I bought a personal computer for this ship for something we needed that cost one-half as much and had twice the capacity of the computer required to be bought in the procurement regulations of the Federal Government." That is still going on.

We have a procurement reform bill pending in the Congress. If we are going to do what you want us to do on reinventing Government we have got to be given the legal authority to manage this Government with the same sort of flexibility and common sense that people in the private sector have.

And you know, I've got my longtime friend and former colleague and your former chairman, Chuck Robb, behind me. I mean, he's been preaching this stuff for years, and when he was a Governor, he worked on it. And I can just tell you that there are things we can do to save billions of dollars and still increase investment where we need it, but we have to be given the tools to do it.

So I ask the DLC to urge the Congress to pass the structural reforms we need to have the kind of budgeting, procurement, and personnel practices that will permit us to save money and increase investment in our future at the same time.

Now, next year we have a lot of challenges ahead of us: health care, welfare reform, redoing the system of education and job training

and unemployment, to mention the three biggest, perhaps. And I would like to say just a word about each of them in terms of the ideas of the DLC.

First, we have to provide our workers and businesses the security they need to know that they will not be bankrupted by an illness or paralyzed by the constant fear of the loss of coverage. Almost nobody in America today really knows for sure that they will never lose their health care coverage—for sure, no matter what happens to them or what happens to their business.

I want you to know what this budget really looks like, and the only reason the deficit is a continuing problem. I wish I had a graph here. If I had a graph here and this were zero on spending—this is zero, zero increases. Here is where defense is going, down; domestic spending, flat. That means every time we put more money into Head Start we have cut that much money somewhere else. Interest on the debt is going up some because even though interest rates are low, the corpus of the debt is getting bigger. Then our revenues are going up like this, about 8 percent next year, retirement going up because of the cost-of-living that everybody gets who is on Social Security or any kind of retirement. But the big numbers are Medicare, 11 percent, one year. This is at 3½ percent inflation max, right? One percent growth in the Medicare rolls, 2 percent growth in the Medicaid rolls. Medicare going up 11 percent, Medicaid going up 16 percent. That is it. At a time when the most conservative Republicans in the Congress would say we should be spending more on new high-technology ventures and in defense conversion and in trying to help us adjust from a defense to a domestic economy, that's what we're spending our money on.

And I talked to executive after executive facing the same thing. But there is good news. The Federal health insurance program, which is big and has bargaining power, has actually had many of its policies lower this year than they were last year. The State of California, which is in terrible financial shape—so everybody knows they don't have a lot of money and which has huge bargaining power—has negotiated a cost increase in its premiums less than the rate of inflation.

So what do we have to do with health care? Again, to avoid the stale debate of right and left—one side says, well, the present system is just going to cure itself, and another is saying that the Government ought to take it over and operate it—what can we do?

If you go back to what you wrote in "Mandate for Change"—when Jeremy Rosner was back in domestic policy instead of foreign policy—you say we should be able to change the rules of the private health care market to produce universal coverage and lower cost, better quality care. I agree with that.

We have to offer the American people a new choice, that is, guaranteed private insurance. I think there have to be two changes in the existing system. First of all, you have to provide health insurance that you can never lose, whether you are in or out of work, and no matter what kind of job you are in, because a lot of people are going to go from big companies that have big benefits to smaller companies in the inevitable restructuring of the economy.

And you have to give greater consumer power, market power, to small businesses and to self-employed people. And in order to do it you have to go to a broad-based community rating scheme, in my judgment, so that there is no disincentive for little companies to hire people who have had somebody in their family who has been sick, who has had a preexisting condition.

Now, every other country in the world with which we compete, including those that are doing quite well, has figured out how to do this. We're the only people who haven't figured out how to do it. I just refuse to believe that we can't figure out how to give health care security to everybody in this country and to give equal bargaining power, market power, in the marketplace to small businesses and self-employed people. I just refuse to believe that. I think we can.

We can disagree about a lot of things, but I think everybody would admit we ought to have a system in which there is a good comprehensive benefit package, including primary and preventive care that is given to every family, and that people have to assume some personal responsibility for it and ought to be prepared to pay something for it, but that we ought to do that.

If we don't, you're going to continue to see your Federal Government faced with insolvency. We're going to continue to have to cut all of our spending from domestic investments, many of which 80 percent of the people in this room

think we ought to be making. We're going to continue to see massive cost shifting from the Government to the private sector and within the private sector from some companies to others, and often the companies with the most generous health care benefits are the ones that are the most vulnerable in global competition.

This is a nutty system, and we have to fix it. And we have to fix it without messing up what is wonderful about it, the quality of care, the availability of emerging technologies. The things that people do today in this health care system that are very good—we can fix what's wrong without messing that up. And there are a lot of options we can pursue to get there, but I would just urge you to stick with what was in the "Mandate for Change." Do not give up on universal coverage. And do not give up on the proposition that there has to be a competitive capacity for all, all employers, including small businesses and the self-employed. If you will stay with that, then we can reach an agreement next year which will be the most historic domestic achievement for this country in a generation. And we have to do that.

With regard to welfare reform, let me just say very briefly—I want to say again how much I appreciate the work that Bruce Reed has done, the work that Bill Galston has done. We are moving toward making welfare a second chance, not a way of life. We have made this debate an interesting one in which there is now a Republican counterproposal. I don't agree with all of it, but there are some very good ideas in it. It really gives me the cause to believe that we might be able to make a bipartisan coalition here with a big majority, to try to give people who are trapped in poverty and unemployable in present circumstances a chance to be successful parents and successful workers. And I am very, very encouraged by that. I think you will be too.

Finally, just let me say this. We have terrible problems today in America because a lot of people who want to work are not employable or can't ever get a job where their wages will go up because they don't have the skills. Let me just mention two or three things that we are trying to do.

The Secretary of Education, one of the former DLC members, has his education reform bill which will pass early when the Congress comes back, the Goals 2000 bill, that does what we've been advocating for years. It puts the Federal Government—instead of trying to micromanage the schools, we're going to provide the schools with the money that the teachers and the principals need at the grassroots level to figure out how to meet the national education goals. And we will measure schools by their results, not by overregulating their influence. And we will give them some standards by which they will be able to tell whether they are measuring up to global standards or not. And we will focus more on trying to give them the tools and the information they need to follow strategies that work.

I'm telling you, every problem in American education has been solved by somebody somewhere, including people under the most adverse circumstances. What we need to do is to have the Federal Government help to spread that instead of getting in the way. And we are changing the whole approach to that, thanks to Secretary Riley and the support we have received all across the education community, from the NEA, from the AFT, from the administrators, from the school boards, from people who are really committed to changing the nature of the Federal role in public education. There is also in this bill explicit provision for the kind of reforms the DLC has advocated in terms of supporting local districts who want to have charter schools, who want to have public school choice, who want to do the kinds of things that many districts have wanted to do where the Federal Government has essentially taken no position in the past. That can be a part of this reform.

The other thing that we are doing is to try to work out with the Secretary of Education and the Secretary of Labor a national system of apprenticeships to move people from school to work who aren't going to 4-year colleges. Everybody who doesn't go to a 4-year college and get the degree at least needs 2 years of further education and training. And our school-to-work program makes a good beginning on that.

The final thing we're trying to do is to deal with the terrible problem of the unemployment system. Today, if you are an employer and you pay the unemployment tax, you are paying for a system that is dysfunctional. You are basically paying for a lot of workers to draw a reduced income until it's obvious that the unemployment runs out and they are not being called back to their old jobs. The unemployment system was

developed in a time when people were called back to their old jobs.

What we need to do is to develop an immediate system of reemployment so that the minute someone knows they are going to be unemployed, they are immediately eligible for retraining, for job placement, for the kind of services that will give people the chance to make a quick start back in life and to use that unemployment stream to get continuous retraining. I hope that we can get the employer community, the labor community together in this country to do this. Secretary Reich's most important contribution to this entire administration may be changing people's understanding of the way the institution we have here has nothing to do with the nature of unemployment for most Americans anymore. That is our big reinventing Government challenge for next year.

Now, let me say finally that the reports say that this administration had the best year in terms of congressional success of any in the last 40 years. You heard Senator Breaux say—and I've called Senator Lieberman in the middle of the night enough to know—that the Congress worked 40 percent more this year, spent 40 percent more hours on the job than last year, 40 percent more. We made a difference. If we can do health care, welfare reform and reform the education and training system next year, we'll make more of a difference. If we can keep growing this economy with stable, secure policies, it will begin to be felt in the lives of middle class Americans.

But I will end where I began. The Democratic Party has got to be a grassroots party. It has got to reflect not only the economic interests but the basic values of most American people. And there are a lot of things that we have to do in this country that deal with crime and violence and restoring the family and restoring communities that cannot be done, not now, not ever, by the President and the Congress alone that require private sector initiatives, that require people at the State and local level to act.

The most important thing we ever said in the DLC was that in the end there can be no successful opportunity without responsibility, and you can't run a country unless everybody recognizes that we are in a community in which we have responsibilities to one another and in which we go up or down together. That was the most important thing we ever said.

So I ask you as you leave here, I hope you will go home and talk about how the ideas that you have fought for are being brought to life in this administration. But more important than that, I hope you will go home and remember that no matter who the President of the United States is, until the American people are prepared to take responsibility for their futures and until we are prepared to recognize again not just in our rhetoric but in our lives that this is one country and we have got to find a way to make a strength out of our diversity, we have got to stop wasting so many kids, we have got to stop permitting the incredible level of social disintegration that we have permitted, we will never become what we ought to.

And when we become the party that is the grassroots, bottom-up, personal responsibility, community-oriented party committed not only to saying to the President and the Congress, "This is what we want you to do for America," but to proclaiming every day, "Here is what we are doing for America," we will not be where we all set out to go. I think we're well on the way.

Thank you very much, and God bless you.

NOTE: The President spoke at 10:31 a.m. at the Sheraton Washington Hotel. In his remarks, he referred to George Bruno, DLC New Hampshire State chapter organizer, and David Osborne, consultant with the National Performance Review.

Exchange With Reporters

December 3, 1993

Personal Security and Responsibility

Q. [*Inaudible*]—as far about what you meant by personal security when you talked about that theme and also about values?

The President. Personal security means, among other things, that people who are out