AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Week Ending Friday, October 20, 1995

Remarks to the Business Council in Williamsburg, Virginia

October 13, 1995

Thank you very much. The last time I was with the Woolards we were in Jackson Hole, Wyoming, in the Grand Tetons. And this outfit would have been highly inappropriate there. I felt more at home, but I saw Ed tonight and I kind of—I'm jealous of the beautiful shirt. I want to know where you got it. [*Laughter*] I'm so glad to see all of you. I know some of our administration members have been here—Secretary Rubin, who feels right at home. I still can't believe Bob Rubin is a Democrat. [*Laughter*] He told me not very long ago we were going to have to change the currency to avoid counterfeiting. And I said, ''Well, all right.'' And he said, ''But I want to start with 100-dollar bills.'' [*Laughter*] So that's where we started. I have reviewed a little bit about who spoke here today and what they said, and, Ed, if Hugh Sidey really said that, he must have been awful tough on the people who are running against me. [*Laughter*]

I want to talk to you tonight about, obviously, about the major controversy presently raging in Washington about the balanced budget. But I want to try to set the stage for what this really means and what's really going on. And I'd like to begin with what I think is the most important thing, which is what kind of country we live in and what kind of country we wish to live in and what kind of country we wish to leave for our children and our grandchildren. That, after all, is the most important thing of all.

When I sought this job in 1992, I did it because I wanted to restore the American dream for all of our people and because I wanted this country to go into the next century still as the world's leader for freedom and peace and prosperity and democracy. Because I really believe that we're all better off in a country where people have opportunity but exercise responsibility, where we strengthen work but we also strengthen our families, and where we recognize that the real power in America should be at the community level where people work together and where they deal with each other directly, instead of through the filters that exist between me and Washington and you where you live.

This is a remarkable period of success for America's economy. All of you are doing a remarkable job. We've had a great 2½ years. And I believe there are better times ahead if we make the right decisions. It's a time of profound change. We're moving from the industrial to the information and technology age. We've moved out of the cold war into a global marketplace. We have problems, to be sure, but they're nowhere near as great as the opportunities we have.

When I sought the Presidency, I said that I wanted to do three things: I wanted to restore pro-growth economics. I wanted to put mainstream values back at the heart of our social policy. And I wanted to give America a modern Government that was more entrepreneurial and smaller and gave more authority to the State and local governments, to the private sector, and operated more as a partner with others to build a better America.

I said then, and I believe I have been true to this, that I wanted to see new ideas injected into our political life, everything from welfare reform to national service to empowerment zones for our inner cities to the reinventing Government program that the Vice President has done such a good job with. I said I would make a good-faith effort to move beyond the partisan labels that had divided people so much in the past. And believe it or not, I have done my best to do that. It's a lot harder in Washington than it is in the State capitals and the cities of the country, but it can be done and it will be done again, I believe, in the next few weeks.

I also believed then and I believe more strongly now that in a time of change, it's important that the President make decisions based on their long-term impact as opposed to their short-term benefits or burdens.

Now, if you look at the last 2½ years, you must all be very proud. Our country has produced 7½ million jobs, 2½ million new homeowners, about 2 million new small business owners, the largest number of new small businesses in such a time period in the history of the United States, a record number of new self-made millionaires. Trade has increased in the last 3 years from 4 percent in '93, 10 percent in '94, and it's going up 16 percent this year—our exports. The deficit has come from $290 billion a year down to $160 billion a year.

Of course, there are still problems. In any period of profound change, there tends to be a big disruption and a significant problem of income inequality. We have that in America. We need to get more energy and growth back into middle class families' incomes. We have still some isolated areas in our country that have not felt the benefits of this recovery. And I believe that the budget proposal now in Congress would undermine our economic growth in the future unless it's modified significantly, and I'll say more about that in a moment.

I think the policies of this administration have made a contribution to that economic record by reducing the deficit; by expanding trade through NAFTA and GATT and taking all those outdated cold war controls off of our high technology exports; by concluding over 80 trade agreements through the efforts of Ambassador Kantor, including 15 with Japan alone; by investing in technology, research and development, and defense conversion; and by working with so many of you to manifest the real commitment to the education of all Americans, more money but also higher standards, higher expectations, and more accountability in education.

If you look at the question of our social problems and whether we've been successful in putting middle class values into our approach, you can all be somewhat hopeful there. The crime rate is down in almost every place in America. The murder rate is down. The welfare rolls are down. The food stamp rolls are down. The poverty rate is down. The teen pregnancy rate has gone down for 2 years in a row. Americans are reasserting their beliefs in old-fashioned personal, family, and community responsibility. And it is beginning to work.

Yes, we have some problems. We still need to pass a national welfare reform plan, I believe. We still need to avoid the tendency that's now alive in Congress to believe that all you need to do on the crime problem is to put people in jail and we don't need anything to do with prevention and giving our young people something to say yes to. But basically we are moving in the right direction to reassert and reinsert into American life mainstream values.

And I believe the initiatives of our administration have played a role in that: The crime bill, which is putting 100,000 more police on the street, keeping repeat offenders off the street; passing the Brady bill; passing the assault weapons ban; doing things that enable our local communities to help prevent crimes. I think it's making a difference.

I believe the work we've done and what the New York Times called "a quiet revolution" in welfare—our administration has given 35 States over 40 separate approvals to get around Federal rules and regulations to move people from welfare to work. When the Congress wouldn't pass the bill, we just decided to reform welfare State by State, community by community. We have offered all 50 States within any 30-day period a complete relief from any number of Federal rules and regulations if they will present a comprehensive plan to move people from welfare to work without hurting their children.

I think when we almost doubled the family tax credit that President Reagan said was the best antipoverty program the country had ever come up with, so that we can now say that anybody who works 40 hours a week and has children in the home will not live in poverty, that was a major step toward rewarding work and family and helping us to reform welfare and get people out of welfare into the work rolls.

I think the national service program is an important advance. We celebrated its first year yesterday with a young woman from Kansas City who's working her way through

college from an inner-city neighborhood in Kansas City with a project of young volunteers who have closed 44 crack houses in Kansas City in the last year. And this is the kind of thing being done by these young people all over America, whether they're building houses with Habitat for Humanity, tutoring kids in rural Kentucky where they have increased the grade level in reading by threefold in one year, or helping to fight the crime problem.

All these things manifest our values. And something I know that means a lot to all of you, we have tried to give the American people a more modern Government. The size of the Federal Government tonight when I left Washington was 163,000 smaller than it was the day I became President. It's the smallest Federal Government since John Kennedy was President. We will reduce it by another 110,000 in the next 2 years, no matter what the Congress does with this budget. This Government as a percentage of the civilian nonfarm payroll is the smallest Government the United States has had in Washington since 1933.

Now, those are facts. We've reduced 16,000 pages of regulations, cut the regulations of the Small Business Administration by 50 percent, the regulations of the Education Department by 40 percent. Next year, the paperwork time that businesses spend fooling with the Environmental Protection Agency will be down by 25 percent.

More important than all that to me, I think our Government's working better. The Small Business Administration has cut its budget by 40 percent and doubled its loan output. The Export-Import Bank is helping small businesses that never knew what it was before to sell their products all around the world. The Commerce Department and the State Department have done more good for American businesses overseas than any Commerce Department and State Department in modern history. And every one of you who has worked with them knows that that is the absolute truth. We are moving forward to give you a Government that works.

The automobile industry has been working with us in partnership to produce a clean car. It is a big deal. 1995 was the hottest year for the planet Earth since the present temperature system was devised. China is growing rapidly. If everybody in China winds up with a car and you don't want the atmosphere of this Earth to burn up, we had better find an efficient way of moving people around. And this is the sort of thing that we're trying to do.

Now, let me tell you this; this will probably surprise you more than anything: Every year, Business Week—hardly an arm of the Democratic Party or of my administration—recognizes outstanding businesses for performance in various categories. This year in the category of service to consumers by telephone, the winner was not L.L. Bean or Federal Express but the Social Security Administration of your Federal Government. So I think that we have made a contribution to modernizing the Federal Government. It's smaller. It's less bureaucratic. It is more entrepreneurial. It still has dumb things in the rules, and it does dumb things that drive me crazy that I find out about after it's over. But it is better than it was before by a very, very long shot.

The most important thing is, we're trying to help move decisions back where people make them. The mayor of Chicago is here. Chicago received one of our empowerment zones, a new idea helping to attract private investment into inner cities to grow the economy and give people a stake in America's future. Chicago received more funds for police not because we know how to prevent crime, but they do if they have the means to do it, and funds for prevention to support programs like the ones in Chicago that have lowered the crime rate, even though they make fodder for congressional speeches, like midnight basketball. Better a kid on a basketball court than on a corner selling drugs or mugging somebody and winding up in jail. We didn't make the decisions; they make the decisions at the local level.

We finally passed a bill to stop mandating costs on State and local governments that we don't help them pay for. These are the kinds of things that are going on. We are moving in the right direction, your country is, and you ought to be proud of it.

And America has been gratified to be a part of making peace in the Middle East, progress in Northern Ireland, the cease-fire in Bosnia, making sure that for the first time

since the dawn of the nuclear age there aren't any missiles pointed at Americans or their children tonight. North Korea is moving away from its nuclear program, and, by the grace of God, we might get a comprehensive test ban treaty on all nuclear testing next year. We seem to be headed in that direction.

Now, what does the future hold? First, we do have to balance the budget. It's the right thing to do to take the burden of debt off our children and free up capital for private sector investment. I'm really proud of the fact that way over 90 percent of the new jobs created in this recovery were created not by Government but in the private sector. That is exactly what we wanted to happen. So as we reduce the size of Government, the private sector is growing more. We have to do it, but we have to do it consistent with our values and with our interests.

The second thing we have to do is to expand trade. We have our friends here from the Americas. Mack McLarty, who's here with me, worked so hard last December on the Summit of the Americas. And we have worked to follow up on that. We believe that our partners in this hemisphere are a very, very important part of our future. We believe we have to build on NAFTA until we have partnerships with all these democratic governments, to reward their moves to democracy, to freedom, to market economics with a genuine and respectful partnership with the United States.

In that connection, I say I was very well pleased with the remarkable visit I just had with the President of Mexico and the fact that they have already paid back $700 million of the loan they received through our international financial package ahead of schedule, being faithful to their commitment to modernize Mexico politically and economically.

We have to continue to invest in technology and make it our friend, not our foe. People cannot afford to be afraid of the technological revolution that is sweeping the world. We just have to make sure that everybody can have access to it. And we have to give people the tools they need to succeed.

In that connection, let me say I am very grateful for the support that we've gotten from the business community for every education initiative of our administration, from expanding Head Start to the Goals 2000 program, which focuses on national standards and grassroots reforms, to the expansion of student loans.

And just a couple of days ago—I know the Secretary of Labor said this earlier, but I want to emphasize this because it achieved almost no public notice, largely because there were only two votes against this bill in the Senate, and when there's no controversy, it is often deemed not important. But with no controversy, a couple of days ago, the United States Senate adopted what I thought was one of the most important new ideas that I advocated in the State of the Union message: the "GI bill for America's workers," consolidating 70 separate, marginally impacting Federal training programs into a big fund and saying to unemployed people, we will just send you a voucher, we will send you a voucher if you lose your job and you can immediately take it to the nearest community college and begin to start your life again.

Now, that's very important. A lot of you pay a lot of unemployment tax. The unemployment system today is not relevant to the times in which we live. When the unemployment system in America was developed, 85 percent of the people were called back to the jobs they were laid off from. Today, 85 percent of the people who are laid off are never called back to those jobs. If we want people to feel secure about the future, to have a stake in the future, we have to increase their sense of empowerment about it. That's what this "GI bill for America's workers" will do. It's a very important idea, and we ought to stick with it and support it and properly fund it.

Now, let me say something in all candor. To have—if we're going to continue to move forward in a time of change, you have to expect the leadership of the country to do what you have to do in a time of change, and that's to make decisions that are unpopular in the short run because they're right over the long run. Now, I have found as an elected official that everybody is for that in general, but they're against it in particular. And let me just give you some examples of the kind of things I've faced. I bet I've done five things that have made everybody in this room mad

in the last 2½ years, at least five. But I want to give you a few.

When I became President I knew, based on my conversations with Mr. Greenspan, with people in the private markets, with others, that if we could reduce the deficit at least $500 billion in 5 years, we'd get a big drop in interest rates and a big boom in this economy. I knew that. And I knew, conversely, if we failed to do it that we would continue to lengthen the sluggish economy which I confronted when I took office. So I made up my mind, come hell or high water, we were going to reduce the deficit $500 billion. In the first week I showed up in Washington, the leaders of the minority in Congress, who are now the majority leader and the Speaker of the House, told me that I would not get one vote for my budget no matter what I did, not a single, solitary vote. The policy was going to be ''just say no.''

As a consequence, I had to raise your taxes more and cut spending less than I wanted to, which made a lot of you furious. All I know is, we got a huge drop in the interest rates and a big boom in the economy, and most everybody who paid more made more than they paid. And it was the right thing for the United States. It was wrong for them to refuse to cooperate with me, but they were richly rewarded for it later on. But our country is better off because we passed a deficit reduction plan which, over a 7-year period, is about as big as the one we're debating in the Congress today. And that's what got this country going again. And we did it without cutting education or investment in technology or the environment or our future.

I'll give you another example that affects the mayor here. When we were debating the Brady bill to require people to wait 5 days before they got a handgun, and the assault weapons ban, all my political advisers said, ''Don't do this; this is crazy.'' And I said, ''Why do you think it's crazy?'' And they said, ''Because everybody that's against this will vote against everybody who's for it, but all the people that are for it, they'll find some other reason to oppose you.''

That's why things don't get done in your country, because organized interests and their intense opposition always overcome the generalized feeling of good will, which is not manifest in the same intensity of support. But you know what? Last year 40,000 people with criminal records did not get handguns because of the Brady law. And it was the right thing to do.

And I am tired of picking up the newspaper and seeing kids that are honor students in school getting shot down, standing at bus stops, by nuts with assault weapons. And by election time next time, every hunter in my State will know that nobody lost their hunting rifle and it was all a big canard, there was nothing to it. But people are alive today because those decisions were made.

The teenage smoking initiative—the same thing. Same folks came and said, ''Oh, don't do this. By the time the tobacco companies get through working on you, they'll convince every tobacco farmer in North Carolina and Tennessee that you're going to drive them in the poorhouse; they all vote against everybody with a ''D'' behind their name; they will bury you. And everybody in America that agrees with you will find some other reason not to support you. This is dumb politics.'' Well, it might be. But we studied that issue for 14 months. We found out two companies knew for 30 years what they were doing and kept on doing it and didn't own up to it. We found out that there were still deliberate attempts to advertise to young people. And most important, we found out that 3,000 kids a day start smoking and 1,000 of them are going to die sooner because of it. I don't know what you think a thousand kids a day are worth, but to me, that's the kind of America I want to live in, where another thousand kids a day have longer, better, fuller lives because somebody doesn't sucker-punch them into doing something they shouldn't do while they are still children. So it may be unpopular, but I think it was the right thing to do.

The same thing—something where most of you agree with me, I think—the affirmative action issue. Everybody said, ''Oh, you don't need to—you need to be against this; we need to stop this.'' But there is still racial discrimination in America, folks. When five Federal law enforcement officials can't even get served in Denny's, there's a problem there. And I could give you a lot of other examples.

I don't favor unfair preferences or quotas or reverse discrimination. Our administration has actually joined lawsuits against reverse discrimination in States. But everybody has to be considered in this country. The great meal ticket we've got for the future is that this is the most diverse, big, rich country in the world. Los Angeles County has 150 different racial and ethnic groups in one county. In the global village, it is a manna from heaven. But we have to learn to live together and work together with common values and a common chance to succeed. So we said, let's mend affirmative action, but let's don't end it. And I hope and believe it made it possible for the people who lead large companies in our country to follow the same policies.

I could give you lots of other examples, but you get the idea. When you're going through a period of change like this, you can't even predict what's going to be popular.

Last night we celebrated one year of the restoration of democracy in Haiti. Well, when we threw the dictators out of Haiti, hardly anybody was for it. But it was the right thing to do. You can't let dictators come to the United States and stand in the shadow of the Statue of Liberty and promise they're going to leave and then go home and keep killing people in the street and never even blink an eye. The United States couldn't do that.

When we helped our friends and neighbors in Mexico, most of you probably supported that. But the day I made the decision, there was a poll in the paper that said by 81 to 15 the American people were opposed to that. Half the people in the country who were for it were in the room at the time I decided to do it. [*Laughter*] But it was the right thing to do, because they're our neighbors, because they want to do the right thing, because they have the capacity to grow and become our strong partners and generate opportunities for you and incomes and jobs for America, because our real future here, no matter what happens to the movement toward free trade, is with our friends here in our backyard, in our neighborhood.

So I would ask all of you as people who have to make difficult decisions to expect people who lead your governmental institutions to do the same thing and to be perfectly willing to be held accountable for the consequences of them.

And that brings me to the budget issue. Let me say what this is not about, this squabble in Washington. It is not—I say again—it is not about balancing the budget. There are two plans to balance the budget, both of which have been blessed as perfectly credible by every neutral observer.

Our plan would, now we know, would balance the budget in 9 years and continue to increase investment in education, research and development, technology, and the environment. It would invest enough in things like the Commerce Department, the State Department, and our aid programs to maintain our world leadership, which is very important. You see what happens when we have a chance to exercise it. It would lengthen the life of the Medicare Trust Fund just as much as the Republican budget. It would slow the rate of medical inflation but not as much as their budget. Why? Because nobody I know in the health care field believes that we can take $450 billion out of Medicare and Medicaid over the next 7 years, based on what we now know, without causing serious problems to the medical schools of the country, to the children's hospitals of the country, to the ability of the elderly poor to get into nursing homes or their middle class children to have them there and afford to educate their children, and devastating problems to our ability to care for the over 20 percent of America's children who are so poor they qualify for medical assistance under the Medicaid program.

We do have to slow the rate of medical inflation. I've been working at this for 2 years. We do have to bail out the Medicare Trust Fund. But we have to recognize that we have to listen to the people who do this for a living and have some sense of the practical implications of how much we can cut. My budget has a tax cut, but it's smaller than the congressional one. The congressional budget balances the budget in 7 years. It cuts education, research and development, technology, investment in the environment. It drastically cuts back on our ability to exercise world leadership through the Commerce Department, the State Department, and the aid programs. The tax cut they offer is bigger, and

there's a big tax increase on the lower income working poor—a big one.

I think one of our values ought to be to grow the middle class and shrink the under class. I think it's not a very good idea, on the edge of the 21st century, to grow the under class and shrink the middle class. That is not my idea of what kind of country I want my child and her children to grow up in.

So, can we resolve this? You bet we can. Here's the practical thing; this is what I want to ask you to do. There are four or five big issues where there's a lot of money involved. One is, we differ on how much we estimate we'll grow. I picked a conservative figure, 2½ percent, because that's what the economy has grown for the last 25 years. They said, "Oh, no, we're not going to grow that fast." Well, why are we balancing the budget and giving a capital gains tax cut and doing all this stuff if we think we're going to get lower growth than we've had for the last 25 years?

I don't want to argue it either way, but I mean, I think my growth estimate is not a rosy scenario, it is lower than what a lot of you pay for. The blue chip forecast is for a higher economic growth and, therefore, more revenues than I estimate.

Then we are arguing about the rate of medical inflation. Then there's the question of whether we should reassign or redesign and recalculate the amount of inflation in the Consumer Price Index, which determines how much we increase Social Security and retirement. And we're talking about the size of the tax cut.

We can work this out, folks. The only thing I won't do—I will not do this—I will not let balancing the budget serve as a cover for destroying the social compact, for cutting back on education, wrecking the environment, or undermining our obligations to help protect our children and treat our elderly people decently, because it is not necessary to balance the budget.

Now, I don't want you to take my side or theirs on any of these big questions. Here's what I'm asking you to do. What I want is to get together with the Congress and get a budget out that is an honorable compromise that is better than theirs and better than mine. That's the best kind of get-together, where everybody puts their ideas together and you come out with something that's better than what anybody had. I'm not the source of all wisdom. But I know this: There's not a single one of you looking at the 21st century and the position of your company that would knowingly cut back on research and development or investment in technology or education and training. You wouldn't do it, not if you didn't have to, and we don't have to.

So all I'm asking you to do is to say, just get together, come up with something. If you do it in good faith, it will be better than the President's budget, and it will be better than the Congress' budget. Because when people get together, that's what they do.

I am prepared to make some decisions that I think are right over the long run, and I believe they are. There is no earthly reason why we shouldn't do this. America needs and deserves a balanced budget. America needs and deserves a balanced budget consistent with our values that will give us the kind of world that we would be proud to have our children and our grandchildren and their children grow up in.

This country is doing well, and it's going to do better. And a lot of it is because of what you are doing. And a lot of it is because of what mayors are doing all over the country. And a lot of it is because of what plain old American citizens are doing. We are moving in the right direction. And there is no country on Earth better positioned to do well in the 21st century than the United States of America. And ironically, all we have to do to get there, I believe, is to be faithful to our basic values and what we know is right.

That's a commitment I make to you. And I'm asking you tonight to do what you can, because you have more influence with most of those folks than I do, to make sure that we get together and do this, do it right, do it for America, and do it for the future.

Thank you very much.

NOTE: The President spoke at 7:34 p.m. at the Williamsburg Inn. In his remarks, he referred to Edgar Woolard, chairman and CEO, E.I. Dupont de Nemours & Co., Inc., and author and journalist Hugh Sidey. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

October 14, 1995

Good morning. In recent weeks, all of us have had reason to focus on two of the biggest problems facing our country: the problem of continuing racial divisions and the problem of violence in our homes, violence against women and children.

Today, I want to talk to you about that violence in our homes. It is prevalent, unforgivable, and sometimes deadly. In the latest statistics from the Justice Department, we find that close to a third of all women murdered in this country were killed by their husbands, former husbands, or boyfriends.

For too long, domestic violence has been swept under the rug, treated as a private family matter that was nobody's business but those involved. Fortunately, that's changing. In recent years, a huge public outcry against domestic violence has been rising all across the Nation. In our churches, schools, and throughout communities, we've begun to bring this problem out in the open and deal with it. Now everyone knows it is cowardly, destructive of families, immoral, and criminal to abuse the women in our families.

Just last week at the White House, I met with a group of women who are survivors of domestic abuse. One woman told me of being battered and terrorized for more than 20 years, all the while blaming herself for the brutality she endured. It wasn't until her husband attacked her son that she got up the courage to leave the marriage and to seek help.

It's important to remember that when children witness or are victimized by violence in the home, they often later grow up to abuse their own families. So it can become a vicious cycle, as many abusers were once those abused themselves.

The good news is we can do something about this. The same day I met with the women survivors, I also met a remarkable Nashville police sergeant named Mark Wynn, a young man who himself grew up in a home where his father abused his mother and the children. But that experience motivated him to become a police officer and to dedicate his life to preventing domestic violence. For the past 10 years, he's been educating police nationwide about the seriousness of this problem and what to do about it. And he spearheaded the creation of a special domestic violence unit in the Nashville Police Department that has helped to reduce domestic murders by 70 percent in the last 6 months alone.

One year ago, we made a major commitment in Washington to ensuring the securities of our families with the bipartisan passage of my anticrime bill. That law banned assault weapons from our streets and our schools, imposed tougher penalties for repeat offenders, including the ''three strikes and you're out'' law. It provided resources for community-based prevention programs to give our children something to say yes to. And it put 100,000 more police officers behind our efforts at effective community policing. That's an increase of about 20 percent in the number of police who are protecting our citizens. In just a year, 25,000 of these new officers are already out there working to help make your life safer. And I've put aside $20 million to train our police to effectively deal with the problems of domestic violence.

The crime bill also included the landmark Violence Against Women Act. For the first time in our history, the Federal Government is now a full partner in the effort to stop domestic violence. The Violence Against Women Act combines tough new sanctions against abusers with assistance to police, to prosecutors, and to shelters in the fight against domestic violence.

Just last week, we awarded grants to organizations in 16 different States to assist in their efforts to stop the violence and support the victims. And soon we'll establish an 800 number where women facing abuse can get assistance, counseling, and shelter.

Yet at the very moment our Nation has been focused on the abuse against women by their husbands—or former husbands or boyfriends—the House of Representatives has voted to cut $50 million from our efforts to protect battered women and their children, to preserve families, and to punish these crimes. I'm happy that the Senate agreed with me to fully fund the Violence Against Women Act, and I certainly hope the House will reconsider its decision.