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NOTE: The President spoke at approximately 5 p.m. in the Cannon Chapel Building at Emory University. In his remarks, he referred to William F. Winter, Chair, Advisory Commission on Intergovernmental Relations, and William Porter (Billy) Payne, chief executive officer, Atlanta Committee for the Olympic Games.

Remarks to Students at Emory University in Atlanta
March 29, 1995

The President. Thank you very much. Thank you, Laura Sawyer, for your warm and generous introduction. Thank you, President Chace, for what you said in reminding me of our generation's obligations to the students here present by recalling that day, now almost 32 years ago, when I met President Kennedy.

I have very much enjoyed this day at Emory. I thank the university and all responsible for making it possible for us to hold here the first of our conferences on the state of the American economy and where we go from here. I wish all of you could have been there today to hear the people who came to tell their stories, stories of struggle and triumph, stories, many of them against all the odds, what they had done to make their way in the economy of the 1990's and how they were looking forward to the next century.

I just have one question about this before I get too serious. Where is Dooley? I was told if he showed up, you all would get up and leave. [*Laughter*] I hope he waits until the end if that's true.

Let me say that I ran for the office of President because I was concerned about the direction of our country and the future of our children, basically because I believe the obligation of every generation of Americans is to preserve and nourish and deepen the American idea, the idea that if you work hard and play by the rules you can make the most of your God-given potential and live the life of your dreams and that you can do it without holding anyone else down, and indeed, the more people from all walks of life and all races and regions who are lifted up, the better off we'll all be. That is the American idea.

When I met John Kennedy and when I went off to college—I was the first in my generation to go to college. I was the son of fairly poor people in the South when I was born in Arkansas right at the end of World War II. The per capita income of our entire State was only 56 percent of the national average. And for young people who were growing up in the South when I was about your age, the great question was whether we could become part of the great American mainstream, whether we could overcome our legacy of abject poverty and our legacy of racial discrimination to come together and learn and grow.

That is not at issue anymore. Now, two Southern States, Georgia and Virginia, have surpassed the national average in per capita income. Atlanta is the home to more international companies than any other city in the United States. You're doing a lot of things in the southern region that are the envy of the rest of the world. Thirty percent of America's people live in the South, but 40 percent of the new jobs created just since I've been President have been created in this region.

So the issue is not what it was a generation ago. There is a different issue today, which is whether we can keep the American dream alive for all our people in a global economy in the information age, which splits people apart based on their level of education and their skills, and at a time when the differences in our country and the differences throughout the world in race, religion, and other areas both serve as ways to unite us and to divide us. That is the great question of this time.

Now, when I became President, I wanted first to get the economy moving again, to give people some economic hope. And we had a distinct strategy: reduce the deficit, expand trade, increase investment in education and technology, reform Government, give lower income families a tax break so nobody would ever be punished for work instead of welfare, encourage small businesses and new businesses, reduce regulation and give the States more authority to exper-

iment in tough areas like welfare reform and health care reform. That was our agenda.

After 2 years, we have a reduction in the deficit of $600 billion. This is the first time since the mid-1960's when your Government is running at least an operating surplus; that is, if it were not for interest on the debt accumulated before we came here, we would have a budget surplus today, so at least our operations do not exceed our revenues.

We have expanded trade by more than at any time in a generation. We have dramatically reformed the Government, already 100,000 fewer people working for the Federal Government if no new changes are made by the new Congress, which is unlikely. But if there were no changes made, the Government would be reduced in size over a 5½-year period by 270,000 people, to its smallest size since I went to Washington when John Kennedy was President.

And we have given vast new authority to the States to experiment in important areas. We have reduced regulation. We are trying to move forward. And perhaps most important of all, we have cut spending while increasing our investment in education, from expanding Head Start to apprenticeships for young people who don't go to college, to the Goals 2000 program to help our schools meet tough national standards with grassroots reforms, to expansion of the student loan program in ways that make our student loans now less costly with better repayment terms.

Now, these are important changes. The results are pretty clear. In the last 2 years, we've had 6.1 million new jobs. We have the lowest combined rate of unemployment and inflation this country has had in 25 years. We had, in 1993, the largest number of new business incorporations in the history of the United States. In 1994, the unemployment rate in America for African-Americans dropped below 10 percent for the first time in 20 years. The results speak for themselves.

I must say, since I'm trying to spark an honest and civil bipartisan discussion of this, I was honored to see on the front page of your newspaper today one of your most distinguished alumnuses, the Speaker of the House, acknowledges that the economic program has brought some good results to the United States of America, because it has. It was the right thing to do, and it is moving the country forward.

Now, so I ask you, if that's true and all that has happened, well, why isn't everybody happy? And why do they keep voting to change the way the Government's going if the policies are working? Well, I think there are a number of reasons, but let me offer a few, because they will affect your lives as Americans.

In the first place, the global economy and all the pressures of the global economy and the information revolution and all the dramatic changes it brings means that for the first time, even though we are having more jobs coming into this economy, wages are stagnant for most Americans. Half of the American people are working longer work weeks for the same or lower wages than they were making 15 years ago. And that is unheard of in our history.

In addition to that, there's more inequality among the middle class. That's why I say over and over again, my mission is to expand the middle class and to shrink the under class, to give poor people a chance to work their way into a good life. But today, the American middle class is splitting apart based on whether people have the education and training and skills necessary to compete in the global economy for a good job that pays a good wage with a good future.

The third thing that's happened is that—and a lot of your parents have probably been affected by this or at least work in companies that are affected by it—there is more instability in the work force today even when there is more prosperity: downsizing in government, downsizing in big companies, reorganizations that are constant, so that people are worried about whether they're going to have their job even when we have more jobs. And when people do lose their jobs, they tend to be unemployed for longer periods of times, and they tend to get a new job, not their old job back. All this is new in your lifetime.

This will be the pattern you will face, but if you described all this to somebody 10 years ago, they'd say it couldn't happen; there's no way, you cannot create 6 million jobs, drive down the unemployment rate, explode the economy, and not have wages go up. You can't do it. It's impossible. Well, it happened.

So what is our job economically? Our job is to lift the incomes and the sights and the aspirations of the American people. How are we going to do it? You have to get more high-wage jobs into this country, more trade, more

focus on technology. You have to make sure our people can fill high-wage jobs. We have to educate everyone better, everyone, not just the college students, everyone. And thirdly, we have to have the right kind of Government. The great debate going on in Washington today is about what the proper role of our National Government is.

The old view was that there was a big-Government solution to every big problem and that people who were in need should be helped. The new rage in Washington is that the Government is the source of all the problems and we would have no social problems, no economic problems, no problems at all if we had no Government. If the Government went away, except for national defense, everything would be peachy keen. [*Laughter*] Now, the whole theory is that every problem—all the social problems we've got, from teen pregnancy to welfare dependency to the breakdown of life in our cities, was all because we had too much Government trying to help people.

Now, I have a different view from both those views. I don't think either one of those views is right. My experience as a Governor, my observation of other countries that are doing well, plain common sense, and the stories we heard today indicate that we need a limited but effective Government that costs less but does what it's supposed to do. And here's what I think it's supposed to do.

I believe the National Government is still essential in creating opportunity even while we're shrinking bureaucracy, creating opportunity by making sure we've got a level playing field, and creating opportunity by making sure that people can make the most of their own lives. We've got to empower people. You can't really help people past a certain point except to put food on their table and to get them through the tough times. But you can empower people, through education and technology, to make more of their own lives. That's what we have to do.

And the third thing we can do is, even in a very dynamic economy, in a dynamic society, we can enhance security in a legitimate way, without in any way undermining opportunity. We enhance security abroad when we make an agreement with the Russians so that, for the first time since nuclear weapons were invented, there are no nuclear weapons pointed at the people of the United States. That enhances our security. But if we make progress toward peace in the Middle East, we are enhancing our own security because of the volatile impact of that area on the whole rest of the world.

But there are things we can do here at home that enhance our security as well. The family and medical leave law, which allows people to take a little time off when a baby is born or a parent is sick without losing their job, that enhances our security because it makes our families stronger while we keep our jobs. The crime bill, which puts more police officers on our street and gives our local communities the flexibility in choosing prevention programs that keep young people out of crime and off drugs, those things enhance our security. If we didn't have 2 million highly dysfunctional drug abusers in this country, the crime rate for violent crime would be about half what it is today. So it enhances our security when we have a safer society with lower crime rates. And that's—part of that role is a national responsibility. That's what I have tried to do.

Now, that leads us—and I want you to watch this debate unfold in Washington, and you've got to decide where you fit. And your old party label may not give you an answer to the present problems that we face, because Government can't fix it all, and Government cannot walk away from it all. And there are a lot of hard questions that have to be resolved.

But for example, my view is, there's a right and a wrong way to cut spending. I do think that the Agriculture Department had to be cut, but my view was not to reduce the School Lunch Program but close 1,200 offices, because we didn't need that many when we had fewer farmers and fewer problems.

I agree that we should have reduced expenditures in the Housing and Urban Development Department, but what we did was to get rid of a whole layer of regional offices and to consolidate a lot of those various programs that had been kind of encrusted with bureaucracy over the years. We didn't want to cut a program for homeless veterans or make it more difficult for poor elderly people to have a roof over their head. There is a difference in how you cut spending. And these are distinctions that have to be made.

Or in the area of education, we offered a way to cut the deficit and increase educational opportunities. I had student loans when I went to school, and I'm not ashamed of it. I'm proud

of it. I'm grateful that I was able to get it from the previous generation. And when I got out of college, I paid them off. And I think when you get out of college, if you've got one, you ought to pay it off—[*laughter*]—because that's the way we're going to preserve it for the next generation.

So we have reduced student loan defaults. They no longer cost the taxpayers $2.8 billion a year. The cost is down to $1 billion a year. We've reduced defaults by nearly two-thirds. We're doing a better job of collecting. Now that's a lot better than getting rid of the interest subsidy and raising the cost of student loans. That is better. That is a better way to do that.

We found there were so many incentives in the old student loan program toward bureaucracy and paperwork and wasting money because basically you'd go to a bank and get the student loan. It was a 90-percent guarantee. So if you default on the loan, does the bank have an incentive to sue? No, because the Government will give you 90 percent and 10 percent will be at least what the lawyers would cost.

So we went into this direct loan program and we said, "You can have these loans at a lower interest rate with better repayment terms when you get out of college. If you've got a big loan burden, you can pay it off as a percentage of your income." And now about, oh, 40 percent of our universities have already enrolled. We just had people there from the University of Florida today, a man and his wife in medical school saying they would owe $140,000 between them. And when they go into residency, if they had to start paying off their student loan under the old system, it would take one-half of their disposable incomes. But because of the new program, we cut the cost, improved the repayment terms, and guess what? It saves the taxpayers $10 billion over 6 years. So if we can give people more loans at less hassle and save $10 billion, why would we instead say, no, let's keep the old system and save the $10 billion by adding to the cost of going to college? Our way is better, because it's pro-education, and it makes sense, and it will take us into the future.

I wish I had longer to listen to you and we could ask questions. I'd like to stay here 3 or 4 hours, but I've got to go to Florida. But I want you to think about this. Think about this debate. Every time you see an issue being debated in Washington, ask yourselves two questions: How can I cut through all the political rhetoric to figure out how this is going to affect me and my friends and my generation and the future of this country and the children I hope to have? Don't think about it in political terms. Think about it in terms of how it's going to affect your life and the future you want for yourselves and your children.

And the second thing you ought to say is, now, what do I believe my country should be doing about this? Because we are going through this huge period of——

[*At this point, there was a disturbance in the audience.*]

What did they say? Prisons are not shelters? I agree with that. Why are you shouting at me? Sit down. I heard you. We heard you. We heard you. We heard you. Sit down. We heard you. [*Laughter*]

I like those guys. They believed in their free speech and mine as well. I appreciate that. Thank you very much.

Audience member. Why 100,000 more cops instead of more shelters?

The President. I'll tell you why we need 100,000 more police.

Now, wait a minute, let's don't start a flood here. Free speech—we'll listen. [*Laughter*] I'll tell you why; I'll tell you why we need 100,000 more police. Because the violent crime rate in America has tripled. And this is a big fight I'm in with the Congress. They just want a block grant. They want to cut the amount of money to the crime bill, block-grant it to the cities and States, and say, basically, spend it however you please. I say no, we've got to have 100,000 more police. Here's why. You're entitled to an answer to that.

The violent crime rate has tripled in the last 30 years. The number of police officers has increased by 10 percent. In every major city where more police officers have been trained not simply to catch criminals but to prevent crime, to work with friends and neighbors and help kids on the street, the crime rate has gone down. One of the little-known good things that is happening in America today is that in many, many, many places, the crime rate is going down because of community policing.

So I say we ought to have a 20 percent increase in the number of police forces, not only to catch criminals but to prevent crime from occurring. And a 30 percent overall increase in police is still not as much as a 300 percent

increase in violent crime. I think we made the right decision on that. That's exactly the kind of debate that we ought to be having.

But I also believe—I also believe we have to do more for shelter. I also believe we have to do more for shelter. Our administration—you look at the record of Secretary Cisneros and HUD. We have tried our best to increase that. But none of this is answering the big questions. And you have to answer that. I want you, every one of you, without regard to where you're from, what your family's income is, what your race is, I want every one of you to believe that your tomorrows will be whatever you want them to be and whatever you're willing to work hard to make them to be.

I want you to be positively ecstatic at the prospect of bringing your own children into the world and this country and thinking about the 21st century being the most peaceful and prosperous and exciting time the world has ever known. That's what I want. And that is all that matters, in the end, is whether we do our part.

When I was your age, I had a professor of Western civilization who told me that the United States represented the finest expression of our civilization because it had embodied the two most important ideas: first, that the future can be better than the present, and second, that every single one of us has a personal, moral obligation to make it so. That is what I am trying to do in Washington. We're having a big debate about what the role of the National Government is. I want you to answer the debate by determining what is best for you and your future and the other people in this country.

This country's in better shape than it was 2 years ago. It's going to be in better shape 2 years from now if I have anything to say about it, but you will have more to say about it than anybody else. Stand up for education, and stand up for the future.

Thank you, and God bless you.

NOTE: The President spoke at 5:34 p.m. in the Woodruff Physical Education Center. In his remarks, he referred to Laura Sawyer, student council president.

Statement on Proposed Legislation To Establish a District of Columbia Financial Authority

March 29, 1995

I am pleased that Congressman Davis introduced legislation today to establish a financial oversight authority for the District of Columbia. My administration worked closely with the Congress in drafting the bill, and I hope we can continue the bipartisanship already at work to help the District return to fiscal health.

The financial crisis in the District is serious and demands immediate attention. Although other cities have suffered similar problems, Washington, DC, plays a uniquely important role in the Nation's life. It is the Nation's Capital and is important not just to the people who live there but to all citizens of the United States.

I care deeply about the District and its residents. They deserve a government that delivers municipal services efficiently and effectively.

My administration stands ready to work with Congress to determine what help is appropriate. At my direction, my Budget Director, Alice Rivlin, a DC resident for 38 years, is heading a senior level, interagency working group to monitor the District's problems and assist DC in meeting its responsibilities.