

# State of the Union Address

*Federal News Service*

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PRESIDENT CLINTON: Mr. Speaker, Mr. President, Members of the 103rd Congress, my fellow Americans:

As we gather to review the State of the Union, I recall the memory of the giant who presided in this Chamber with such force and grace. Tip O'Neill liked to call himself "a man of the House." And he surely was that. But — even more — he was a man of the people, a bricklayer's son who helped build the American middle class. Tip O'Neill never forgot who he was, where he came from, or who sent him here.

We too must remember who we are, where we come from, and who sent us here.

We must return to the principle that if we give ordinary people equal opportunity, quality education, and a fair shot at the American dream, they will do extraordinary things.

We gather tonight in a world of changes so profound and rapid that all nations are tested.

Our American heritage has always been to master change, to expand opportunity at home, and provide leadership abroad.

But for too long, and in too many ways, that heritage was abandoned, and our country drifted.

For thirty years, family life in America has been breaking down. For twenty years, the wages of working families have been stagnant, or declining. For twelve years of trickle-down economics, we tried to build a false prosperity on a hollow base. Our national debt quadrupled. From 1989 to 1992, we experienced the slowest growth in a half century.

For too many families, even when both parents are working, the American dream has been slipping away.

In 1992, the American people demanded change. One year ago I asked you to join me and accept responsibility for the future of our country. Well, we did. We replaced drift and deadlock with renewal and reform.

I want to thank all of you who heard the American people, broke gridlock, and gave them the most successful teamwork between a President and a Congress for thirty years.

This Congress produced:

A budget that cut the deficit by half a trillion dollars, cut spending and raised income taxes only on the very wealthiest Americans.

Tax relief for millions of low income workers to reward work over welfare.

NAFTA

The Brady bill ... which is now the Brady law.

Tax cuts to help nine out of ten small businesses invest more and create jobs.

More research and treatment for AIDS.

More childhood immunizations.

More support for women's health research.

More affordable college loans for the middle class.

A new national service program for those who want to give something back to their community and earn money for higher education.

A dramatic increase in high tech investments to move us from a defense to a domestic economy.

A new law, the Motor Voter bill, to help millions of people register to vote.

### Family and Medical Leave

All passed. All signed into law with no vetoes. These accomplishments were all commitments I made when I sought this office, and they were all passed by this Congress. But the real credit belongs to the people who sent us here, pay our salaries, and hold our feet to the fire.

What we do here is really beginning to change lives. I will never forget what Family and Medical Leave meant to one father who brought his little girl to visit the White House last year. After we talked and took a picture, he held on to my arm and said, "my little girl is really sick, and she's probably not going to make it. But because of the Family and Medical Leave law I can take time off without losing my job. I have had some precious time with my child, the most important time I have ever had, without hurting the rest of my family. Don't you ever think that what you do up here doesn't make a difference."

Though we are making a difference, our work has just begun. Many Americans still haven't felt the impact of what we have done. The recovery has still not touched every community or created enough jobs. Incomes are still stagnant. There is still too much violence and not enough hope. And abroad, the young democracies we support still face difficult times and look to us for leadership.

And so tonight, let us continue our journey of renewal: to create more and better jobs, guarantee health security for all, reward work over welfare, promote democracy abroad, and begin to reclaim our streets from violent crime and drugs, and renew our own American community.

Last year, we began to put our house in order by tackling the budget deficit that was driving us toward bankruptcy.

We cut \$255 billion dollars in spending, including entitlements, and over 340 budget items. We froze domestic spending, and used honest numbers.

Led by the Vice President, we launched a campaign to reinvent government. We cut staff, cut perks, and trimmed the fleet of federal limousines. After years of

leaders whose rhetoric attacked bureaucracy, but whose actions expanded it, we will actually reduce it, by 252,000 over five years. By the time we have finished, the federal bureaucracy will be at its lowest level in thirty years.

Because the deficit was so large and because they had benefitted from tax cuts in the 1980s, we asked the wealthy to pay more to reduce the deficit. So April 15th, the American people will discover the truth about what we did last year on taxes. Only the top 1.2% of Americans will face higher income tax rates. Let me repeat: Only the wealthiest 1.2% of Americans will face higher income tax rates, and no one else will.

The naysayers said our plan wouldn't work. Well, they were wrong.

When I became President, the experts predicted next year's deficit would be \$300 billion. But because we acted, the deficit is now going to be less than \$180 billion — forty percent lower than predicted.

Our economic program has helped to produce the lowest core inflation rate and the lowest interest rates in twenty years. And because those interest rates are down, business investment in equipment is growing at seven times the pace of the previous four years. Auto sales are way up. Home sales are at a record high. Millions have refinanced their homes. And our economy has produced 1.6 million private sector jobs in 1993 — more than were created in the previous four years combined. The people who supported this economic plan should be proud of its first results.

But there's much more to do.

Next month, I will send you the one of the toughest budgets ever presented to Congress.

It will cut spending in more than 300 programs, eliminate 100 domestic programs, and reform the way government buys its goods and services. This year, we must make the hard choices again to live within the hard spending ceilings we have set.

We have proved we can bring down the deficit without choking off the recovery, without punishing seniors or the middle class, and without putting our national security at risk. If you will stick with our plan, we will post three consecutive years of declining deficits for the first time since Harry Truman lived in the White House. Once again, the buck stops here.

Our economic plan also bolsters America's strength and credibility around the world.

Once we reduced the deficit, and put the steel back in our competitive edge, the world echoed with the sound of falling trade barriers.

In one year, with NAFTA, GATT, our efforts in Asia, and the National Export strategy, we did more to open world markets to American products than at any time over the last two generations. That will mean more jobs and rising living standards for the American people.

Low deficits, low inflation, low interest rates, low trade barriers and high investment — these are the building blocks of our recovery. But if we want to take

full advantage of the opportunities before us in the global economy, we must do more.

As we reduce defense spending, I ask Congress to invest more in the technologies of tomorrow. Defense conversion will keep us strong militarily and create jobs.

As we protect our environment, we must invest in the environmental technologies of the future which will create jobs. And this year we will fight for a revitalized Clean Water Act and Safe Drinking Water Act, and a reformed Superfund program.

And the Vice President is right: We must work with the private sector to connect every classroom, every clinic, every library, and every hospital in America to a national information superhighway by the year 2000. Instant access to information will increase productivity, help educate our children, and provide better medical care and create jobs, I call on Congress this year to pass legislation to establish the information superhighway.

As we expand opportunity and create jobs, no one can be left out. We will continue to enforce fair lending and fair housing and all civil rights laws, because America will never complete its renewal unless everyone shares in its bounty.

We can do all these things, put our economic house in order, expand world trade, and target the jobs of the future. And we will. But let's be honest: this strategy cannot work unless we also give our people the education, training and skills they need to seize the opportunities of tomorrow.

We must set tough, world-class academic and occupational standards for all of our children — and give our teachers and students the tools to meet them. Our Goals 2000 proposal will empower individual school districts to experiment with ideas like chartering their schools to be run by private corporations, public school choice — so long as we measure every school by one high standard: Are our children learning what they need to know to compete and win in this new economy. Goals 2000 links world class standards to grass roots reforms. Congress should pass it without delay.

Our school-to-work initiative will for the first time link schools to the world of work, and will provide at least one year of apprenticeship beyond high school. After all, most of the people we're counting on to build our economic future do not graduate from college. It's time to stop ignoring them and start empowering them.

We must transform America's outdated unemployment system into a reemployment system. The old system just kept you going while you waited for your old job to come back; but we have to have a new system to move people into new and better jobs, because most people don't get their old jobs back.

The only way to get a real job with a growing income is to have real skills and the ability to learn new ones. We simply must streamline today's patchwork of training programs and make them a source of new skills for people who lose their jobs. Reemployment, not unemployment, will be the centerpiece of our program for economic renewal, and I urge you to pass it this year.

Just as we must transform our unemployment system, we must also revolutionize our welfare system. It doesn't work. It defies our values as a nation.

If we value work, we cannot justify a system that makes welfare more attractive than work.

If we value personal responsibility, we cannot ignore the \$34 billion in child support that absent parents ought to be paying to millions of mothers and children.

If we value strong families, we cannot perpetuate a system that penalizes those who stay together. Can you believe that a child who has a child gets more money from the government for leaving home than for staying with a parent or a grandparent?

That's not just bad policy; it is wrong. And we must change it.

I worked for years on this welfare problem, and I can tell you: the people who most want to change welfare are the very people on it. They want to get off welfare, and get back to work, and support their children.

Last year, we began. We gave the states more power to innovate — because we know that great ideas can come from outside Washington — and many states are using it.

Then, we took a dramatic step. Instead of taxing people with modest incomes who are working their way out of poverty, we dramatically increased the Earned Income Tax Credit to lift them out of poverty, to reward work over welfare, to make it possible for people to be successful workers and successful parents.

But there is much more to be done.

This spring, I will send you comprehensive welfare reform legislation that builds on the Family Support Act and restores the basic values of work and responsibility.

We will say to teenagers, “If you have a child out of wedlock, we will no longer give you a check to set up a separate household. We want families to stay together.”

To absent parents who aren't paying child support, we'll say: “If you're not providing for your children, we'll garnish your wages, we'll suspend your license, we'll track you across state lines, and if necessary, we'll make some of you work off what you owe. People who bring children into this world can't just walk away.”

And to all those who depend on welfare, we offer this simple compact: We will provide the support, the job training, the child care you need for up to two years. But after that, anyone who can work must work — in the private sector if possible, in community service if necessary. We will make welfare what it ought to be: A second chance, not a way of life.

We must tackle welfare reform in 1994, yes, as we tackle health care. A million people are on welfare today are there because it's the only way they can get health care coverage. Those who choose leave welfare for jobs without health benefits find themselves in the incredible position of paying taxes that help pay for health coverage for those who choose to stay on welfare. No wonder many people leave work and go back on welfare to get health care coverage. We must solve the health care problem to solve the welfare problem.

Health Care

This year, we will make history by reforming our health care system. This is another issue where the people are way ahead of the politicians.

The First Lady has received almost a million letters from people all across America and all walks of life. Let me share one of them with you.

Richard Anderson of Reno, Nevada lost his job and, with it, his health insurance. Two weeks later, his wife Judy suffered a cerebral aneurysm. He rushed her to the hospital, where she stayed in intensive care for twenty-one days.

The Anderson's bills exceeded \$120,000. Although Judy recovered and Richard went back to work, at eight dollars an hour, the bills were too much for them. They were forced into bankruptcy by high medical costs.

"Mrs. Clinton," he wrote to Hillary, "no one in the United States of America should have to lose everything they have worked for all their lives because they were unfortunate enough to become ill."

It was to help the Richard and Judy Andersons of America that the First Lady and so many others have worked so hard on the health care issue, and we owe them our thanks.

There are others in Washington who say there is no health care crisis. Tell that to Richard and Judy Anderson. Tell it to the 58 million Americans who have no coverage at all for some time each year that there is no health care crisis. Tell it to the 81 million Americans with "pre-existing" conditions who are paying more, can't get insurance, or can't change jobs. Tell it to the small businesses burdened by the skyrocketing cost of insurance. Tell it to the 76 percent of insured Americans whose policies have lifetime limits —and who can find themselves without any coverage just when they need it most — tell them there is no health care crisis. You tell them ... because I can't.

The naysayers don't understand the impact of this problem on people's lives. They just don't get it. We must act now to show that we do.

From the day we began, our health care initiative has been designed to strengthen all that is good about our health care system. The world's best health professionals. Cutting-edge research and research institutions. Medicare for older Americans. None of this should be put at risk.

We're paying more and more money for less and less care. Every year fewer and fewer Americans even get to choose their doctors. Every year doctors and nurses spend more time on paperwork and less on patients because of the bureaucratic nightmare the present system has become. The system is riddled with inefficiency, abuse and fraud.

In today's health care system, insurance companies call all the shots.

They pick and choose whom they cover. They can cut off your benefits when you need your coverage most. They are in charge.

And so every night, millions of well-insured Americans go to bed just an illness, an accident, or a pink slip away from financial ruin. Every morning millions more go to work without health insurance for their families. And every year, hard-

working people are told to pick a new doctor because their boss picked a new plan, and countless others turn down better jobs because they fear losing their insurance.

If we let the health care system continue to drift, Americans will have less care, fewer choices, and higher bills. Our approach protects the quality of care and people's choices.

It builds on what works today in the private sector. To expand the employer-based system and guarantee private insurance for every American — something proposed by President Richard Nixon more than twenty years ago. That's what we want: guaranteed private insurance.

Right now, nine out of ten people who have private insurance get it through employers — and that must continue. And if your employer is providing good benefits at reasonable prices — that must continue, too.

Our goal is health insurance you can depend on: comprehensive benefits that cover preventive care and prescription drugs; health premiums that don't jump when you get sick or get older; the power, no matter how small your business is, to choose dependable insurance at the same rates government and big companies get; one simple form for people who are sick; and, most of all, the freedom to choose a health plan and the right to choose your own doctor.

Our approach protects older Americans. Every plan before Congress proposes to slow the growth of Medicare. The difference is this: We believe those savings should be used to improve health care for senior citizens. Medicare must be protected, and it should cover prescription drugs. And we should take the first steps toward covering long-term care. To those who would cut Medicare without protecting seniors, I say: the solution to today's squeeze on middle-class working people is not to put the squeeze on middle class retired people.

When it's all said and done, insurance must mean what it used to mean.

You pay a fair price for security and, when you get sick, health care is always there. No matter what.

Along with the guarantee of health security, there must be more responsibility: parents must take their kids to be immunized; we all should take advantage of preventive care; and we all must work together to stop the violence that crowds its victims into our emergency rooms. People who don't have insurance will get coverage — but they'll have to pay something.

The minority of business that provide no insurance and shift the costs to others, will have to contribute something. People who smoke will pay more for a pack of cigarettes. If we want to solve the health care crisis in this country, there can be no more something for nothing.

In the coming months, I want to work with Democrats and Republicans to reform our health care system by using the market to bring down costs and to achieve lasting health security.

For sixty years, this country has tried to reform health care. President Roosevelt tried. President Truman tried. President Nixon tried. President Carter tried. Every time, the powerful special interests defeated them. But not this time.

Facing up to special interests will require courage. It will raise critical questions about the way we finance our campaigns and how lobbyists peddle their influence. The work of change will never get easier until we limit the influence of well financed interests who profit from the current system. So I call on you now to finish the job you began last year by passing tough, meaningful campaign finance reform and lobbying reform this year.

This is a test for all of us. The American people provide those of us in government service with great benefits — health care that's always there. We need to give every hard-working, tax-paying American the same health care security they give us.

Hear me clearly. If the legislation you send me does not guarantee every American private health insurance that can never be taken away, I will take this pen, veto that legislation, and we'll come right back here and start over again.

But I believe we're ready to do it right now. If you're ready to guarantee to every American health care that can never be taken away, now is the time to stand with the people who sent you here.

As we take these steps together to renew America's strength at home, we must also continue our work to renew America's leadership abroad.

This is a promising moment. Because of the agreements we have reached, Russia's strategic nuclear missiles soon will no longer be pointed at the United States, nor will we point ours at them. Instead of building weapons in space, Russian scientists will help us build the international space station.

There are still dangers in the world: Arms proliferation; bitter regional conflicts; ethnic and nationalist tensions in many new democracies; severe environmental degradation; and fanatics who seek to cripple the world's cities with terror.

As the world's greatest power, we must maintain our defenses and our responsibilities. This year we secured indictments against terrorists and sanctions against those who harbor them. We worked to promote environmentally sustainable economic growth. We achieved agreements with Ukraine, Belarus and Kazakhstan to eliminate their nuclear arsenals. We are working to achieve a Korean peninsula free of nuclear weapons. We will seek early ratification of a treaty to ban chemical weapons world-wide. And earlier today we joined with over 30 nations to begin negotiations on a comprehensive ban to stop all nuclear testing.

But nothing is more important to our security than our nation's armed forces. We honor their contributions, including those who are carrying out the longest humanitarian airlift in history in Bosnia, those who will complete their mission in Somalia this year, and their brave comrades who gave their lives there.

Our forces are the finest military our nation has ever had, and I have pledged that as long as I am President, they will remain the best trained, the best equipped and the best prepared fighting force on the face of this earth.

Last year I proposed a defense plan that maintains our post Cold War security at lower cost. This year, many people urged me to cut our defense spending again to pay for other government programs. I said no. The budget I send to this Congress draws the line against further defense cuts and fully protects the readiness and quality of our forces.

Ultimately, the best strategy to ensure our security and build a durable peace is to support the advance of democracy. Democracies do not attack each other; they make better partners in trade and diplomacy.

That is why we have supported the democratic reformers in Russia and in the other states of the former Soviet bloc. I applaud the bi-partisan support this Congress provided last year for our initiatives to help Russia, Ukraine, and other states through their epic transformations.

Our support of reform must combine patience and vigilance. We will urge Russia and the other states to continue with their economic reforms. And we will seek to cooperate with Russia to solve regional problems, while insisting that if Russian troops operate in neighboring states, they do so only when those states agree to their presence, and in strict accord with international standards. But, as these new nations chart their own futures, we must not forget how much more secure and more prosperous our nation will be if democratic and market reforms succeed across the former communist bloc.

That is why I went to Europe earlier this month: to work with our European partners to help integrate the former communist countries into a Europe unified for the first time in history, based on shared commitments to democracy, free market economies and respect for existing borders. With our allies, we created a Partnership for Peace that invites states from the former Soviet bloc and other non-NATO members to work with NATO in military cooperation. When I met with Central Europe's leaders — including Lech Walesa and Vaclav Havel, who put their lives on the line for freedom — I told them that the security of their region is important to America's security.

This year we will provide support for democratic renewal, human rights and sustainable development around the world. We will ask Congress to ratify the new GATT accord. We will continue standing by South Africa as it makes its bold and hopeful transition. We will convene a summit of the western hemisphere's democratic leaders — from Canada to the tip of South America — and we will continue to press for the restoration of democracy in Haiti. And as we build a more constructive relationship with China, we will insist on clear signs of improvement in that nation's human rights record.

We will also work for new progress toward peace in the Middle East. Last year, the world watched Yitzhak Rabin and Yassir Arafat at the White House in their historic handshake of reconciliation. On the long, hard road ahead, I am determined to do all I can to help achieve a comprehensive and lasting peace for all the peoples of the region.

There are some in our country who argue that with the Cold War over, America should turn its back on the rest of the world. Many around the world were afraid we would do just that. But I took this office on a pledge to keep our nation secure by remaining engaged in the world. And this year, because of our work together — enacting NAFTA; keeping our military strong and prepared; supporting democracy abroad — we reaffirmed America's leadership and increased the security of the American people.

While Americans are more secure from threats abroad, we are less secure from threats here at home.

Every day, the national peace is shattered by crime. In Petaluma, California, an innocent slumber party gives way to agonizing tragedy for the family of Polly Klass. An ordinary train ride on Long Island ends in a hail of 9-millimeter rounds. A tourist in Florida is nearly burned alive by bigots simply because he is black. Right here in our nation's capital, a brave young man named Jason White — a policeman, the son and grandson of policemen — is ruthlessly gunned down.

Violent crime and the fear it provokes are crippling our society, limiting personal freedom, and fraying the ties that bind us. The crime bill before Congress gives you a chance to do something about it — to be tough and smart.

First, we must recognize that most violent crimes are committed by a small percentage of criminals, who too often break the laws even on parole. Those who commit crimes must be punished, and those who commit repeated violent crimes must be told: Commit a third violent crime and you'll be put away, and put away for good. Three strikes and you're out.

Second, we must take steps to reduce violence and prevent crimes, beginning with more police officers and more community policing. We know that police who work the streets, know the folks, have the respect of the kids, and focus on high crime areas, are more likely to prevent crime as well as catch criminals.

Here tonight is one of those policemen: a brave, young detective, Kevin Jett, whose beat is eight square blocks in one of the toughest blocks in New York City. Every day he restores some sanity and safety and a sense of values to the people whose lives he protects.

That's why we must hire 100,000 new community police officers, well trained and patrolling beats all over America; a police corps; and move retiring military personnel into police forces across America. We must also invest in safe schools, so that our children can learn to count and read and write without also learning how to duck bullets.

Third, we must build on the Brady bill, and take further steps to keep guns out of the hands of criminals. When it comes to guns, let me be clear: Hunters must always be free to hunt, and law abiding adults should be free to own guns and protect their homes. I respect that part of American culture. I grew up in it.

But I want to ask sportsmen and others who lawfully own guns to join us in a common campaign to reduce gun violence. You didn't create this problem, but we need your help to solve it. There is no sporting purpose on earth that should stop us from banishing the assault weapons that outgun our police and cut down our children. So, I urge you to pass an assault weapons ban.

Fourth, we must remember that drugs are a factor in an enormous percentage of crimes. Recent studies indicate that drug use is on the rise again among young people. The crime bill contains more money for drug treatment for criminal addicts and boot camps for youthful offenders. The Administration budget contains a large increase in funding for drug treatment and drug education. I hope you will pass them both.

The problem of violence is an American problem. It has no partisan or philosophical element. Therefore, I urge you to set aside your partisan differences and pass a strong, smart, tough crime bill now.

But, further, I urge you: As we demand tougher penalties for those who choose violence, let us also remember how we came to this sad point. In America's toughest neighborhoods, meanest streets, and poorest rural areas, we have seen a stunning breakdown of community, family and work — the heart and soul of civilized society. This has created a vast vacuum into which violence, drugs and gangs have moved. So, even as we say no to crime, we must give people — especially our young people — something to say yes to.

Many of our initiatives — from job training to welfare reform to health care to national service — will help rebuild distressed communities, strengthen families, and provide work. But more needs to be done. That is what our community empowerment agenda is all about: Challenging businesses to provide more investment through Empowerment Zones; insuring that banks make loans in the same communities their deposits come from; and passing legislation to unleash the power of capital through Community Development Banks to create jobs, opportunity and hope where they are needed most.

Let's be honest. Our problems go way beyond the reach of any government program. They are rooted in the loss of values, the disappearance of work, and the breakdown of our families and our communities. My fellow Americans, we can cut the deficit, create jobs, promote democracy around the globe, pass welfare reform, and health care reform, and the toughest crime bill in history, and still leave too many of our people behind. The American people must want to change within, if we are to bring back work, family and community.

We cannot renew our country when within a decade more than half of our children will be born into families where there is no marriage.

We cannot renew our country when thirteen year old boys get semi-automatic weapons and gun down nine year old boys — just for the kick of it.

We cannot renew our country when children are having children and the fathers of those children are walking away from them as if they don't amount to anything.

We cannot renew our country when our businesses eagerly look for new investments and new customers abroad, but ignore those who would give anything to have their jobs and would gladly buy their products if they had the money to do it right here at home.

We cannot renew our country unless more of us are willing to join the churches and other good citizens who are saving kids, adopting schools, making streets safer.

We cannot renew our country until we all realize that governments don't raise children, parents do — parents who know their children's teachers, turn off the TV, help with the homework, and teach right from wrong — can make all the difference.

Let us give our children a future.

Let us take away their guns and give them books. Let us overcome their despair and replace it with hope. Let us, by our example, teach them to obey the law, respect our neighbors, and cherish our values. Let us weave these sturdy threads into a new American community that can once more stand strong against the forces of despair and evil, and lead us to a better tomorrow.

The naysayers fear we will not be equal to the challenges of our time, but they misread our history, our heritage, and even today's headlines. They all tell us we can and we will overcome any challenge.

When the earth shook and fires raged in California, when the Mississippi deluged the farmlands of the Midwest, when a century's bitterest cold swept from North Dakota to Newport News, it seemed as though the world itself was coming apart at the seams. But the American people came together — they rose to the occasion, neighbor helping neighbor, strangers risking life and limb to save strangers, showing the better angels of our nature.

Let us not reserve those better angels only for natural disasters, leaving our deepest problems to petty political fights. Let us instead be true to our spirit — facing facts, coming together, bringing hope, moving forward.

Tonight, we are summoned to answer a question as old as the Republic itself. My fellow Americans, what is the State of the Union? It is growing stronger. But it must be stronger still. With your help and with God's, it will be.

Thank you. And may God Bless America.