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Time and again, military families bravely bid farewell as wives and husbands, children and parents depart for missions in far-off, often hostile areas. Committed to preserving freedom and democracy for all of us, these families provide the continuity and stability essential to the well-being of our soldiers, sailors, airmen, Marines, and the members of our Coast Guard, National Guard, and Reserves.

Military families face abrupt separations, moves to foreign soil, and tours in isolated locations away from friends. As they adjust to conditions around the world, they learn to do without many of the conveniences that most Americans view as basics. They quickly and adeptly transform unfamiliar quarters into welcoming homes, forming bonds of friendship with others in the unit, sharing in their hopes, dreams, and aspirations.

Commanders and other Department of Defense leaders have long recognized the paramount importance of families in the retention and readiness of military members. Indeed, America reaps invaluable benefits from the dedication of military families as they support America's mission to promote democracy and to secure peace.

**Now, Therefore, I, William J. Clinton,** President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim November 21, 1994, as ''National Military Families Recognition Day.'' I call upon all Americans to join in honoring military families throughout the world and in recognizing their integral role in supporting the men and women who defend the cause of freedom at home and abroad. I ask Federal, State, and local officials and private organizations to observe this day with appropriate ceremonies and activities.

**In Witness Whereof,** I have hereunto set my hand this fourth day of November, in the year of our Lord nineteen hundred and ninety-four, and of the Independence of the United States of America the two hundred and nineteenth.

**William J. Clinton**

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## Remarks at the National Association of Realtors Conference in Anaheim, California

*November 5, 1994*

Thank you very much, Bob Elrod, for those kind remarks. Gil Woods, Secretary Cisneros, I'm delighted to have you with me here today, and I thank you for your outstanding work in the area of housing, for all the things you are doing to make our country a better place. I'd also like to thank the United States Marine Corps Band from El Toro who played before I came. I thank them.

I am delighted to be here with all of you, including, I understand, hundreds of you from 36 nations, including some newly emerging economies, who have traveled here for this convention.

I was kind of looking forward to coming here today. You know, Saturday is traditionally moving day in America, and families think about moving toward new homes. For me, it was just another opportunity to move out of Washington and come see you. [*Laughter*]

This has been an interesting 2 years for me. There have been some great times and some not-so-great times, some that were exhilarating and some that were nearly bizarre. Some days I feel like the boy who told his mother that he really didn't feel like going to school, and his mother said, ''But Son, you have to go to school. I raised you to do the right thing.'' He said, ''But it's not fun for me at school anymore, Mother. I mean, the students don't like me. The teachers don't like me. The coaches groan when I walk by. Even the custodial workers don't like me.'' She said, ''Son, you have got to go to school. You're intelligent; you're healthy. You don't have a good excuse. Besides, you're 45 years old, and you're the principal.'' [*Laughter*] So I try to show up, regardless. And I'm glad to show up here today.

Today I want to talk with you about the dream of homeownership and the larger American dream of which it is a part and

what we can do together to keep the economic renewal that began 21 months ago going. I ran for President of this great land of ours because I felt that for too long our National Government had neglected issues that are fundamental to our national strength, our security, and our future: good jobs, strong families, better schools, safe streets, and a world more full of security, trade, freedom, and peace.

In this country, when I took office, we had already been grappling for 30 years with profound social problems that have disturbed every person in this great hall today, affecting the breakdown of our families, our communities, the rise of crime and drugs and gangs and guns.

We have lived, and certainly you have lived, with about 20 years of economic stagnation for many ordinary Americans who are the bulk, the heart and soul of the home-buying public, people who work year in and year out for wages that have barely kept up and often have not kept up with inflation. And we have had—we had had 12 years of a policy which became loosely known as trickle-down economics, with which I deeply disagreed and with which you as an association at least disagreed with specific parts of, as I heard in my introduction, the things that we reversed from the '86 tax act.

When I became President, we put together an economic strategy that was comprehensive in approach, long-term in vision, but quite basic: reduce the deficit; change the way Government works; make it smaller with less regulation, more efficiency; a greater emphasis on partnership and increase the impact of the things that you should do; ease the credit crunch; help small business; invest more in the security of our families and the skills of our people; invest in new technologies and defense conversions; increase trade.

We have pursued this strategy with discipline and persistence and success. The deficit includes a spending cut of $255 billion. This year alone, it is $100 billion less than it was projected to be when I took office. We are looking at 3 years of deficit reduction in a row for the first time since Harry Truman was the President of the United States.

In changing the way Government works in this country, we have adopted now two budgets covering 6 years, which will reduce the size of the Federal Government by 272,000, to its smallest size since John Kennedy was the President of the United States. Already there are 70,000 fewer workers working for the Federal Government than there were on the day I was inaugurated President.

We have deregulated banking, deregulated trucking. We have gone a long way to deregulate Federal rules and regulations on States, giving 20 States permission to try their own ideas to move people from welfare to work, giving nine States permission to try their own ideas to find ways to increase the number of working people who have health insurance in this country.

We are working hard to change the way our Federal Government relates to our schools with very strong national standards of excellence in education but deregulating the way the schools meet those standards, instead emphasizing local reforms, grassroots initiatives, all kinds of changes initiated by people at the local level to help achieve the kind of learning that we simply have to have if our people are going to compete and win in the 21st century.

And inasmuch as I am here in Orange County, I have to say a special word of thanks to a member of my administration who happens to be an Orange County Republican. Roger Johnson, who runs the General Services Administration, has helped to spearhead our reinventing Government initiative to make sure that we not only downsize the Government, that we also make the Government work better. If you ask the people in California, for example, we rebuilt all the highways out here that were damaged by the earthquake in about half the time that people said we could do it if we worked flat out. We did it not by Government mandate but by simply saying we would pay you more if you finished quicker. [*Laughter*] A novel idea—long discarded by the Government, revised for the California earthquake rebuilding effort.

We finally adopted a bill to change the way the Government buys $200 billion worth of goods and services with your tax money every

year. And in so doing, by stripping away rules and regulations, we are saving $50 on every single Federal Government purchase, under $2,500, a year. No more $500 hammers. No more $50 ashtrays. We have opened the markets to the kind of competitive pressures all of you observe.

This year, even though we reduced defense and domestic discretionary spending for the first time in 25 years, we are investing more in Head Start, in more affordable loans for middle class students, in national service to allow young people to earn money for their college education by serving their communities at the grassroots level, in apprenticeship programs for people who don't go to college but do want good training and good jobs for the future.

And we are taking all the money that we are saving by reducing the Federal bureaucracy by 272,000 and putting it into financing the crime bill, giving the money right back to grassroots communities to hire police officers, to institute the prevention and the punishment programs that I believe can lower crime and violence in this country if people at the community level will spend the money in the proper way. We took the money from the Washington bureaucracy and gave it to every community represented by every person in real estate in this entire hall. I think it was a good switch. It will make our country safer.

We have also increased our investment in new technologies and defense conversions to help communities that have been hurt by base closings or by their big industries losing defense contracts. And we have dramatically expanded trade with NAFTA, with the GATT world trade agreement. As soon as the election is over, literally a couple of days after that, I have to go all the way to Indonesia for the second annual meeting of the leaders of the Asian-Pacific economic group. It's a leadership organization that I really got to meet for the first time as leaders in Seattle last year. Why am I doing this? Not because I want to take another trip 2 days after the election but because Asia is the fastest growing part of the world economy, and the United States needs to be in those markets. It's high-wage jobs for us. We have to continue to push that approach.

Let me say that just this year, our exports to Mexico since we adopted NAFTA are up by 18 or 19 percent, 3 times the overall growth in our trade. Auto exports to Mexico are up 500 percent. I just came back from Michigan, where the biggest complaint is the amount of overtime the autoworkers are having to work. That, folks, is a high-class problem.

Now, this is the strategy of which you were a part when your organization supported our efforts last year. What I want you to know is it is working. Just yesterday we learned that unemployment in the United States had dropped to 5.8 percent, a 4-year low, and that unemployment in California had dropped to a 3-year low at 7.7 percent.

For those of you who aren't from here, let me tell you what happened to California. They not only went through the national recession, but California, with 12 percent of the population, had 21 percent of defense expenditures and suffered the impact of 40 percent of the base closings. So they're lagging a little behind the national recovery, but they are coming, too. They had a substantial drop in unemployment last month; now they're at a 3-year low.

Overall, the economy of our country has produced more than 5 million new jobs in the last 21 months, 91 percent of them in the private sector. In this year, the best news may be that about half the new jobs are high-wage jobs, that more high-wage jobs have come into the American economy in 1994 than in the previous 5 years combined. That's good news for homeownership. It's good news for the American middle class. It may mean that after a very long period of time, we are turning around average wage levels by changing the job mix in America.

I mention the auto industry to you; there are more people working in the auto industry now than in any year since 1979, even though they are much more productive and it takes far fewer workers to produce a car than it did in 1979. For the first time since 1979, automakers in the United States have produced worldwide and sold more cars worldwide than their Japanese competitors, for the first time in 15 years. And in the annual vote that occurs every year of international economists, for the first time in 9 years the United

States was voted the most productive economy in the world. We are moving in the right direction.

I have to say, as has already been noted, that we have focused intensely on the real estate industry as a part of all of this, because you are one-fifth of our gross domestic product, because we need a healthy real estate sector. And in the economic program last year, when you asked for passive losses to be restored for real estate professionals, when you asked for FHA limits that moved with the markets, when you asked for mortgage revenue bonds to be extended permanently, when you asked for a secondary market for commercial real estate loans, you got those things in our economic program because they were good for the United States and for our economy.

Housing starts are up 30 percent since January of '93. And after declining by 664,000 the previous 4 years, construction jobs have increased by 436,000 since those changes were made and since we have begun to move this economy forward in the last 21 months. And I thank you for your contribution to the economic progress of the United States.

I want to talk now about where we go. But I have to say, just for a moment, if you will indulge me, since I know I have a good bipartisan crowd here. There may be more, indeed, Republicans then Democrats in this audience. This is a rather curious election season. I mean, after all, if I were a Republican President who said to you, ''Look, we've reduced the deficit, reduced the size of Government, gotten the economy going again, adopted the toughest crime bill in history, promoted peace, and reduced the nuclear threat and increased trade all around the word,'' the Republicans would say it would be unpatriotic to campaign against the people who voted for those policies in their races for Congress. I think that's right.

And yet, we are living in a time of such cynicism that a lot of these races all around the country are being dominated by people who say, ''Vote for me because I know that the Government is inherently bad, that everything they do is wrong, that anything they do will make the problem worse, that if anything good happens in this country while Mr. Clinton is in office, it's either in spite of him or unrelated to the fact that like the principal, he shows up for work every day. [*Laughter*]

Now imagine this—suppose your office worked that way. And some guy comes in, and he says, ''Hire me to work in your real estate office because the real estate industry is inherently sick, and you couldn't do anything right if you wanted to. And if you hire me, I'll sit in the office all day, and I won't try to sell a house.'' [*Laughter*] If half the people who came to work in your place every day said, ''I'm showing up for work, but really we're going in the wrong direction, and we can't make anything good happen, and that glass is half empty,'' you would all be broke. And we are seriously entertaining giving our votes to people who tell us these things.

Folks, the Government is neither inherently good or bad. It is our tool. It is the instrument that reflects us. It is what we can make of it. It can do wrong; it can do right. It can be good; it can be bad.

My view has been that we have tended to see Government in too much black or white terms, as we'd looked to Government as a savior when we're in trouble, and the rest of the time we say that we ought to junk it. It's either our savior, or we want it on the sidelines. The truth is, in my opinion, as we move toward the 21st century, Government should be seen as an instrument that seeks to create opportunity in the private sector. It seeks to empower people and then challenges people to assume both individual and community responsibility, because that's where most of the action is in America today.

The Government cannot do as many things directly, and should not try, but without a sensible, aggressive, focused Government, working in partnership and challenging people to assume responsibility for their own lives, this country cannot live up to its potential. Many of the things that we do actually matter. The family and medical leave law made a difference in the lives of millions of Americans who wanted to be successful parents and workers, who wanted to be able to take a little time off when they had a baby born or a sick parent without losing their jobs.

Our expansion of Head Start made a difference. That program works. A lot of kids are going to wind up being good students

and good citizens now who might have taken a different path in life. Those things make a difference.

The changes we made in the real estate laws, reversing the mistakes that were made in 1986, made a difference to you. It makes a difference whether we do the right thing or the wrong thing.

So the only thing I ask you to do without regard to your party or your philosophy is to remember what we did here has made a difference. As they say back in Arkansas, where I come from, if you find a turtle on a fence post, chances are it didn't get there by accident. [*Laughter*] And I think you ought to think about that.

And what we need in this country so much is to get away from this whole kind of negative-dominated way of talking, where we scream at each other instead of visit with each other. Believe me, I don't have all the answers. And if you try to do as many things as I've tried to do, you'll make a mistake or two, and I acknowledge that. But what we need in this country is people in public life who do what you expect when you're trying to get to sell real estate: You've got to show up every day with a positive attitude and a willingness to look at the facts and a willingness to learn and a determination to make progress. That's what we need. We need to discuss these things with one another.

These social problems we've got in this country, I say again, have been developing for 30 years, but they are of profound importance. We can fix the economy. And if we lose millions of our kids, like those kids that dropped that 5-year-old out of that high rise in Chicago, well, it's going to be hard for America to be what it ought to be. And these economic problems are of profound complexity. When people work harder and they get more productive and they make the economy grow with no inflation, then the first thing they're told is, the economy is growing with no inflation, but we might have inflation, so we're going to raise interest rates so you won't get an increase in your income. These are frustrating, complex problems.

On the other hand, we don't want inflation. You look at these countries that are gripped with inflation. It will kill your economy. These are complicated problems. But what we need in America today is a country that should be full of optimism and hope and a conviction that we can all make a difference.

When I came back from the Middle East, I was so impressed by that. I looked at the faces of our young men and women in uniform in the Persian Gulf who moved so quickly against Saddam Hussein's aggression. I looked at the people who were there at the peace signing between Jordan and Israel and how grateful they were for the role of the United States in that peace. And I thought to myself, around the world, nobody is cynical about the United States; they know this is a very great country. All I ask you to do is to bring your differences into the framework that this is a very great country, moving in the right direction, leading the world. And we can solve our problems but only if we speak with one another and listen to one another and stop just throwing these verbal bombs across the fences that divide us and turn us into cynical and negative people. We're not going to get anywhere doing that. [*Applause*] Thank you.

I'd like to take the remainder of my time to talk a little about what you came here to discuss and that is homeownership and whether, as partners, we can do anything to increase it. If you think about it, the idea of having your own home is the ultimate expression of optimism. Homes are for families. They make for a more secure environment for our children. They create pride and self-esteem. They are the extension of our personality, our hopes, our dreams. For most of us, they're the main harbor of all of our collected memories. They are the most important investment in financial security that most Americans ever make. And most people who own homes care more about their own communities and have a bigger stake in solving the kind of problems that we've been here talking about today.

You know, I was thinking this morning as I flew over here, I have very vivid memories of every home I ever lived in, even when I was just 3 or 4 years old. And I bet all of you do, too. I can hardly remember anything about my very early childhood, but I remember the feel, the look, the atmosphere of the first home I ever lived in. I think we

all agree that more Americans should own their own homes, for reasons that are economic and tangible and reasons that are emotional and intangible but go to the heart of what it means to harbor, to nourish, to expand the American dream.

A national survey recently found that most people won't start saving for a home until they believe that they can actually buy a home. And I want to say to the American people, and especially to young families, if that's what you think, you ought to start saving now, because I am determined to see that you have the opportunity and together we can make that opportunity for the young families of our country.

I am committed to a new and unprecedented partnership between industry leaders and community leaders and Government to recommit our Nation to the idea of homeownership and to create more homeowners than ever before. I heard the kind introduction—well, of course the home mortgage deduction helps millions of ordinary citizens to achieve the dream of homeownership. Of course, it does. but I believe we can do even more.

As the economy recovers, we know that we're going to make progress anyway. There are 1.5 million more homeowners in America today then there were 22 months ago. Housing starts are up and sales and profits are up. Here in California, where, as I said, the economy has been in difficulty, the pace of home sales for the first 9 months of this year is the highest in 5 years.

But still we face serious problems. Troubling changes occurred in the housing sector after 1980. After 46 years of steady growth, homeownership expansion began to head downward. Inflation, recession, stagnant incomes, the failure to enforce laws prohibiting discrimination in housing and lending, high costs and a reduced role for FHA perhaps all played a role. But by 1992, the national rate of homeownership had slipped dramatically. Homeownership for young families fell from 44.5 percent in 1980 to 37.6 percent by 1992. In 1980, more than 70 percent of our children lived in homes owned by families. In 1991, that had fallen to less than 63 percent. By 1990, 2 million young American families who would have become homeowners if the upward trend had continued, did not have the chance to own their own home. We have got to turn this around. We have to move this measure or our national prosperity forward as well. And I am convinced that we can do it.

Therefore, today, I am directing HUD Secretary Cisneros to develop, in cooperation with the most significant members of the housing industry and government at all levels, a plan to boost homeownership to an all-time high in the United States before the century is out.

This initiative will draw heavily on the expertise of those of you in real estate, financing, and building. Representatives of State and local governments and nonprofit community-based groups will join in. Participants from our administration will include the Assistant to the President for Economic Policy, the Assistant to the President for Domestic Policy, the Secretary of Agriculture, the Secretary of Veterans Affairs. I want them to write and send me, within 6 months, a detailed strategy that recommits America to homeownership, that will add millions of new homeowners by the end of this century.

I can assure you—just don't forget, the end of this century is just a couple of years away—I can assure you that this is not a report that will sit on a shelf. It is one that will be implemented. And let me be clear, this is not a Government program. I have asked for the involvement of realtors, homebuilders, mortgage bankers, Fannie Mae, Freddie Mac, insurers, the Habitat for Humanity, bankers groups, nonprofits, 40 other groups already on board to do their part. This is an initiative based on cooperation, not a Government program.

We can achieve the results we seek for America's homeowners if we take seriously the lessons I mentioned earlier about the way we reinvent and change the role of Government, not what Government can provide but what Government can help make it possible for you to provide. Specifically, I've asked the Secretary to focus, in the beginning, on at least three areas. First, I directed this group to find ways to cut the costs and the regulations involved in buying a home. I want it to be simpler, less costly.

Second, I want to target new markets, underserved populations, tear down the barriers of discrimination wherever they are found. Let me just make this point—[*applause.*] Thank you. Look at our trade policy. What are we trying to do? We tore down barriers to trade with Mexico because we knew they'd buy more of our products. We would buy more of theirs, they would buy more of ours. It would change the job mix in America for more high-wage jobs. The biggest untapped market in America for many of us are the millions and millions and millions of people that the economy of the 1980's left behind, people who live in our cities, people who live in our isolated rural areas, people with productive capacities who, if they can become consumers, can explode the American economic growth rate well into the next century. That is what this is all about, and we should all focus on it.

Third, I want to develop new strategies for educating those who haven't considered becoming homeowners because they don't have an adequate comfort level or enough information to act. And believe it or not, at least our research indicates it's a much bigger problem than I would have thought when we began to look into it. Let me go through these issues briefly one at a time.

A modest starter home today costs about $94,000 in many parts of the country, even more here in California. With only a 5 percent down payment and closing costs, that's about $9,000 up front. Half the young families in this country make about $25,000 a year. Well, it's hard to save $9,000 when you're raising children on less than $25,000 a year. Many families are paying more in rent than it would cost them to own a home and to build equity, but they can't come up with the front-end money. We have to do better.

Secretary Cisneros has taught me the term lifer. As an old attorney general, I thought that had to do with the criminal justice system. But today, more and more, it refers to people who are renters for life, middle class Americans who have no hope of becoming homeowners. We can do better than that, and we will.

We have to do a better job of reaching the underserved, of eradicating discriminatory practices that prevent minority families from finding, financing, or buying the home of their choice. It's wrong for anybody with a solid work history to be denied a home. And as so often is the case in the United States, if we do the right thing, it will be good business. It will be more money for all Americans and a greater rate of economic growth.

The third and final element of the plan will involve improving our efforts at education and outreach. According to one national survey, fewer than half of all American adults know what they need to know to navigate the real estate market successfully. Surely with all the communications technology available today, we can do better than that in America. Every day you counsel, you educate, you elevate the comfort levels of potential homeowners. We need your help in learning how to do this better for people throughout the United States.

If we do these three things—and perhaps this group, which will include representatives of your industry, will come up with others—we can widen the circle of home ownership beyond anything we have ever seen. And in so doing, we can slowly begin to restore the confidence of battered middle class American families who fear that even in times of economic recovery, their own family security will not be enhanced. That is the key to restoring the American dream, having working people believe that they can live in the turbulent, fast-changing times of the 21st century and still come out winners if they work hard, become lifetime learners, play by the rules, and raise their kids well. And finding a way for these people to own their own homes is a critical part of restoring the sense of American security and the reality of the American dream. I want you to help me do that.

My fellow Americans, through Presidents and administrations of both parties, the American people have been committed across party lines to the idea of homeownership. We have shown through things like the FHA and the GI bill that we can work in partnership to empower people who will take responsibility for their own lives. I am trying to do that now in many, many other areas of our national life. We are trying, all of us, to face problems we have ignored too long.

We are trying to deal with the challenges and seize the opportunities that await us.

I just want to say this last thing in closing: I am convinced that the best days of this country are ahead of us, if we will only seize these challenges, seize these opportunities, and maintain the attitude that all of you inculcate into everybody who works with you every day. I am telling you this is still the strongest country in the world, the greatest peacemaker in the world, the most powerful economy in the world. The only thing that can get in our way is our failure to believe in ourselves and our unwillingness to work together to face the challenges before us. If we can get rid of that, there is no limit to America's future.

Thank you, and God bless you all.

NOTE: The President spoke at 9:40 a.m. at the Anaheim Convention Center. In his remarks, he referred to Bob Elrod, president, and Gil Woods, president-elect, National Association of Realtors.

## The President's Radio Address

*November 5, 1994*

Good morning. I'm speaking to you today from Los Angeles. In many ways, California is the cutting edge for a nation always on the move, always seeking new challenges. And I want to talk to you today about those challenges, about the choice we face between continuing to go forward on the path to a better future or going back to policies that failed America in the past.

Just yesterday, Friday, we learned that the economy is continuing to move forward. The Labor Department reported that the unemployment rate has fallen to 5.8 percent, its lowest level in 4 years. In the 21 months since I took office, over 5 million jobs have come into our economy, and the jobs are getting better. In 1994, more high-wage jobs came into our economy than in the previous 5 years combined.

Our strategy is beginning to work: reduce the deficit; increase investment in education, training, and defense conversion; increase trade. We passed an economic plan that is cutting spending by $255 billion and cutting the Federal bureaucracy by 272,000 positions. We slashed regulations and saved billions. We're also investing in new technology and defense conversion. We're expanding trade dramatically. In Mexico alone this year, the sales of American automobiles increased 500 percent.

We're also increasing our investments in education and training, even as we reduce overall spending. This will help our people to compete and win in the tough global economy, increasing Head Start; apprenticeships for young people who don't go to college but do want good jobs; a dramatic increase in affordable college loans, making 20 million Americans eligible for lower cost loans on better repayment terms; and national service, the opportunity for people to serve their communities in solving problems person to person and earn money for their college education.

To rebuild America, we have to keep working for good jobs and better education. But to be strong, we also need strong families and safe streets. That's why we've worked hard for the family and medical leave law that's protecting millions and millions of American workers who don't lose their jobs now if they take a little time off when a child is born or a parent is sick, why we're immunizing 2 million American children under the age of 2 by 1996, why we've provided tax decreases, tax cuts, to 15 million working families with children because they work full time with children in the home and they're hovering above the poverty line. We want to lift them out of poverty, not put them in. We're working to make our streets safer with the Brady bill and the crime bill. Already extra police are appearing on streets and cities all across America.

Of course, we've got a long way to go until everybody in this country who wants a job has one, until people who work hard and deserve a raise get that raise, until people who have coverage don't lose their health care insurance. But America is clearly moving forward.

The new economic statistics are real. There really are more than 5 million jobs in the last 21 months and more than 5 times as many per month are coming into our economy as was the case in the previous administration.