

TIPPER / Independent Sector

Youth + volunteerism

14 kids -

opport for youth to learn advocacy + lobbying skills
in non IT

1992 Dem Party platform

Al Gore AmeriCops - not just a program but a
movement
inspired by the spirit of
the non profit sector

POTUS Every generation needs to take responsibility for
this country + our young ppl are
no exception

Youth Participants
Independent Sector Annual Meeting
October 23 - 25, 1994 - Chicago

Fourteen students from the Chicago area were chosen for their outstanding dedication to volunteer work. The following are short descriptions about these young people.

Janet Brito

Janet, 16, of Chicago's North side, is already working toward her goal of becoming a missionary. She spent six weeks last summer in the Dominican Republic where she helped build a house, plant trees and care for children in a nutrition center. Janet currently volunteers at a soup kitchen and helps freshman students get oriented at St. Ignatius College Prep in Chicago where she is a senior.

Danielle Cantrell

Growing up on the West side of Chicago, Danielle, 13, has been exposed to both wealth and poverty. She often works with others in her neighborhood to paint fences and clean parks. As a counselor at Metro Achievement Center, a community center for girls, Danielle currently spends one day a week after school tutoring a 4th grade student. During the holidays, Danielle visits children in Cook County Hospital. She is a freshman at St. Ignatius College Prep in Chicago.

Laura Chen

Laura is involved in a wide variety of volunteer activities, such as singing in nursing homes, playing with children at Christopher House, a drop-in center for kids, and participating in canned food drives. Laura is a member of Facing History and Ourselves, a group dedicated to addressing the issues of racism and prejudice. She recently participated in the stage performance for the 1994 Facing History benefit with Oprah Winfrey. Laura, 16, is a junior at New Trier High School in Winnetka.

Kevin Frazier

Kevin is very involved with the Merit Music Program, a music education program. At age 14, he plays three instruments. As a member of the Student Advisory Board at Merit Music, Kevin serves as a liaison between the students and the teachers. Kevin volunteers in the office at the Chicago Urban League, helps clean-up neighborhoods with St. Mark's Lutheran Church and is an active Boy Scout. Kevin lives in the south suburb of Country Club Hills and is currently a sophomore at Morgan Park High School in Chicago.

Erik Garrett

Although he is only 18, Erik has been teaching martial arts to patients at Marianjoy Rehabilitation Hospital in the Western suburbs for 10 years. Erik hopes to help others benefit from the discipline and focus he has gained through karate. During high school, Erik, a native of suburban Lombard, participated in a peer tutoring physical education class for learning and behaviorally challenged students. Through a program called "Love Letters", Erik writes to terminally ill children around the world. He is currently a freshman at Lewis University.

Alicia Gonzalez

Alicia, 16, is the founder of the AIDS Awareness/Action Committee at Francis W. Parker High School in Chicago. Through the committee, Alicia organizes student volunteers to deliver meals to AIDS victims, hold fundraisers for AIDS organizations and educate teenagers about HIV prevention. This year she hopes her committee will expand to other high schools. Alicia is currently the only teenage member on the CARR (Coalition on Adolescent Risk Reduction) Committee, which is made up of adults who work with teenagers, primarily on HIV/AIDS issues.

Caitlin Hollister

Caitlin, 17 and a native of Brookline, Massachusetts, is a member of the City Year Chicago Corps, a year-long, full-time community service project. By the end of the year, Caitlin will have performed more than 1,700 hours of community service. She is very excited to be a part of the current movement for national service. During high school Caitlin volunteered with Easter Seals as a swim instructor for people with physical handicaps and worked at a temporary housing shelter for families. She will be a freshman at Brown University in the fall of 1995.

Jordan Matyas

"The thing about being a volunteer which I like most is knowing that I, as an individual, can help someone by just listening..." Jordan has spent the last two years helping people over the phone through Contact Chicago, a community help-line. He is often on the phone throughout the night listening to and discussing people's problems. At 16, Jordan, from Chicago's North side, is already training adults twice his age to work the phones at Contact Chicago. Jordan is a junior at Francis W. Parker High School in Chicago.

Griffin Murray

Griffin, a resident of north suburban Wilmette, spent last summer working in Cairo, Illinois, a southern Illinois community with poverty. While there, he worked with the only service organization in the community to help clean homes for elderly people. During the school year Griffin, 18, volunteers for an inner-city tutoring program and for the Catholic Charities' Tag Days, a community fundraiser. As a senior at St. Ignatius College Prep in Chicago, Griffin is a member of SHOP (Students Helping Out Peers), a program that helps freshman students feel more comfortable in their new school.

Rebecca Murray

Each year Rebecca tries to add a new volunteer activity to her schedule. During high school Rebecca was co-director of Operation Snowflake, a drug prevention program and a speaker for D.A.R.E. (Drug Awareness Resistance Education). Currently, Rebecca is the program director for Share your Care, an organization that participates in a variety of community service projects. Rebecca, 19 and originally from Addison, is a pre-physical therapy major at the University of Evansville. She chose physical therapy because it is a career "that challenges one to make a difference every day."

Hubert Neal, Jr.

Hubert feels that "there is nothing, nothing in the world better and more fulfilling than making a kid smile..." Last year Hubert, a native of Belize, made children smile every Thursday as their art teacher at Emerson House, a community center in a predominantly Latino community. Because most children do not have much exposure to the arts, Hubert's goal is to create an organization where children can learn about art for free. Hubert, 17, of Chicago's North side, is a senior at The Chicago Academy for the Arts.

Chau Quach

Although she is only 16, Chau is the founder and co-editor of What's Uptown Magazine, a free community paper. She loves working on the paper because it gives her the opportunity to work with people from all different backgrounds. Chau is also a member of Mayor Daley's Youth Development Task Force and is a tutor and translator at the South East Asia Center. Chau lives in Chicago's Uptown community and is a junior at Whitney Young High School in Chicago.

Eve Shalen

As a member of the Kiwanis Key Club, a service organization at Lincoln Park High School, Eve is involved in many different activities such as blood drives, beach clean-ups and AIDS Walk Chicago. She has also volunteered to work in the gift shop and to help feed patients at Grant Hospital and at the Rehabilitation Institute of Chicago. For the last two years Eve has been a part of Facing History and Ourselves. As a part of Facing History, Eve had the opportunity to speak at a benefit featuring Elie Wiesel about her feelings regarding racism and prejudice. Eve is 16 and lives in Chicago's Lakeview community.

Xundra Ward

Xundra, 15, recently toured Russia and Poland with the Chicago Children's Choir. Her favorite part of singing is looking out into the audience and seeing a person smile. When Xundra is home on the Southwest side of Chicago, she is a very active Girl Scout. As a Girl Scouts' Program Aid, Xundra helps run meetings and workshops for different troops throughout the city. Xundra, who used to receive tutoring at Metro Achievement Center, a community center for girls, now helps tutor other children at the Center one day a week after school. She is a sophomore at Bogan High School in Chicago.

10/13/94 SPEECHES (Ann. Meeting - MV, CC, THH)

Oct. 25

INDEPENDENT SECTOR

- Nat'l Convention of non P
- Signed letter objecting to lobbying reform
- 14 students from Chicago area chosen for outstdy volunteer work
- every agency of Adm has a

Values & community - rebuild

New covenant - get back to some of that initial language

Harley back to stuff that got Pres elected

We know govt can't & shouldn't solve every prob

But the rest of us has to step forward - it's not enough just to say govt can do everythg

Front lines of values fight

Partnership w/ govt

Keep in mind our children - ask young ppl

Need to achieve this

[Knock down idea that HRC assoc

w/ big govt

She has spent her life in this comm -

Re premiere volunteer]

Children's Hosp - Ask - ppl get by to help fill a need
→ AmeriCorps Oak

(Except for magazines)

**PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO THE NON-PROFIT COMMUNITY RECEPTION
THE WHITE HOUSE
APRIL 12, 1994**

As you know, nobody appreciates more than Hillary the importance of giving to others, of participating in one's community, of becoming involved in social advocacy -- and I share her commitment. So you should know that your work touches very close to home in this White House.

I'd like to thank the non-profit community for allowing my Administration to draw on its talent. I'm particularly grateful that James Joseph, the President of the Council on Foundations, has agreed to chair the board of the Corporation for National and Community Service.

And I know that Housing Secretary Cisneros is extremely excited to have George Latimer as director of the Office of Special Actions, a position aimed at improving collaboration between government and the non-profit sector. Already George and the Secretary have stolen some of your best ideas and we have passed them on to Congress in the form of new initiatives.

No one knows better than we Americans the nobility of giving. For more than two centuries, our democracy has flourished because of our individual compassion and respect for others and our deep tradition of civic participation.

Even de Tocqueville was struck by this. In Democracy in America [1840], he wrote: "If [Americans] want to proclaim a truth or propagate some feeling by the encouragement of an example, they form an association." And he noted that associations, as he called them, had helped create hospitals, schools, churches, and other service institutions.

Today, at the dawn of a new century, our nation faces new and complex challenges that require a reaffirmation of our collective spirit. Voluntarism, altruism, philanthropy, community, and social advocacy are essential to our integrity and success as a pluralistic society, particularly in an age when government alone cannot -- and should not -- solve all of our problems.

Throughout our history, the non-profit community has helped our nation adapt to a changing world by strengthening the core values that shape American life. Today, that role has never been more important.

Put simply, our national agenda depends on you. Your

experience and your expertise as advocates are crucial to us at every stage: as we formulate policy, as we push to get it passed, as we implement programs. So I'd like to thank you for your ongoing involvement as we work for for health care reform, welfare reform, crime prevention, our education goals, housing initiatives, community empowerment, and national service, to name a few.

Increasingly over the last decade, government also has come to rely on your organizations to provide services to our citizens -- everything from nutrition and health programs to arts exhibits and disaster relief.

Soon after becoming President, I witnessed firsthand the considerable contributions that non-profit organizations make in emergencies -- be it in small towns in the Midwest that are ravaged by floods or in neighborhoods of Los Angeles devastated by an earthquake.

Day after day, night after night, the non-profit volunteers stayed on, helping rebuild damaged homes; running makeshift childcare centers; feeding, sheltering, and counseling disaster victims. And they kept helping until well after the media attention had died down.

But the non-profit community must not bear the burdens alone. The federal government must share in the responsibility. We must join together to reach our common goals.

We have taken some important steps in that direction. As you know, the \$1.5 billion National Service bill I signed during my first year in office will enable many students to work through non-profits to earn money for college.

To encourage philanthropic giving, the tax bill enacted last year allows donors to take full deductions for gifts of stocks, art, and other property that has increased in value.

Still, I think we all agree that government can do more to work in partnership with you.

Today there are about one million non-profit organizations in the United States. In 1990, the Independent Sector raised nearly \$123 billion in financial contributions, involved nearly 100 million people as volunteers or staff workers, and spent about \$389 billion on various services.

Too often, however, the efforts of non-profit organizations are shoved into a vacuum, divorced from each other and from government.

Because non-profit organizations play such a vital role in

developing and implementing public policy, I am announcing today the appointments of 26 special liaisons to the non-profit sector in every regular department of the federal government.

The creation of this liaison network stems from my belief - and your belief -- that we need greater collaboration, more effective government contracting, and a deeper understanding of the way government actions affect the non-profit sector.

This network will help smooth the flow of information between the government and the non-profit sector. And it will help the government and non-profit sector join forces to develop strategies and implement programs.

By working together, we can renew our tradition of giving. We can ensure that altruism triumphs over selfishness. We can see to it that our ideals of community and civic participation continue to thrive.

Most important, we can make our nation stronger, healthier, and more vibrant as we enter a challenging new century.

Thank you very much.

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ments, and we did exactly what I think we should have done.

Q. Well, the Serbian—

Q. What about—

The President. We have talked—let me answer Andrea's [Andrea Mitchell, NBC News] question—we have cautioned the Bosnian Government forces not to try to take advantage of this in violation of the understandings themselves. And General Rose has been very firm on that this morning.

Q. Are you considering expanding this to other safe havens if the Serbs persist and don't get the message?

The President. Well, I wouldn't rule anything out. We're working very closely with General Rose, and he's got a very aggressive view of his role there, which I think is good.

Q. The Serbian leader has threatened against the U.N. forces. They've kidnaped some. They're holding some in house arrest. They've escalated the military action.

The President. Well, every time we have been firm, though, in the end it's been a winner for the peace process. And I think it will be here. And I'm very encouraged by the position taken by the Russians, that they want the Serbs to withdraw from the safe area in Gorazde, and they want to return to the negotiating table.

Before this last incident, I thought we were getting pretty close to—not just to a cease-fire but to an absolute cessation of hostilities and a real serious bargaining position so we could get back there in a hurry, and I wish the Russians well in working with the Serbs. I've assured President Yeltsin that we have no interest in using NATO's air power to affect the outcome of the war. But we do want to protect the U.N. mandate. And we do want a negotiation, and I think we're going to get one.

Q. Have you seen or heard anything from the Serbs that would indicate a response to the air strike, sir?

The President. I don't know how to answer that; Peter [Peter Maer, NBC Mutual Radio]. The Russians—Mr. Churkin is over there now, and we're working on trying to get this thing back on track, and I hope we can do it. But we have to be firm in our reaction to the plain violations of the United

Nations resolutions and in what we set our policy to do.

The good thing that we've seen since the terrible incident in Sarajevo in the market is that both the U.N. and NATO have been able to follow what they said their policy would be all along, and I think that's what we have to do. We have to be firm in pursuing the policy that we say we have. It's our only chance of success.

Supreme Court Nomination

Q. Will it be more difficult to—[inaudible]—your domestic agenda with George Mitchell nominated to the—will it be harder, once he's nominated?

Q. Do you have the name of a Supreme Court Justice on your left?

The President. You think the next Supreme Court Justice should be to my left, Helen [Helen Thomas, United Press International]? [Laughter]

Q. I said is he.

Q. Unless you're considering Mr. Foley.

The President. He'd be a good one.

NOTE: The President spoke at 10:45 a.m. in the Cabinet Room at the White House. A tape was not available for verification of the content of these remarks.

Remarks at a Reception for Representatives of Nonprofit Organizations

April 12, 1994

Thank you very much, ladies and gentlemen, Secretary Shalala, Secretary Cisneros, and the many other people in our administration who are here who have long supported the nonprofit sector of this country and worked in it.

I suppose no one qualifies in that regard more than the First Lady. Since I first met her, I've seen Hillary serve on children's advocacy boards, legal services boards, hospital boards, foundation boards. I was counting outside; I haven't checked with her, but I know that she's helped to form three nonprofit organizations and been associated with at least a dozen others. I appreciate the fact that she found a little time for me over the years. [Laughter]

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I say that because I have learned, not only as a Governor and a public official and now as President but also in my own family, the incredible importance of the work that all of you do and those whom you represent.

When I ran for President, I said as clearly as I could that I thought the National Government had a responsibility to do many things that we were not then doing but that there were many things we could not do and that in the absence of a partnership with people in community organizations all across this country, we would surely never become the Nation we ought to be.

I'd like to make a few remarks about that, but I think it is appropriate, since we're talking about citizenship in its best form, that I also make a couple of comments at the outset about a subject very much in the press today.

Since Justice Blackmun announced his retirement last week, I have been working to find an able replacement. Last night, Senator George Mitchell, who was my leading candidate for the Court, came to see me and asked me what I wanted him to do. And I said, "Well, I want to talk to you about it. I'd like to appoint you to the Supreme Court if you think we can do our work here for the country this year in pursuing health care reform and the other things we have to do."

And he looked at me and said, "You know, I've always wanted to be on the Supreme Court, and no one can predict what it would be like if I were nominated and then confirmed, while sitting in the Senate and leading this fight, what the impact would be. I have thought of all the ways we could do it and all the various scenarios, and I'm only sure of one thing: I cannot imagine that the impact would be good in terms of our ability to pass health care, welfare reform, or any of the other things we want to do." But his special concern was with regard to health care reform. And so he said, "I believe I should stay in the Senate and serve my term out and try to lead this country to health care reform. That's after all, the job I was given, and it's my job until next January, and I'm sorry that the timing is not good, but I think it's the right thing to do."

I said, "Well, why don't we sleep on it and see if we can think of a way to do it?" This

morning early I called him on the phone, and he said, "I still see it the same way." And I said, "Well, I haven't had any thunderbolts of insight about how your analysis is wrong." So he said, "I still think I ought to do not what I want to do, but what I should do." And he seemed as comfortable with that decision as any one that I've ever seen him make. I say that because this country needs more people who devote themselves not only to what they would like to do but what they think the country needs. He has dedicated himself to doing something that, if successful, this health care reform, would be the work of a generation in America. His leadership role is crucial; I value it and I'm grateful for it.

And so, I would like to begin by thanking him on behalf of his country for his willingness to forego a great personal opportunity in anticipation of an enormous struggle with an uncertain result for a goal that is worth the careers of many of us. I thank him very much.

The interesting thing as I look out at this crowd, and I see so many of you whom I've known for so many years, I think of all the struggles that you have been in with an uncertain result, determined to make life better for people in any number of ways.

In 1840, Alexis de Tocqueville said, "If Americans want to proclaim a truth or propagate some feeling by the encouragement of an example, they form an association." Well, today, at the dawn of a new century, we're full of associations. Every now and then I hear from one I don't like all that much. [Laughter] Sometimes I hear from those I like very much things that I wish I didn't have to hear. That is a part of what makes America a special place.

Every item, as I said earlier, of the national agenda I have sought to pursue so vigorously, ultimately depends upon people in their private capacities doing things differently. Much of what I try to do here is designed to empower people to live up to the fullest of their own capacities and to face their problems in their own ways most effectively.

Whether that's true in health care reform or education reform or crime prevention or using national service through the sterling work that Eli Segal has done to permit peo-

ple to solve their problems at the grassroots level, you can see it in every initiative. The whole notion that the Government has to empower people to take control of their own lives depends upon the ability of people to organize effectively, to lobby their Government, to influence our policies, and also to tell us what they know is the truth.

Just today we received what I have seen year after year is one of the best examples of that kind of action with the release of yet another report from the Carnegie Corporation, and this one I think is one of the best that I have ever read on how we can better meet the needs of our youngest children. This report is nearly 3 years in the making, and I think now, it's fair to say, is the most comprehensive analysis of the condition of American children aged 0 to 3. It awakens us to the fact that millions of our infants and toddlers are living in shameful conditions, but also and even more importantly, offers a coherent set of solutions about what we ought to do about it.

In an attempt to be a better partner with all of you in what you are doing, we are establishing today a non-profit liaison network of 26 different liaisons in every important Government Department and agency to work with all of you to emphasize in an organized way how much we value your good work, your input into our policies, your advocacies of things that still need to be done.

One of the most important things in this complicated age of zillions of problems is that I identify what it is as President I can do and what it is I need someone else's help to do; of all the things that we can spend our time on here in the White House and in this Government, which things are most important and which things will spark the largest release of energy in a positive and constructive way around the country. You have to help us make that decision for, in truth, that's a decision that we make anew here constantly as we deal with the difficulties as well as the opportunities that come to this place.

I hope this is the beginning of an even better partnership. I thank you very, very much for what you do, and I want to say again, I cannot succeed as President unless you succeed and unless you succeed in mobi-

lizing millions of our countrymen and women for the important tasks that face us. I honestly believe that we may be at the dawn of a new American renaissance—a period when we are able to face, with greater energy and greater hope and a greater sense of community and common purpose, the challenges before us than has been the case in a generation.

If we do it, we will make the beginning of the 21st century the most exciting time in American history to be young, to grow, to come to maturity, and to make a life. If we don't, we will have squandered a great legacy. The only way we can do it is if somehow there is a role for all of us, not just those of us in high office. You provide that role for all of us, and I will do my best to help you play it.

Thank you very much.

NOTE: The President spoke at 4:56 p.m. in the East Room at the White House.

Statement on the Nonprofit Liaison Network

April 12, 1994

I have long advocated the role of the nonprofit sector. Throughout our history, the nonprofit community has helped our Nation adapt to a changing world by strengthening the core values that shape American life. Today, that role has never been more important. The nonprofit liaison network will create better collaboration between the administration and advocacy and service groups in a mutual effort to solve the problems of crime, housing, health care, and other pressing national needs.

NOTE: This statement was included in a White House press release announcing the nonprofit liaison network.

Remarks at the Radio and Television Correspondents Dinner

April 12, 1994

Thank you. Thank you very much, Mr. Lockman, distinguished guests, ladies and gentlemen. I cannot tell you how happy I am to be here tonight on the 50th anniversary

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 12, 1994

REMARKS BY THE PRESIDENT
AND THE VICE PRESIDENT
AT THE AMERICORPS SWEARING-IN EVENT

North Grounds

3:55 P.M. EDT

THE VICE PRESIDENT: Thank you very much. I get the feeling that you guys are fired up about AmeriCorps. (Applause.) Our committees also said you needed a place to stand, Eli, and I'm sensitive to that right now, with this cast on. I appreciate so many of you asking me whether or not I injured my Achilles tendon dancing with Tipper. No, it was not that. (Laughter.) I was playing basketball and I had not practiced the 360 dunk in quite a while, and I came down wrong on it. (Laughter.)

Many of you were here almost exactly one year ago when the President signed the National Service legislation. That was one of the great moments for President Clinton and for our nation in 1993. And it could not have happened without a lot of people making it possible. There were people who talked with the President and the First Lady back during the campaign and even before, because President Clinton has been advocating this idea for a long time.

There are a lot of people in the House and Senate who have been key, essential, crucial to making this possible. There is the godmother of National Service, Barbara Mikulski. (Applause.) Senators John Breaux and Ben Nighthorse Campbell, John Chafee, Daniel Inouye, Howard Metzenbaum, Chuck Robb who is here with us today, who has worked so hard on this legislation. (Applause.) Senators Paul Sarbanes and Paul Simon and Harris Wofford, all of whom have been crucial to making this a reality. (Applause.)

Leaders in the House of Representatives from both parties, including Chairman Louis Stokes and Representatives Xavier Becerra, Steve Gunderson, John Lewis, Esteban Torres, who is here today, Chris Shays, who is here. Tim Roemer, who is here today. We had expected to be joined when the event was at an earlier time this afternoon by satellite, by Chairman Ted Kennedy in Boston, Jay Rockefeller in West

Virginia and Jim Jeffords in Vermont. The unfortunate plane crash early this morning made it necessary to change the schedule, but we want to acknowledge their contribution.

And I also want to acknowledge some others who are here, who have helped so much. Congressman Jim Bacchus who is here, Congresswoman Leslie Byrne who is here. Congressman Gene Green who is here. Chairman Bruce Vento who is here. Thank you all for your outstanding contributions to making this possible. (Applause.)

In working together across party lines to create this program of national service. These members of Congress have, themselves, provided a great service to our nation. And I know that you join me in thanking them all.

Of course, the great thing about service is that it isn't just about politics. It's about people -- people from every walk of life. National service brings together leaders from every part of our culture.

From the private sector, service gains smart management and great financial resources. From the world of education, service gains the experience with which to train young people. From our intellectual leaders, service has gained its framework and the challenge to improve. From the foundation world, service draws the expertise to design and evaluate programs and the resources to make them possible. From the worlds of art, entertainment and sports, service gains the ability to fire the public imagination and bring attention to good work.

I wish we had the time to acknowledge those from all of these worlds who are also here today joining us, without whom none of this would be possible. We can't acknowledge all of you by name, but you know in your hearts what you've done, and we know who you are. And on behalf of the President, and on behalf of our country, let me say how deeply grateful we are for your contribution and your presence here today, all of you.

For AmeriCorps is not just a program, it is a movement -- a movement of young Americans imbued with the American spirit. Government is a partner in this movement. It sets standards and goals. But it allows people at the grassroots to do what they do best -- to get things done. (Applause.)

National service -- you'll have a chance to repeat those words in just a moment -- (laughter) -- when President Clinton gives you the oath of the pledge.

National Service speaks to the heart of the nation from the heart of Bill Clinton. He has talked about service from the earliest days of his campaign. When he does, when he talks about the sense of community that brings people together from different backgrounds for the common good, about the sense of hope that comes from working together,

when he talks about all that, he's talking about America at its best.

Eli Segal, who has made this dream and this vision a reality, was kind enough to mention my sister, as I mentioned her a year ago when the bill was signed. Just today, someone showed me a newspaper clipping from The New York Times, written 33 years ago by a young reporter named David Halberstam, about the enthusiastic response to President Kennedy's launching of the Peace Corps three decades ago. It talked about how to apply to the Corps, and it mentions the 23-year-old woman already at work at the Peace Corps, even though she wasn't sure if she would get paid, or how much.

Here's what she said: "It's one of the few original things that has happened in a long time, and it's one that I can participate in, something that I can contribute to." She was the age of many of you gathered here today. My sister, Nancy, witnessed firsthand the transforming power of service, and those in my family watched it through her service. How I wish that she could be here today, on this historic occasion. Something to participate in, something to personally contribute to. That spirit characterized her too-brief life.

And while her experience was unique, it was part of a tradition as old as America, and rich in service to others -- a tradition from which is springing today, thanks to President Bill Clinton, AmeriCorps.

And now, to continue in that great tradition. It is my privilege and pleasure to present President Bill Clinton, who will speak and administer the oath.

President Bill Clinton. (Applause.)

THE PRESIDENT: Thank you. (Applause.) Thank you so much. Thank you, Mr. Vice President. Thank you, Eli Segal, for your wonderful work. This is a very, very happy day for Hillary and for me, especially to see all of you here with all of your enthusiasm, your energy, your dreams.

There are so many things I would like to say, but before we go on, I feel that I ought to give you some explanation about what occurred here this morning and why we had to delay this event and move it to the front of the White House. As you know, a plane came down here on the South Lawn, and a pilot lost his life. The investigation is now in place that will determine how and why this happened. We take this incident seriously because this house is the people's house. It's the job of every President to keep it safe and secure.

On a second night here, our second president and the first person to live in the White House, John Adams, wrote: "I pray heaven to bestow the best blessings on this house and on all that shall hereafter inhabit it." That prayer has been answered. In times of war and peace, in hard times, in good times, the White House has remained an enduring

symbol of our democracy.

It tells our people and all those around the world that the mission of America continues. And that is the message that you send out here today as well. So I pledge to you that we will continue that, and I'm sorry we had to move to the front, but maybe we ought to be in the front of the White House today for something this important. (Applause.)

This year 20,000 Americans, most of whom are young, some of whom are young in spirit and determined to serve, and also go on to further their education, mark the beginning of a journey that will change their lives forever. It will also change the life of this nation for many seasons to come.

This day is part of a long journey for me, personally, and for many others who have long harbored the dream that national service embodies.

I want to say a special word of thanks to someone who worked with me through this whole process, and who dreamed of national service even before I did, and that is Senator Harris Wofford of Pennsylvania. I thank you, especially, sir, today. (Applause.)

Like the Vice President's fine sister, Senator Wofford started out with the Peace Corps 30 years ago.

One of the main reasons I ran for President is that I felt that we as Americans needed to make our life's journeys together rather than apart. I felt that we not only needed to change our direction and make more progress, but that we had to do it by coming together instead of drifting apart. Today, we began to fulfill that mission.

For many of us, this journey of service reaches back to life growing up in places we called home. Back to our classrooms, our church basements, our back yards, with the American traditions of community and service. So for many of us, today is just one step on what has been a lifetime journey.

But what we do today and what we will do in the days and years ahead will give new life to the values that bind us as Americans. For service is about sacrifice for others and about accomplishment and fulfillment for ourselves, about reaching out, one person to another, about all of our choices gathered together as a country, to reach across all those things that divide us, about you and me individually, and about all of us together, who we are as individuals and who we are as a nation.

Service is a spark to rekindle the spirit of democracy in an age of uncertainty. We hear a great deal today about values, and so we must. I encourage America in that conversation. But when it is all

said and done, it comes down to three simple questions: What is right? What is wrong? And what are we going to do about it?

Today, you are doing what is right -- turning your words into deeds. In my Inaugural Address, I called upon America to a new season of renewal, a new season of service. And I said then what I firmly believe -- there is nothing wrong with America that cannot be fixed by what is right with America. (Applause.)

Well, all of you that are about to embark on this journey, as far as I'm concerned, you're what's right with America. (Applause.) Let's just look at a couple of our AmeriCorps volunteers. Laura Sullivan who's here at the White House today -- (applause) -- is helping people put their lives back on track and start their own businesses in Baltimore.

Leo Negron out in Chicago is teaching construction skills to teenagers and offering them a role model for taking pride in their work. Sara Wittenberg in Seattle is showing us how to be stewards of our nation's natural beauty.

Twenty thousand more this year and 100,000 over the next three years. All of you will do things like this in hundreds of places all around our country. Saving babies in South Texas, walking police beats in Brooklyn. Working on boats to reclaim the Chesapeake Bay and working on new housing projects in Roxbury. Taking seniors safely to the doctor in St. Louis, and helping children to learn to read in Sacramento.

Every generation in our history has learned to take responsibility for this country, and yours is no exception. We look to you and know that you are no generation of slackers, but instead a generation of doers who want -- (applause) -- we are grateful for those of you who wish to give back something to the country that has done so much for you, and to the parents and loved ones who are with you today and who taught you that these values are important.

Our greatness, after all, has never come from those who went in search of distant riches or personal glory. The people who really made this country great for over 200 years are ordinary people who make extraordinary sacrifices for the common good. The farm boys on the beaches of Normandy, the police officers walking the dark beats. The schoolteachers staying up late to help students from troubled homes to lead better lives. (Applause.)

And you, the people of AmeriCorps, will be America's next generation of heroes. We need you now more than ever. So many of our people are alone and cut off from one another. So many others are deeply divided from each other -- resentful, skeptical, even cynical about the possibilities of their own lives and the life of their country. You will devote your own potential to helping other people live up to their God-given potential.

You remind us how America has always worked best: by offering opportunity and demanding responsibility. We've seen over the last 20 years that you can't have one without the other and expect the American community to grow and flourish.

AmeriCorps says: Come together. Citizens and businesses, schools and churches, come together as partners in progress to solve our problems and reach our promise. We know we will succeed not by government edict, not by large bureaucracies, but by the spirit of service and devotion that burns within the heart of every American.

With AmeriCorps you are building your country's future and helping to build your own. For your hard work, those of you who serve will earn money for your education and the chance to do even more with your God-given abilities, earning something that money can never buy as well. For you know now that you are helping to breathe new life into the spirit of the American republic.

Benjamin Franklin once said that if we don't hang together, we will surely hang separately. At the time he said it, he was worried about a foreign invader. But as the old comic strip character says, today we have met the enemy, and it is us. We better hang together, folks, or we're going to hang separately. You are the glue that will enable us to hang together. (Applause.)

We cannot go on as a nation of strangers, mistrusting one another because we've never had the chance to work side by side or had the chance to walk in one another's shoes. If we just stand only on our own ground, we will never find common ground. When I mention three of you -- Leo, Laura and Sara -- before, I didn't tell you about their backgrounds. Laura is from a suburb of Boston. Leo is from the inner city of Chicago. Sara is from the farmlands of Wisconsin. Each will bring something special and different and unique from those places to their service for America.

But each will surely learn, along with all the rest of you, that with all of our differences, we can belong to something larger than ourselves. I hope the nation that you serve will learn this as well from your shining example. We are all part of the American family joined by a common purpose, bound by a common sense of responsibility, challenged by common possibilities that know no limits.

The only limit to the future of this country and to the future that all of you hope to have is what we are willing to demand of ourselves today and in the future. Generations before us have done the groundwork, and now we must build on those foundations.

In just a moment, I will lead the 20,000 volunteers who are here, and some who have already done this a couple of hours ago across America in a pledge. But I want to ask you and all Americans who will

learn of this event to reflect on the words of that pledge -- words like "action" and "commitment," "community" and "common ground." It's more than a pledge of personal service. It's a creed for America -- a creed we desperately need as we move forward to renew our great country in the 21st century.

To all of you who have taken the pledge to join, who have entered this Season of Service, who have redeemed the most important commitment your President ever tried to make to the American people -- to give us a chance to come together, to move forward together -- I say thank you and God bless you. (Applause.)

Now, let me ask all the AmeriCorps volunteers here to raise your hand and repeat after me:

I will get things done for America.

AUDIENCE: I will get things done for America.

THE PRESIDENT: To make our people safer, smarter, and healthier.

AUDIENCE: To make our people safer, smarter, and healthier.

THE PRESIDENT: I will bring America together.

AUDIENCE: I will bring America together.

THE PRESIDENT: To strengthen our communities.

AUDIENCE: To strengthen our communities.

THE PRESIDENT: Faced with conflict, I will seek common ground.

AUDIENCE: Faced with conflict, I will seek common ground.

THE PRESIDENT: Faced with adversity, I will persevere.

AUDIENCE: Faced with adversity, I will persevere.

THE PRESIDENT: I will carry this commitment with me this year and beyond.

AUDIENCE: I will carry this commitment with me this year and beyond.

THE PRESIDENT: I am an AmeriCorps member.

AUDIENCE: I am an AmeriCorps member.

THE PRESIDENT: And I am going to get things done.

AUDIENCE: And I am going to get things done.

THE PRESIDENT: Yes. Thank you. (Applause.)

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SECTION: MAJOR LEADER SPECIAL TRANSCRIPT

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HEADLINE: REMARKS OF ARKANSAS GOVERNOR BILL CLINTON
DEMOCRATIC PRESIDENTIAL CANDIDATE
GEORGETOWN UNIVERSITY
WASHINGTON, DC

BODY:

GOV. CLINTON: Thank you. Thank you very much. (Applause.) Thank you. (Continued applause.) Thank you. Thank you very much. Thank you. (Continued applause.) Thank you. Thank you very much. Thank you very much, Ricky (sp). Ladies and gentlemen, I hope you have not heard the best speech of the morning already. (Laughter.) I met Ricky Taylor (sp) not at Georgetown but at the Louisiana Democratic Convention where I spoke. He came up and introduced himself to me, told me he was a student at Georgetown. Today I wish he were home in Louisiana on the ballot against David Duke. (Applause, cheers.)

I want to thank Jeff Rothschild (sp) and the Lecture Fund for having me here; Father O'Donovan (sp) and Georgetown for running the risk of embarrassment in letting me come back to this beloved hall where I spent so many happy hours as student; all the young people who came out to visit me today; the students from Arkansas, my friend Ryan Johnson (sp) from Louisiana, whose father was a national championship debater here at Georgetown when I was here so many years ago.

I want to thank my former classmates and friends who are here. My roommate Tom Caflin (sp) is biting his fingernails now and he is so afraid I will embarrass the Class of '68 before this is over. (Laughter.) We had an English professor who wrote on one of his essays that he sounded like a capricious bilge pump. He later went on to become a great writer. All of us were humbled at Georgetown. So if I'm humble today, it won't be anything new.

I'd like to thank my good friend Father McSorely (ph) for coming. We met each other here, and once had a very memorable day in Oslo, Norway together over 20 years ago. I appreciate his lifetime of commitment to the cause of world peace. And I would like to thank all the people who helped me along life's way here at Georgetown, some who are no longer living, some who are no longer here, a few who remain here to teach and help people of your generation move along life's way.

I am profoundly indebted to what this University gave me. I have carried with me to the present day indelible memories of all the things that happened on this campus and in this town and in our country during the four eventful years in the mid-'60s when I was here. I thought those years were eventful years, but the years that you're here, those of you who are students, are truly revolutionary. When I was here, our country simply sought to contain Communism not roll it back. Most respected academics held that once a country went Communist the loss of freedom was permanent and irreversible.

But in the last three years, we've seen the Berlin Wall come down, Germany reunified, all of Eastern Europe abandon Communism, a coup in the Soviet Union fail and the Soviet Union itself disintegrate liberating the Baltics and the

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other republics. Now the Soviet Foreign Minister is trying to help our Secretary of State make peace in the Middle East. And in the space of a year, Lech Walesa and Vaclav Havel have both come to this city to thank America for supporting their quests for freedom. For good measure, Nelson Mandela walked out of a jail in South Africa that he entered even before I entered Georgetown, and now he says he wants his country to have a Bill of Rights just like the one we have here.

America should be celebrating today. All around the world the American dream is ascendant. Everybody wants political democracy and market economics and national independence. Everything your grandparents and parents fought for and stood for, from World War II on, is being rewarded and embraced.

Yet today in America we're not celebrating. Why? Because all of us fear down deep inside that even as the American dream reigns supreme abroad it's dying here at home. We're losing jobs and wasting opportunities. The very fiber of our nation is breaking down. Families are coming apart. Kids are dropping out of school. Drugs and crime dominate our streets. And our leaders here in Washington aren't doing much about it.

The political system we have now rotates between being the butt of jokes and the object of absolute scorn. Frustration produces calls for term limits from voters who don't even think they have the power to vote incumbents out. And resentment produces votes for David Duke, not just from racists, but from voters so desperate for change they will support the most anti-establishment message, even if it's delivered by an ex-Klansman who admits he was inspired by Adolf Hitler.

We've got to rebuild our political life before the demagogues and the racists and those who pander to the worst in us bring this country down. People once looked at the President and the Congress to bring us together, to solve problems, to make progress. Now, in the face of massive challenges, our government stands discredited, our people are disillusioned. There's a hole in our politics where our sense of common purpose used to be.

The Reagan-Bush years have exalted private gain over public obligation, special interests over the common good, wealth and fame over work and family. The 1980s ushered in a gilded age of greed and selfishness, of irresponsibility and excess, and of neglect. S&L crooks stole billions of dollars in other peoples' money. Pentagon consultants and HUD contractors stole from the taxpayers. Many big corporate executives raised their own salaries even when their companies were losing money and their workers were being put into the unemployment lines. Middle class families worked longer hours

for less money, and spent more on health care, and housing, and education, and taxes.

Poverty rose. Many inner city streets were taken over by crime and drugs, welfare and despair. Family responsibility became an oxymoron for many deadbeat fathers who were more likely to make their car payments than to pay their child support.

And government, which should have been setting an example, was even worse. Congress raised its pay and guarded its perks while most Americans were working harder for less money. Two Republican presidents, elected on a promise of fiscal responsibility, advanced budget proposals that more than tripled our national debt. Congress went along with that, too. Taxes were lowered on the wealthiest people whose incomes were rising, and raised on middle class families as their incomes fell. And through it all, millions of decent, ordinary people who worked hard, played by the rules, and took responsibility for their own actions, were falling more and more behind, living a life of struggle without reward or security.

For twelve years, these forgotten middle class Americans have watched they

economic interests ignored, and their values literally ground into the ground. Nothing illustrates this more clearly than the fact that in the 1980's charitable giving among middle class people went up even as their incomes went down, while charitable giving among the wealthiest Americans went down as their incomes went up. Responsibility went unrewarded and so did hard work. It's no wonder so many kids growing up on the streets in America today think it really makes more sense to them to join a gang, and do drugs, and sell drugs, than to stay in school and go to work. We have seen a decade in which the fast buck was glorified from Wall Street to Main Street to Mean Street.

To turn America around, we've got to have a new approach, founded on our most sacred principles as a nation, with a vision for the future. We need a new

covenant, a solemn agreement between the people and their government to provide opportunity for everybody, inspire responsibility throughout our society, and restore a sense of community to our great nation -- a new

covenant to take government back from the powerful interests and the bureaucracy, and give it back to the ordinary people of our country.

More than 200 years ago, our founding fathers outlined our first social compact between government and the people, not just between Lords and Kings. More than a hundred years ago, Abraham Lincoln gave his life to maintain the union that compact created. More than 60 years ago, Franklin Roosevelt renewed that promise with a New Deal that offered opportunity in return for hard work.

Today we need to forge a new covenant that will repair the damaged bond between the people and their government, restore our basic values, embed the idea that a country has the responsibility to help people get ahead, but that citizens have not only the right, but the responsibility to rise as far and fast as their talents and determination can take them. And most important of all, that we're all in this together. We have to make good on the words of Thomas Jefferson who once said, "A debt of service is due from every man to his country proportional to the bounties which nature and fortune have measured to him."

Make no mistake. This new covenant means change -- change in my party, change in our leadership, change in our country, change in the lives of every American. Far away from Washington, in your home towns and mine, most people have lost faith in the ability of government to have a positive impact on their lives. Out there you can hear the quiet, troubled voices of forgotten middle-class Americans lamenting the fact that government no longer looks out for their interest or honors their values -- values like individual responsibility, hard work, family, and community. They believe the government takes more from them than it gives back, and looks the other way when special interests only take from our country and give nothing back. And they're right.

So this new covenant can't be between the politicians and the established interests and the political elites. It can't be just another backroom deal in power, where the people who have power and the people who keep them there make a decision that looks like something it's not. This new covenant can only be ratified in the election of 1992, and that's why I'm running for President.

(Applause.)

Some people think it's old fashioned to talk like this. Some people even think I am naive to suggest that we can restore the American dream through a covenant between people and their government. But I believe, with all my heart -- after 11 years of work as a governor, working every day to create opportunity, and jobs, and improve education, and deal with all the problems that we all know so much about -- I believe that the only way we can hold this country together and move boldly into the future is to do it together with a new covenant.

(Applause.)

Over 25 years ago, my classmates and I all took a class in Western Civilization, taught by a legendary professor named Carol (sp) Quigley. He taught, at the

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end of the course, that the defining idea of Western civilization in general and our country in particular is what he called future preference -- the idea that the future can be better than the present, and that each of us has a personal, moral responsibility to make it so. I hope they still teach that lesson here at Georgetown, even though Professor Quigley has been dead for some years. And I hope you believe it because I think it's the only way to save America.

In the weeks to come, I will come back to Georgetown and outline my plans to rebuild our economy, regain our competitive leadership in the world, restore the fortunes of the middle class, and reclaim the future for the next generation. I'll give a speech on how we should promote our national security and foreign policy interests after the Cold War, and I'll tell you in clear terms what I believe the President and the Congress owe you and all the rest of the American citizens in this new covenant for change.

But I can tell you, based on my long experience in public life, there will never be a government program for every problem. Much of what holds us together and moves us ahead is the daily assumption of personal responsibility by millions and millions of Americans from all walks of life. I can promise to do a hundred different things for you as President, but none of them will make any difference unless we all do more as citizens. And today, that's what I want to talk about -- the responsibilities we owe to ourselves, to each other, and to our country. It has been thirty years since a Democrat ran for President and asked something of all the American people. I intend to challenge you all to do more and to do better. We simply have to go beyond the competing ideas of the old political establishment, beyond every man for himself on one hand, and something for nothing on the other.

We need a new covenant that will challenge all of our citizens to be responsible -- that will say, first, to the corporate leaders at the top of the ladder -- we will promote economic growth and the free market, but we're not going to help you diminish the middle class and weaken our economy. (Applause.) We will support your efforts to increase your profits -- they are good -- and jobs, through quality products and services, but we're going to hold you responsible for being good corporate citizens, too. (Applause.)

At the other end of the scale we'll say to people on welfare, we're going to give you training and education, and health care for yourself and your children but if you can work, you must go to work because we can no longer afford to have you stay on welfare forever. (Applause.) We will say to hardworking middle class Americans and those who aspire to the middle class, we're going to guarantee you and your children access to a college education -- every one of you -- but if you take the help, you have to give something back to your country. (Applause.)

In short, the new covenant must challenge all of us, especially those of us in public service, for we have a solemn responsibility to honor the values and promote the interests of the people who elected us. And if we don't do it, we don't belong in government any more. (Applause.)

This new covenant should begin in Washington. I want to literally revolutionize the federal government and fundamentally change its relationship to our people. People no longer want a top down bureaucracy telling them what to do. That's one reason they tore down the Berlin Wall and threw out the communist regimes in Eastern Europe and the Soviet Union.

Now our new covenant will challenge our own government to change its way of doing business, too. The American people need a government they can afford and a government that works. The Republicans have been in charge of this government for 12 years. They brought it to the brink of bankruptcy. But Democrats who want to change the government, who want the government to do more -- and I'm one of them -- we have the heavy responsibility to show that we're going to spend

the taxpayers' money wisely and with discipline, that we can spend more money on the future, and control what we spend on the present and the past. And I want to make government more efficient and effective by following the lead of our best companies, eliminating unnecessary layers of bureaucracy, reducing administrative costs, and most important, giving the American citizens more choices in the services they get, just as we have worked hard to do in Arkansas. We balanced our budget every year, improved services, and treated our citizens like our customers and our bosses, giving them more choices in public schools, child care centers, and services to the elderly. And we can do that in America. (Applause.)

And a new Democratic covenant must also challenge Congress to act responsibly. Democrats must lead the way because they want to use government to help people. And therefore they must restore the credibility of Congress. Congress should live by the laws it applies to other work places. It's time to stop them applying -- (inaudible due to applause). Congressional pay should not go up while the pay of working Americans is going down. (Applause.) And we should clamp down on campaign spending and open the airwaves in Congressional elections to encourage real political debate instead of paid political assassinations. (Applause.) And finally, there must be no more bounced checks, no more unpaid bills, no more fixed tickets because service in Congress is itself privilege enough.

We can't go on like this. We've got to honor, reward, and reflect the work ethic, not the power-grab and politics. Responsibility is for everybody, and it's got to begin here in the nation's capital.

The new covenant must also challenge the private sector. The most irresponsible people in the 1980s were business leaders who abused their position at the top of the totem pole. This is my message to our business community. As President, I'll do everything I can to make it easier for your company to compete in the world, with a better trained work force, cooperation between labor and management, fair and strong trade policies, and incentives to invest here in America and our own economic growth. But if I do that, I expect the jet-setters and the feather-bedders of corporate America to know that if you sell your companies and your workers and your country down the river you will be called on the carpet. That's what the president's bully pulpit is for. (Cheers, applause.)

All of you who are going into business, it is a noble endeavor. It is the thing which makes this country run. The private sector creates jobs, not the public sector. But you have to know that the people with responsibility in the private sector should think it is not enough simply to obey the letter of the law and make as much money as you can.

It's simply wrong for executives to do what so many did in the '80s. The biggest companies raised their executive pay by four times the percentage their workers' pay went up, and three times the percentage their profits went up. It's wrong to drive a company into the ground and then have the chief executive bail out with a golden parachute to a cushy life.

The average CEO at a major American corporation, according to a recent Senate hearing, is paid about 100 times as much as the average worker. Compare that to two countries doing much better than we are in the world economy. In Germany it's 23 to 1; in Japan, which just completed 58 months of untrammelled economic growth, it's 17 to 1. And our government today rewards that excess with a tax break for executive pay no matter how high it is. That's wrong.

If companies want to overpay their executives and underinvest in their future that's their business, but they shouldn't get any special treatment from Uncle Sam. (Applause.) If a company wants to transfer jobs abroad and cut the security of their working people they may have a legal right to do it, but

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shouldn't get special treatment from the Treasury as they do today. That's right. (Applause.)

In the 1980s we didn't do enough to help our companies to compete and win in the global economy. We didn't. But we did do way too much to transfer wealth away from hard working middle class Americans to rich people who got it without good reason and without contributing to production and wealth in this country. There should be no more deductibility for irresponsibility. (Applause.)

The new covenant must also make some challenges to the hard working middle class. Their challenges center around work and education. I know Americans worry about the quality of education in this country and want the best for their children. Under my administration, we'll set high national standards for what children need to know based on the international competition. And we'll develop a national examination system to measure whether they are learning it or not. It's not enough just to put money in schools. We have to challenge our schools to produce and insist on results.

Just came from Thomas Jefferson Junior High School here in Washington. And the principal of that school, Vera White (sp), I think is here with me today. Ma, are you here somewhere? (Pause.) Anyway, she's on the way. (Laughter.)

Ma said she was coming and she wanted to approve my speech.

I've been to that school three times in the last five years. That school is almost all black. It's in a building that was built when Grant was president. They have the plaster models of the Jefferson Memorial in the school auditorium. At every time I've been in that school you could eat lunch off any floor in the school. There is a spirit of learning that pervades the atmosphere. Almost everyone in the school comes from an ordinary family in Washington. It's almost 100 percent minority. But in several years, that school has won the national math competition, going all the way to the finals for junior high school performance in math. They've been adopted by a company now that has given them excellence in science.

And every time I go there I'm just overwhelmed by the spirit that exists from a teachers' and principal's point of view because they know that they're going to produce results and they don't make excuses for the problems their kids bring to the classroom, they open those kids to a brighter world. We need more of that. And you have a right to it. (Applause.)

But we also have to recognize that teachers can't do it all. We must challenge parents and children to believe that all children can learn. And here may be the biggest challenge of all, because too many American parents and children really believe that how much children learn in school depends on the IQ God gave them and their family income. The kids we're competing for the future with, they're raised to believe that how well they do depends upon how hard they work and how much their parents encourage them to succeed in school. That's the attitude that every American student and parent has to have if we're going to do well.

And we have to challenge our students to stay in school. Students who drop out or fail to learn as much as they can, they aren't just letting themselves down, they're letting all the rest of us down, because from the point they drop out on, the chances are that they'll be subtracting from society instead of adding to it. We've got to enhance their responsibility. In my state, we say if someone drops out of school for no good reason they lose the privilege of a driver's license. All over America, we have to reexamine this problem and say: You have a responsibility to stay in school, you have a responsibility to learn; we have a responsibility to give you a good education.

This new covenant should have challenges for every young person. As Ricky (sp) mentioned in his introduction, I want to establish in this country a voluntary system of national service. In a Clinton administration, we will

put forth a domestic GI bill that will say to any middle class or low-income person, we want you to go to college; we'll provide the money for you to go to college. It will be the best money the taxpayers ever spent. But you've got to pay it back either as a small percentage of your income over time, or with two or three years of national service where we need it -- here at home -- as teachers, as policemen, as nurses, as family service workers. (Cheers, applause.) Thank you.

But education doesn't stop in school. Adults have a responsibility to keep learning, too, learning for a lifetime. And all of us are going to have to work smarter in the next century if America is going to compete and win. So all managers and all workers will have to be challenged every year to reorganize the workplace for higher performance, a workplace in which workers have more power, but abandon work rules that don't make sense.

And there's a special challenge in this new covenant for the young men and women who live in America's most troubled urban neighborhoods, young men and women like those I've met in Chicago and Los Angeles, many other places in our country. They are kids who live in fear of being shot going to and from school, or being forced to join a gang in order to avoid being beaten. Many of these young people believe that our country has ignored them for too long. And they're right. They think that America unfairly blames them for everything that's wrong in their neighborhoods -- for drugs, and crime and poverty and the breakup of the family and the breakdown of the schools. And they're right. They worry that because by and large their faces are different colors than mine, their only choice in life will be jail or welfare or a dead-end job, and that being a minority in a big city is more or less a guarantee of failure. That's not right.

And when I'm president I'm going to do my very best to prove that all those fears are wrong, because I know these young people can overcome these obstacles and become anything they set their minds to. And more importantly for you, I know that America needs their strength, their intelligence and their humanity. And because I believe in them and what they can contribute, they can't be let off the responsibility hook either. All society can ever offer them is a chance to develop their God-given capacities. They have to do the rest. Anybody who tells them anything else is lying to them, and they already know that.

As president, I'll see that they get the same deal everyone should have: play by the rules, stay off drugs, stay in school, stay off the streets; don't have children if you're not prepared to support them because governments don't raise children, people do. And if you get in trouble, we'll even give you one chance to avoid prison by setting up community boot camps for first-time non-violent offenders so they can learn discipline and get drug treatment when necessary and continue their education and do useful community work -- a second chance to be a first rate citizen. (Applause.)

But if our new covenant is really pro-work, it must mean that people who work shouldn't be poor. And that's why in our administration we will do everything we can to break the cycle of working poor by making work pay through expanding the earned income tax credit for the working poor, creating options for savings accounts even for people on welfare, and supporting the establishment in the most oppressed areas of America of micro-enterprise businesses.

At the same time, we must assure all Americans that they'll have access to health care when they go to work. That's why so many today maintain themselves on the welfare roles.

The new covenant can break the cycle of welfare. Welfare should be a second chance, not a way of life. In my administration we're going to put an end to welfare as we have come to know it. I want to erase the stigma of welfare for good by restoring a simple, dignified principle: No one who can work can stay

on welfare forever.

We'll still help people to help themselves, and those who need education and training and child care and medical coverage for their kids -- they'll get it. We'll give them all the help they need, and we'll keep them on public assistance for up to two years. But after that, people who are able to work, they'll have to go to work either in the private sector or through a community service job. No more permanent dependence on welfare as a way of life. (Applause.) We can then restore welfare for what it was always meant to be, a way of temporarily helping people who have fallen on hard times.

If the new covenant is pro-work it must also be pro-family. That means we have to demand the toughest possible child support enforcement. The number of absent parents who run off and leave their children with no financial help, even though they could do it, is a national scandal. We need an administration that will give state agencies that collect child support full law enforcement authority, and find new ways of catching deadbeats and collecting the money. In our state, we passed a law this year which says if you owe more than \$1,000 in child support we'll report your name to every credit agency in the state. We don't think people should borrow money until they take care of their children, and that ought to be the law in America. (Applause.)

Finally, the president, the president has the greatest responsibility of all. First, to bring us together not drive us apart. For 12 years, this President and his predecessor have divided us against each other, pitting rich against poor, playing for the emotions of the middle class, white against black, women against men, creating a country in which we no longer recognize that we are all in this together. They've profited by fostering an atmosphere of blame and denial instead of building an ethic of responsibility. They had a chance to bring out the best in us and, instead, they appealed to the worst in us. Nothing exemplifies this more clearly than the battle over the Civil Rights Act of 1991. You know from what I have already said today that I can't be for quotas. I'm not for a guarantee for anybody. I'm for responsibility at every turn. That bill is not a quota bill. When the Civil Rights Act was in place from 1964 to 1987, I never had a single employer in my state say it's a quota bill.

We need rules of workplace fairness for the 70 percent of new entrants in our workforce who will be women and minorities in the decade of the '90s. That's what that bill is for. Why does the President refuse to let a civil rights bill pass? Because he knows that the people he is dependent on for his electoral majority -- white working class men and women, mostly men, have had their incomes decline in the 1980s and they may return to their natural home, someone who offers them real economic opportunity. And so he is dredging up the same old tactic that the hard right has employed in my part of the country, in the South, since I was a child. When everything gets (hyped?) and you think you're going to lose those people, you find the most economically insecure white people and you scare the living daylights out of them. That is wrong.

This President turned away John Danforth, who shepherded Clarence Thomas's nomination through the Senate. John Danforth begged him for a civil rights bill. He said no. He turned away the Business Roundtable, an organization of corporate executives -- largely Republican -- who said: We need a civil rights bill. He said no. And today, in the press it's reported that he turned away his own Minority Leader in the United States Senate, Senator Bob Dole, who wanted a civil rights bill. He said no. This man does not want a bill, he wants an issue to drive a stake into the heart of America, and it's wrong and I won't let him get away with it. (Cheers, applause.)

We cannot have a new covenant unless the president assumes the responsibility and insists that every American join in bringing this country back together,

fighting against the politics of division and going into tomorrow as one. After all, that's what's special about America. Don't you want to be part of a country that's coming together instead of coming apart? Don't you want to be part of a community where people look out for each other and not just for themselves? Wouldn't it be nice to be part of a nation again that brings out the best in all of us instead of playing to the worst for personal advantage? Wouldn't it be nice again to have a leader who really believed that the only limit to what we can do is what our leaders ask of us and what we expect of ourselves?

Nearly 60 years ago, in a very famous speech to the Commonwealth Club, in the final months of his 1932 campaign, President Franklin Roosevelt outlined a new compact that gave hope to a nation mired in the Great Depression. The role of government, he said, was to promise every American the right to make a living. The people's role was to do their best to make the most of that opportunity. He said, and I quote, "Faith in America demands that we recognize the new terms of the old social contract. In the strength of great hope we must all shoulder the common load."

That's what our hope is today, a new covenant to shoulder the common load. When people assume responsibility and shoulder that load they acquire a dignity they never had before. When people go to work they rediscover a pride in themselves that they had lost.

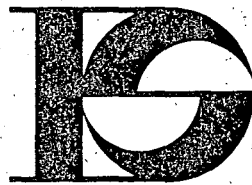
I'll never forget, once a welfare mother in my state was asked when she moved from welfare to work, what was the best thing about having a job? And she said "When my boy goes to school and they say, what does your mama do for a living, he can give an answer."

When fathers pay their child support, they restore a connection that both they and their children need. When students work harder, they find out that they can all learn after all and do as well as any students in Japan or Singapore or Germany or anywhere else. When corporate managers put their workers and their long-term profits ahead of their own paychecks, their companies do well and so do they. When the privilege of serving is enough of a perk for people in Congress, and when the president finally assumes responsibility for America's problems, we'll not only stop doing wrong, we'll begin to do what's right to move America forward.

And that's what this election is really all about -- forging a new covenant that will honor middle class values, restore the public trust, create a new sense of community, and make America work again.

Thank you very much. (Applause, cheers.)

LANGUAGE: ENGLISH



INDEPENDENT
SECTOR



Lissa

MEMO

October 17, 1994

TO: Melanne Verveer

FR: Bob Smucker *BS*

RE: Suggestions for comments by the First Lady at our Annual Meeting

Enclosed is an October 6 memo from Rick Jasculca to Patti Solis regarding the First Lady's involvement at our Annual Meeting.

As you can see, the theme is youth and volunteerism. My hope is that a bridge could be built from that theme to the importance of the involvement of youth in advocacy. The enclosed statements President Clinton made in his campaign and later at the reception for nonprofit leaders are certainly pointed in the right direction.

A statement to the effect that opportunities should be open for youth to learn advocacy and lobbying skills in nonprofit organizations, would be especially helpful. I would take it one step further and urge a strong statement to the effect that government at all levels should avoid actions that might impede such opportunities.

We have several reasons for urging such a statement.

- 1) As you know, we just escaped by a hairs breadth being saddled with substantially increased, and needless, disclosure under the Lobby Disclosure Act. It's my guess that charities will oppose the Lobby Disclosure Act (we didn't oppose it this time around) in the next Congress if it doesn't permit us to disclose our lobbying activities under IRS rules.
- 2) You probably know that National Service volunteers may not be involved in advocacy or lobbying. We continue to think that was a mistake and hope to come back to the issue again in the upcoming Congress.

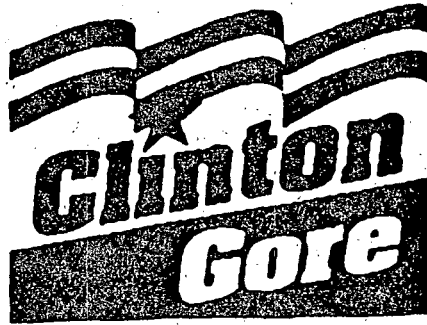
So, a strong statement from the First Lady in support of nonprofit lobbying and advocacy could help to set the tone for the next Congress.



I just wanted to be certain you know what our agenda will be in the advocacy/lobbying arena in the next Congress so you'll know why we are hopeful that the First Lady will make a strong statement of support of that activity.

Enclosures

cc: Sara E. Meléndez
John Kemp
Brian Foss



Contact: Jim Clark
(501) 370-3468

STATEMENT ON THE NON-PROFIT SECTOR

We believe that, as stated in the 1992 Democratic Party Platform, "the wisdom, energy, and resources required to solve our problems are not concentrated in Washington, but can be found throughout our communities, including America's non-profit sector, which has grown rapidly over the last decade."

We note that this extraordinary growth has been largely created by our society's social, cultural, and environmental non-profit entrepreneurs.

We believe that the non-profit sector is one of the primary determining factors in the health and vitality of America's communities, just as we recognize that government at all levels increasingly has relied upon non-profit organizations to provide certain services more efficiently and more effectively than can government bureaucracy.

In this era of constrained government resources facing up against increasingly complex social problems, greater collaboration, more effective government contracting, and a deeper understanding of the consequences of government's actions affecting the non-profit sector are required at all levels of government.

America's public challenges can only be addressed by drawing upon all of the creativity, knowledge, and initiative located across business, government, and the non-profit sector combined. We must leverage the resources of the non-profit sector and the experience of people working in the non-profit sector to help solve problems as part of a larger effort that involves all members and sectors of society.

A Clinton/Gore Administration will work to create further incentives for private investment for the public good. We will explore various ways to

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clinton-non-profits

REMARKS BY PRESIDENT CLINTON AT RECEPTION FOR NON-PROFIT
ORGANIZATIONS

EAST ROOM, THE WHITE HOUSE
WASHINGTON, DC
5:00 P.M. EST
TUESDAY, APRIL 12, 1994

.STX

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PART OF THAT PERSON'S OFFICIAL DUTIES.

PRESIDENT CLINTON : Thank you very much. (Applause.) Thank you. Thank
you very much.

Ladies and Gentlemen, Secretary Shalala, Secretary Cisneros, and the many
other people in our administration who are here who have long supported the
nonprofit sector of this country and worked in it. I suppose no one qualifies in that
regard more than the first lady. (Applause.) Since I first met her, I've seen Hillary
serve on children's advocacy boards, legal services boards, hospital boards,
foundation boards. I was counting outside, I haven't checked with her, but I know
that she's helped form three nonprofit organizations and been associated with at

I said, Well, why don't we sleep on it and see if we can think of a way to do it? This morning early, I called him on the phone and he said, I still see it the same way. And I said, Well, I haven't any thunderbolt of insight about how your analysis is wrong. So he said, I still think I ought to do not what I want to do but what I should do. And he seemed as comfortable with that decision as any one that I've ever seen him make.

I say that because this country needs more people who devote themselves not only to what they would like to do but what they think the country needs. He has dedicated himself to doing something that, if successful, this health care reform would be the work of a generation in America. His leadership role is crucial. I value it, and I'm grateful for it. And so, I would like to begin by thanking him, on behalf of this country, for his willingness to forego a great personal opportunity, in anticipation of an enormous struggle with an uncertain result, for a result that is worth the careers of many of us.

I thank him for that.

The interesting thing, as I look out at this crowd of you, and I see so many of you whom I've known for so many years, and I think of all the struggles that you have been in with an uncertain result, determined to make life better for people in any number of ways.

In 1840 Alexis de Tocqueville said if Americans want to proclaim a truth or propagate some feeling by the encouragement of example, they form an association. (Chuckles.) Well, today, at the dawn of a new century, we're full of associations. Every now and then I hear from one I don't like all that much. (Laughter.) Sometimes I hear from those I like very much things that I wish I didn't have to hear. That is a part of what makes America a special place.

Every item, as I said earlier, of the national agenda I have sought to pursue so vigorously ultimately depends upon people in their private capacities doing

way around the country? You have to help us make that decision. For, in truth, that's a decision that we make anew here constantly as we deal with the difficulties as well as the opportunities that come to this place.

I hope this is the beginning of an even better partnership. I thank you very, very much for what you do. And I want to say again I cannot succeed as president unless you succeed and unless you succeed in mobilizing millions of our countrymen and women for the important tasks that faces us. I honestly believe that we may be at dawn of a new American renaissance, a period when we are able to face with greater energy and greater hope and a greater sense of community and common purpose the challenges before us than has been the case in a generation.

If we do it, we will make the beginning of the 21st century the most exciting time in American history to be young, to grow, to come to maturity, and to make a life. If we don't, we will have squandered a greater legacy. The only way we can do it is if somehow there is a role for all of us, not just those of us in high office. You provide that role for all of us, and I will do my best to help you play it.

Thank you very much. (Applause.)

A NEW COVENANT FOR AMERICAN SECURITY

GEORGETOWN UNIVERSITY, WASHINGTON, D.C.

DECEMBER 12, 1991

I was born nearly half a century ago at the dawn of the Cold War, a time of great change, enormous opportunity and uncertain peril. At a time when Americans wanted nothing more than to come home and resume lives of peace and quiet, our country had to summon the will for a new kind of war — containing an expansionist and hostile Soviet Union which vowed to bury us. We had to find ways to rebuild the economies of Europe and Asia, encourage a worldwide movement toward independence and vindicate our nation's principles in the world against yet another totalitarian challenge to liberal democracy.

Thanks to the unstinting courage and sacrifice of the American people, we were able to win that Cold War. Now we've entered a new era, and we need a new vision and the strength to meet a new set of opportunities and threats. We face the same challenge today that we faced in 1946 — to build a world of security, freedom, democracy, free markets and growth at a time of great change.

Anyone running for President right now — Republican or Democrat — is going to have to provide a vision for security in this new era. That is what I hope to do today.

Given the problems we face at home, we do have to take care of our own people and their needs first. We need to remember the central lesson of the collapse of communism and the Soviet Union. We never defeated them on the field of battle. The Soviet Union collapsed from the inside out — from economic, political and spiritual failure.

Make no mistake: Foreign and domestic policy are inseparable in today's world. If we're not strong at home we can't lead the world we've done so much to make. And if we withdraw from the world, it will hurt us economically at home.

We can't allow this false choice between domestic policy and foreign policy to hurt our country and our economy. Our President has devoted his time and energy to foreign concerns and ignored dire problems here at home. As a result, we're drifting in the longest economic slump since World War II, and, in reaction to that, elements in both parties now want America to respond to the collapse of communism and a crippling recession at home by retreating from the world.

I have agreed with President Bush on a number of foreign policy questions. I supported his efforts to kick Saddam Hussein out of Kuwait. I think he did a masterful job in pulling together the victorious multi-lateral coalition. I support his desire to pursue peace talks in the Middle East. I agree with the President that we can't turn our back on NATO. And I supported giving the administration fast-track authority to negotiate a sound and fair free trade agreement with Mexico.

But because the President seems to favor political stability and his personal relations with foreign leaders over a coherent policy of promoting freedom, democracy and economic growth, he often does things I disagree with. For example, his close personal ties with foreign leaders helped forge the coalition against Saddam Hussein, but also led him to side with China's communist rulers after the democratic uprising of students. The President forced Iraq out of Kuwait, but as soon as the war was over, he seemed so concerned with the stability of the area that he was willing to leave the Kurds to an awful fate. He is rightfully seeking peace in the Middle East, but his urge to personally broker a deal has led him to take public positions which may undermine the ability of the Israelis and the Arabs to agree on an enduring peace.

In the aftermath of the Cold War, we need a President who

"The defense of freedom and the promotion of democracy around the world aren't merely a reflection of our deepest values; they are vital to our national interests."

...goal is not to resist change, but to shape it.
The President must articulate a vision of where we're going. The President and his administration have yet to meet that test — to define the requirements of U.S. national security after the Cold War.

Retreating from the world or discounting its dangers is wrong for the country and sets back everything else we hope to accomplish as Democrats. The defense of freedom and the promotion of democracy around the world aren't merely a reflection of our deepest values; they are vital to our national interests. Global democracy means nations at peace with one another, open to one another's ideas and one another's commerce.

The stakes are high. The collapse of communism is not an isolated event; it's part of a worldwide march toward democracy whose outcome will shape the next century. If individual liberty, political pluralism and free enterprise take root in Latin America, Eastern and Central Europe, Africa, Asia and the former Soviet Union, we can look forward to a grand new era of reduced conflict, mutual understanding and economic growth. For ourselves and for millions of people who seek to live in freedom and prosperity, this revolution must not fail.

And yet, even as the American Dream is inspiring people around the world, America is on the sidelines, a military giant crippled by economic weakness and an uncertain vision.

We face two great foreign policy challenges today. First, we must define a new national security policy that builds on freedom's victory in the Cold War. The communist idea has lost its power, but the fate of the peoples who lived under it and the fate of the world will be in doubt until stable democracies rise from the debris of the Soviet empire.

And second, we must forge a new economic policy to serve ordinary Americans by launching a new era of global growth. We must tear down the wall in our thinking between domestic and foreign policy.

We need a coherent strategy that enables us to lead the world we have done so much to make, and that supports our urgent efforts to take care of our own here at home. We cannot do one without the other.

We need a New Covenant for American Security after the Cold War, a set of rights and responsibilities that will challenge the American people, American leaders and America's allies to work together to build a safer, more prosperous, more democratic world.

The strategy of American engagement I propose is based on four key assumptions about the requirements of our security in this new era:

- First, the collapse of communism does not mean the end of danger. A new set of threats in an even less stable world will force us, even as we restructure our defenses, to keep our guard up.
- Second, America must regain its economic strength to maintain our position of global leadership. While military power will continue to be vital to our national security, its utility is declining relative to economic power. We cannot afford to go on spending too much on firepower and too little on brainpower.
- Third, the irresistible power of ideas rules in the Information Age. Television, cassette tapes and the fax machine helped ideas to pierce the Berlin Wall and bring it down.
- Finally, our definition of security must include common threats to all people. On the environment and other global issues, our very survival depends upon the United States taking the lead.

Guided by these assumptions, we must pursue three clear

"No national security issue is more urgent than the question of who will control the nuclear weapons and technology of the former Soviet empire."

objectives: First, we must restructure our military forces for a new era. Second, we must work with our allies to encourage the spread and consolidation of democracy abroad. And third, we must reestablish America's economic leadership at home and in the world.

When Americans elect a President, they select a Commander in Chief. They want someone they can trust to act when our country's interests are threatened. To protect our interests and our values, sometimes we have to stand and fight. That is why, as President, I pledge to maintain military forces strong enough to deter and when necessary to defeat any threat to our essential interests.

Today's defense debate centers too narrowly on the size of the military budget. But the real questions are, what threats do we face, what forces do we need to counter them, and how must we change?

We can and must substantially reduce our military forces and spending, because the Soviet threat is decreasing and our allies are able to and should shoulder more of the defense burden. But we still must set the level of our defense spending based on what we need to protect our interests. First let's provide for a strong defense. Then we can talk about defense savings.

At the outset of this discussion, I want to make one thing clear: The world is still rapidly changing. The world we look out on today is not the same world we will see tomorrow. We need to be ready to adjust our defense projections to meet threats that could be either heightened or reduced down the road.

Our defense needs were clearer during the Cold War, when it was widely accepted that we needed enough forces to deter a Soviet nuclear attack, to defend against a Soviet-led conventional offensive in Europe and to protect other American interests, especially in Northeast Asia and the Persian Gulf. The collapse of the Soviet Union shattered that consensus, leaving us without a clear benchmark for determining the size or mix of our armed forces.

However, a new consensus is emerging on the nature of post-Cold War security. It assumes that the gravest threats we are most likely to face in the years ahead include:

- First, the spread of deprivation and disorder in the former Soviet Union, which could lead to armed conflict among the republics or the rise of a fervently nationalistic and aggressive regime in Russia still in possession of long-range nuclear weapons.
- Second, the spread of weapons of mass destruction, nuclear, chemical and biological, as well as the means for delivering them.
- Third, enduring tensions in various regions, especially the Korean peninsula and the Middle East and the attendant risks of terrorist attacks on Americans traveling or working overseas.
- And finally, the growing intensity of ethnic rivalry and separatist violence within national borders, such as we have seen in Yugoslavia, India and elsewhere, that could spill beyond those borders.

To deal with these new threats, we need to replace our Cold War military structure with a smaller, more flexible mix of capabilities, including:

- **Nuclear deterrence.** We can dramatically reduce our nuclear arsenals through negotiations and other reciprocal actions. But as an irreducible minimum, we must retain a survivable nuclear force to deter any conceivable threat.
- **Rapid deployment.** We need a force capable of projecting power quickly when and where it's needed. This means the Army must develop a more mobile mix of mechanized and armored forces. The Air Force should emphasize tactical air power and airlift, and the Navy and Marine Corps must maintain sufficient carrier and

"Without growth abroad, our own economy cannot thrive."

amphibious forces as well as more seaml. We also need strong special operations forces to deal with terrorist threats.

• **Technology.** The Gulf War proved that the superior training of our soldiers, tactical air power, advanced communications, space-based surveillance, and smart weaponry produced a shorter war with fewer American casualties. We must maintain our technological edge.

• **Better intelligence.** In an era of unpredictable threats, our intelligence agencies must shift from military bean-counting to a more sophisticated understanding of political, economic and cultural conditions that can spark conflicts.

To achieve these capabilities, I would restructure our forces in the following ways:

First, now that the nuclear arms race finally has reversed course, it's time for a prudent slowdown in strategic modernization. We should stop production of the B-2 bomber. That alone could save \$20 billion by 1997.

Since Ronald Reagan unveiled his "Star Wars" proposal in 1983, America has spent \$26 billion in futile pursuit of a foolproof defense against nuclear attack. Democrats in Congress have recommended a much more realistic and attainable goal: defending against very limited or accidental launches of ballistic missiles. This allows us to proceed with R&D on missile defense within the framework of the ABM treaty — a prudent step as more and more countries acquire missile technology.

At the same time, we must do more to stop the threat of weapons of mass destruction from spreading. We need to clamp down on countries and companies that sell these technologies, punish violators and work urgently with all countries for tough, enforceable international non-proliferation agreements.

Although the President's plan does reduce our conventional force structure, I believe we can go farther without undermining our core capabilities. We can meet our responsibilities in Europe with less than the 150,000 troops now proposed by the President, especially as the Soviet republics withdraw their forces from the Red Army. We can defend the sea lanes and project force with 10 carriers rather than 12. We should continue to keep some U.S. forces in Northeast Asia as long as North Korea presents a threat to our South Korean ally.

To upgrade our conventional forces, we need to develop greater air and sea lift capacity, including production of the C-17 transport aircraft. But we should end or reduce programs intended to meet the Soviet threat. Our conventional programs, like the new Air Force fighter and the Army's new armored systems, should be redesigned to meet regional threats.

The administration has called for a 21 percent cut in military spending through 1995, based on the assumption, now obsolete, that the Soviet Union would remain intact. With the dwindling Soviet threat, we can cut defense spending by over a third by 1997.

Based on calculations by the Congressional Budget office, my plan would bring cumulative savings of about \$100 billion beyond the current Bush plan. If favorable political and military trends continue, and we make progress on arms control, we may be able to scale down defense spending still more by the end of the decade. However, we should not commit ourselves now to specific deeper cuts ten years from now. The world is changing quickly, and we must retain our ability to react to potential threats.

Also, we must not forget about the real people whose lives will be turned upside down when defense is cut deeply. The government should look out for its defense workers and the communities they live in. We should insist on advanced

"We must be strong at home to lead and maintain global growth."

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notification and help communities plan for a transition from a defense to a domestic economy. Thirty-one percent of our graduate engineers work for the defense industry. They and other highly skilled workers and technicians are a vital national resource at a time when our technological edge in a world economy must be sharper than ever before. I have called for a new advanced research agency — a civilian DARPA — that could help capture for commercial work the brilliance of scientists and engineers who have accomplished wonders on the battlefield.

Likewise, those who have served the nation in uniform cannot be dumped on the job market. We've got to enlist them to help meet our many needs at home. By shifting people from active duty to the National Guard and reserves, offering early retirement options, limiting re-enlistment and slowing the pace of recruitment, we can build down our forces in a gradual way that doesn't abandon people of proven commitment and competence.

Our people in uniform are among the most highly skilled in the areas we need most. We need to transfer those human resources into our workforce and even into our schools, perhaps in part by using reserve centers and closed bases for community-based education and training programs.

The defense policy I have outlined keeps America strong and still yields substantial savings. The American people have earned this peace dividend through forty years of unrelenting vigilance and sacrifice and an investment of trillions of dollars. And they are entitled to have the dividend reinvested in their future.

Finally, America needs to reach a new agreement with our allies for sharing the costs and risks of maintaining peace. While Desert Storm set a useful precedent for cost-sharing, our forces still did most of the fighting and dying. We need to shift that burden to a wider coalition of nations of which America will be a part. In the Persian Gulf, in Namibia, in Cambodia and elsewhere in recent years, the United Nations has begun to play the role that Franklin Roosevelt and Harry Truman envisioned for it. We must take the lead now in making their vision real — by expanding the Security Council and making Germany and Japan permanent members; by continuing to press for greater efficiency in U.N. administration; and by exploring ways to institutionalize the U.N.'s success in mobilizing international participation in Desert Storm.

One proposal worth exploring calls for a U.N. Rapid Deployment Force that could be used for purposes beyond traditional peacekeeping, such as standing guard at the borders of countries threatened by aggression; preventing attacks on civilians; providing humanitarian relief; and combatting terrorism and drug trafficking.

In Europe, new security arrangements will evolve over the next decade. While insisting on a fairer sharing of the common defense burden, we must not turn our back on NATO. Until a more effective security system emerges, we must give our allies no reason to doubt our constancy.

As we restructure our military forces, we must reinforce the powerful global movement toward democracy.

U.S. foreign policy cannot be divorced from the moral principles most Americans share. We cannot disregard how other governments treat their own people, whether their domestic institutions are democratic or repressive, whether they help encourage or check illegal conduct beyond their borders. This does not mean we should deal only with democracies or that we should try to remake the world in our image. But recent experience from Panama to Iran to Iraq shows the dangers of forging strategic relationships with despotic regimes.

It should matter to us how others govern themselves. Democracies don't go to war with each other. The French and British have nuclear weapons, but we don't fear annihilation at their hands. Democracies don't sponsor terrorist acts against each other. They are more likely to be reliable trading partners, protect the global environment and abide by international law.

Over time, democracy is a stabilizing force. It provides non-violent means for resolving disputes. Democracies do a better job of protecting ethnic, religious and other minorities. And elections can help resolve fratricidal civil wars.

Yet President Bush too often has hesitated when democratic forces needed our support in challenging the status quo. I believe the President erred when he secretly rushed envoys to resume cordial relations with China barely a month after the massacre in Tiananmen Square; when he spurned Yeltsin before the Moscow coup; when he poured cold water on the Baltic and Ukrainian aspirations for self-determination and independence; and when he initially refused to help the Kurds.

The administration continues to coddle China, despite its continuing crackdown on democratic reforms, its brutal subjugation of Tibet, its irresponsible exports of nuclear and missile technology, its support for the homicidal Khmer Rouge in Cambodia, and its abusive trade practices. Such forbearance on our part might have made sense during the Cold War, when China was a counterweight to Soviet power. But it makes no sense to play the China card now, when our opponents have thrown in their hand.

In the Middle East, the administration deserves credit for bringing Israel and its Arab antagonists to the negotiating table. Yet I believe the President is wrong to use public pressure tactics against Israel. In the process, he has raised Arab expectations that he'll deliver Israeli concessions and fed Israeli fears that its interests will be sacrificed to an American-imposed solution.

We must remember that even if the Arab-Israeli dispute were resolved tomorrow, there would still be ample causes of conflict in the Middle East: ancient tribal, ethnic and religious hatreds; control of oil and water; the bitterness of the have-nots toward those who have; the lack of democratic institutions to hold leaders accountable to their people and restrain their actions abroad; and the territorial ambitions of Iraq and Syria. We have paid a terrible price for the administration's earlier policies of deference to Saddam Hussein. Today, we must deal with Hafez Assad in Syria, but we must not overlook his tyrannical rule and domination of Lebanon.

We need a broader policy toward the Middle East that seeks to limit the flow of arms into the region, as well as the materials needed to develop and deliver weapons of mass destruction; promotes democracy and human rights; and preserves our strategic relationship with the one democracy in the region: Israel.

And in Africa as well, we must align America with the rising tide of democracy. The administration has claimed credit for the historic opening to democracy now being negotiated in South Africa, when in fact it resisted the sanctions policy that helped make this hopeful moment possible.

Today, we should concentrate our attention on doing what we can to help end the violence that has ravaged the South African townships, by supporting with our aid the local structures that seek to mediate these disputes and by insisting that the South African government show the same zeal in prosecuting the perpetrators of the violence as it did in the past when pursuing the leaders of the anti-apartheid movement. The administration and our states and cities should only relax our remaining sanctions as it becomes clearer that the day of democracy and guaranteed individual rights is at hand. And when that day does dawn, we must be prepared to

extend our assistance to make sure that democracy, once gained, is not lost there.

An American foreign policy of engagement for democracy will unite our interests and our values. Here's what we should do:

- First, we need to respond more forcefully to one of the greatest security challenges of our time, to help the people of the former Soviet empire demilitarize their societies and build free political and economic institutions. Congress has passed \$500 million to help the Soviets destroy nuclear weapons, and for humanitarian aid. We can do better. As Senator Sam Nunn and Representative Les Aspin have argued, we should shift money from marginal military programs to this key investment in our future security. We can radically reduce the threat of nuclear destruction that has dogged us for decades by investing a fraction of what would otherwise have to be spent to counter that threat. And, together with our G-7 partners, we can supply the Soviet republics with the food and medical aid they need to survive their first winter of freedom in 74 years. We should do all that we can to coordinate aid efforts with our allies, and to provide the best technical assistance we can to distribute that food and aid.

No national security issue is more urgent than the question of who will control the nuclear weapons and technology of the former Soviet empire. Those weapons pose a threat to the security of every American, to our allies, and to the republics themselves.

I know it may be bad politics to be for any aid program. But we owe it to the people who defeated communism, the people who defeated the coup. And we owe it to ourselves. A small amount spent stabilizing the emerging democracies in the former Soviet empire today will reduce by much more the money we may have to commit to our defense in the future. And it will lead to the creation of lucrative new markets which mean new American jobs. Having won the Cold War, we must not now lose the peace.

- We should recognize Ukraine's independence, as well as that of other republics who make that decision democratically. But we should link U.S. and western non-humanitarian aid to agreements by the republics to abide by all arms agreements negotiated by Soviet authorities, demonstrate responsibility with regard to nuclear weapons, demilitarize their economies, respect minority rights, and proceed with market and political reforms.

- We should use our diplomatic and economic leverage to increase the material incentives to democratize and raise the costs for those who won't. We have every right to condition our foreign aid and debt relief policies on demonstrable progress toward democracy and market reforms. In extreme cases, such as that of China, we should condition favorable trade terms on political liberalization and responsible international conduct.

- We need to support evolving institutional structures favorable to countries struggling with the transition to democracy and markets, such as the new European Bank for Reconstruction and Development, whose mission is to rebuild the societies of Central and Eastern Europe. We are right to encourage the European Community to open its doors to those societies, perhaps by creating an affiliate status that carries some but not all of the privileges of membership.

- We should encourage private American investment in the former Soviet empire. The Soviet republics, after all, are rich in human and natural resources. One day, they and Eastern Europe could be lucrative markets for us.

- We should regard increased funding for democratic assistance as a legitimate part of our national security budget. We should support groups like the National Endowment for Democracy, which work openly rather than covertly to

"We must devise and pursue national policies that serve the needs of our people by uniting us at home and restoring America's greatness in the world."

promote democratic pluralism and free markets abroad. I would encourage both the Agency for International Development and the U.S. Information Agency to channel more of their resources to promoting democracy. And just as Radio Free Europe and the Voice of America helped bring the truth to the people of those societies, we should create a Radio Free Asia to carry news and hope to China and elsewhere.

• Finally, just as President Kennedy launched the Peace Corps 30 years ago, we should create a Democracy Corps today that will send thousands of talented American volunteers to countries that need their legal, financial and political expertise.

Our second major strategic challenge is to help lead the world into a new era of global growth. Any governor who's tried to create jobs over the last decade know that experience in international economics is essential and that success in the global economy must be at the core of national security in the 1990s.

Without growth abroad, our own economy cannot thrive. U.S. exports of goods and services will be over a half-trillion dollars in 1991 — and 10 percent of our economy. Without global growth, healthy international competition turns all too readily to economic warfare. Without growth and economic progress, there can be no true economic justice among or within nations.

I believe the negotiations on an open trading system in the GATT are of extraordinary importance. And I support the negotiation of a North American Free Trade Agreement, so long as it's fair to American farmers and workers, protects the environment and observes decent labor standards.

Freer trade abroad means more jobs at home. Every \$1 billion in U.S. exports generates 20,000 to 30,000 more jobs. We must find ways to help developing nations finally overcome their debt crisis, which has lessened their capacity to buy American goods and probably cost us 1.5 million American jobs.

We must be strong at home to lead and maintain global growth. Our weakness at home has caused even our economic competitors to worry about our stubborn refusal to establish a national economic strategy that will regain our economic leadership and restore opportunity for the middle class.

How can we lead when we have gone from being the world's largest creditor country to the world's largest debtor nation — now owing the world \$405 billion? When we depend on foreigners for \$100 billion a year of financing, we're not the masters of our own destiny.

I spoke in my last lecture about how we must rebuild our nation's economic greatness, for the job of restoring America's competitive edge truly begins at home. I have offered a program to build the most well-educated and well-trained workforce in the world and put our national budget to work on programs that make America richer, not more indebted.

Our economic strength must become a central defining element of our national security policy. We must organize to compete and win in the global economy. We need a commitment from American business and labor to work together to make world-class products. We must be prepared to exchange some short-term benefits — whether in the quarterly profit statement or in archaic work rules — for long-term success.

The private sector must maintain the initiative, but government has an indispensable role. A recent Department of Commerce report is a wake-up call that we are falling behind our major competitors in Europe and Japan on emerging technologies that will define the high-paying jobs of the future — like advanced materials, biotechnology, superconductors and computer-integrated manufacturing.

I have mentioned a civilian advanced research projects agency to

"We should use our diplomatic and economic leverage to increase the material incentives to democratize and raise the costs for those who won't."

5

work closely with the private sector, so that its priorities are not set by government alone. We have hundreds of national laboratories with extraordinary talent that have put the United States at the forefront of military technology. We need to reorient their mission, working with private companies and universities, to advance technologies that will make our lives better and create tomorrow's jobs.

Not enough of our companies engage in export — just 15 percent of our companies account for 85 percent of our exports. We have to meet our competitors' efforts to help smaller- and medium-sized businesses identify and gain foreign markets.

And most important, government must assure that international competition is fair by insisting to our European, Japanese and other trading partners that if they won't play by the rules of an open trading system, then we will play by theirs.

We have no more important bilateral relationships than our alliance with Japan, a relationship that has matured from one of dependency in the 1950s to one of partnership today. Our relationship is based on ties of democracy, but as we cooperate, we also compete. And the maturity of our relationship allows American Presidents, as I will, to insist on fair play. As we put our own economic house in order, Japan must open the doors of its economic house, or our partnership will be imperiled with consequences for all the world.

Now we must understand, as we never have before, that our national security is largely economic. The success of our engagement in the world depends not on the headlines it brings to Washington politicians, but on the benefits it brings to hard-working middle-class Americans. Our "foreign" policies are not really foreign at all.

When greenhouse gas emissions from developed nations warm the atmosphere and CFCs eat away at the ozone layer, our beaches and farmlands and people are threatened. When drugs flood into our country from South America and Asia, our cities suffer and our children are put at risk. When a Libyan terrorist can go to an airport in Europe and check a bomb in a suitcase that kills hundreds of people, our freedom is diminished and our people live in fear.

So let us no longer define national security in the narrow military terms of the Cold War. We can no longer afford to have foreign and domestic policies. We must devise and pursue national policies that serve the needs of our people by uniting us at home and restoring America's greatness in the world. To lead abroad, a President of the United States must first lead at home.

Half a century ago, this country emerged victorious from an all-consuming war into a new era of great challenge. It was a time of change, a time for new thinking, a time for working together to build a free and prosperous world, a time for putting that war behind us. In the aftermath of that war, President Harry Truman and his successors forged a bipartisan consensus in America that brought security and prosperity for 20 years.

Today we need a President, a public and a policy that are not caught up in the wars of the past — not World War II, not Vietnam, not the Cold War. What we need to elect in 1992 is not the last President of the 20th century but the first President of the 21st century.

This spring, when the troops came home from the Persian Gulf, we had over 100,000 people at a welcome home parade in Little Rock. Veterans came from all across the state — not just those who had just returned from the Gulf, but men and women who had served in World War II, Korea and Vietnam. I'll never forget how moved I was as I watched them march down the street to our cheers and saw the

Vietnam veterans finally being given the honor they deserved all along. The divisions we have lived with for the last two decades seemed to fade away amid the common outburst of triumph and gratitude.

That is the spirit we need as we move into this new era. As President Lincoln told Congress in another time of new challenge, in 1862:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country. Fellow citizens, we cannot escape history."

Thank you very much.

"Even as the American Dream is inspiring people around the world, America is on the sidelines, a military giant crippled by economic weakness and an uncertain vision."

LABOR DONATED

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THE WHITE HOUSE
WASHINGTON

Date 10/17/94

MEMO FROM MAGGIE WILLIAMS

TO: 1/887A MISCELLANEOUS

The attached is for your:

Information _____

Advice _____

Action _____

COMMENTS:

Youth Participants
Independent Sector Annual Meeting
October 23 - 25, 1994 - Chicago

Fourteen students from the Chicago area were chosen for their outstanding dedication to volunteer work. The following are short descriptions about these young people.

Janet Brito

Janet, 16, of Chicago's North side, is already working toward her goal of becoming a missionary. She spent six weeks last summer in the Dominican Republic where she helped build a house, plant trees and care for children in a nutrition center. Janet currently volunteers at a soup kitchen and helps freshman students get oriented at St. Ignatius College Prep in Chicago where she is a senior.

Danielle Cantrell

Growing up on the West side of Chicago, Danielle, 13, has been exposed to both wealth and poverty. She often works with others in her neighborhood to paint fences and clean parks. As a counselor at Metro Achievement Center, a community center for girls, Danielle currently spends one day a week after school tutoring a 4th grade student. During the holidays, Danielle visits children in Cook County Hospital. She is a freshman at St. Ignatius College Prep in Chicago.

Laura Chen

Laura is involved in a wide variety of volunteer activities, such as singing in nursing homes, playing with children at Christopher House, a drop-in center for kids, and participating in canned food drives. Laura is a member of Facing History and Ourselves, a group dedicated to addressing the issues of racism and prejudice. She recently participated in the stage performance for the 1994 Facing History benefit with Oprah Winfrey. Laura, 16, is a junior at New Trier High School in Winnetka.

Kevin Frazier

Kevin is very involved with the Merit Music Program, a music education program. At age 14, he plays three instruments. As a member of the Student Advisory Board at Merit Music, Kevin serves as a liaison between the students and the teachers. Kevin volunteers in the office at the Chicago Urban League, helps clean-up neighborhoods with St. Mark's Lutheran Church and is an active Boy Scout. Kevin lives in the south suburb of Country Club Hills and is currently a sophomore at Morgan Park High School in Chicago.

Erik Garrett

Although he is only 18, Erik has been teaching martial arts to patients at Marianjoy Rehabilitation Hospital in the Western suburbs for 10 years. Erik hopes to help others benefit from the discipline and focus he has gained through karate. During high school, Erik, a native of suburban Lombard, participated in a peer tutoring physical education class for learning and behaviorally challenged students. Through a program called "Love Letters", Erik writes to terminally ill children around the world. He is currently a freshman at Lewis University.

Alicia Gonzalez

Alicia, 16, is the founder of the AIDS Awareness/Action Committee at Francis W. Parker High School in Chicago. Through the committee, Alicia organizes student volunteers to deliver meals to AIDS victims, hold fundraisers for AIDS organizations and educate teenagers about HIV prevention. This year she hopes her committee will expand to other high schools. Alicia is currently the only teenage member on the CARR (Coalition on Adolescent Risk Reduction) Committee, which is made up of adults who work with teenagers, primarily on HIV/AIDS issues.

Caitlin Hollister

Caitlin, 17 and a native of Brookline, Massachusetts, is a member of the City Year Chicago Corps, a year-long, full-time community service project. By the end of the year, Caitlin will have performed more than 1,700 hours of community service. She is very excited to be a part of the current movement for national service. During high school Caitlin volunteered with Easter Seals as a swim instructor for people with physical handicaps and worked at a temporary housing shelter for families. She will be a freshman at Brown University in the fall of 1995.

Jordan Matyas

"The thing about being a volunteer which I like most is knowing that I, as an individual, can help someone by just listening..." Jordan has spent the last two years helping people over the phone through Contact Chicago, a community help-line. He is often on the phone throughout the night listening to and discussing people's problems. At 16, Jordan, from Chicago's North side, is already training adults twice his age to work the phones at Contact Chicago. Jordan is a junior at Francis W. Parker High School in Chicago.

Griffin Murray

Griffin, a resident of north suburban Wilmette, spent last summer working in Cairo, Illinois, a southern Illinois community with poverty. While there, he worked with the only service organization in the community to help clean homes for elderly people. During the school year Griffin, 18, volunteers for an inner-city tutoring program and for the Catholic Charities' Tag Days, a community fundraiser. As a senior at St. Ignatius College Prep in Chicago, Griffin is a member of SHOP (Students Helping Out Peers), a program that helps freshman students feel more comfortable in their new school.

Rebecca Murray

Each year Rebecca tries to add a new volunteer activity to her schedule. During high school Rebecca was co-director of Operation Snowflake, a drug prevention program and a speaker for D.A.R.E. (Drug Awareness Resistance Education). Currently, Rebecca is the program director for Share your Care, an organization that participates in a variety of community service projects. Rebecca, 19 and originally from Addison, is a pre-physical therapy major at the University of Evansville. She chose physical therapy because it is a career "that challenges one to make a difference every day."

Hubert Neal, Jr.

Hubert feels that "there is nothing, nothing in the world better and more fulfilling than making a kid smile..." Last year Hubert, a native of Belize, made children smile every Thursday as their art teacher at Emerson House, a community center in a predominantly Latino community. Because most children do not have much exposure to the arts, Hubert's goal is to create an organization where children can learn about art for free. Hubert, 17, of Chicago's North side, is a senior at The Chicago Academy for the Arts.

Chau Quach

Although she is only 16, Chau is the founder and co-editor of What's Uptown Magazine, a free community paper. She loves working on the paper because it gives her the opportunity to work with people from all different backgrounds. Chau is also a member of Mayor Daley's Youth Development Task Force and is a tutor and translator at the South East Asia Center. Chau lives in Chicago's Uptown community and is a junior at Whitney Young High School in Chicago.

Eve Shalen

As a member of the Kiwanis Key Club, a service organization at Lincoln Park High School, Eve is involved in many different activities such as blood drives, beach clean-ups and AIDS Walk Chicago. She has also volunteered to work in the gift shop and to help feed patients at Grant Hospital and at the Rehabilitation Institute of Chicago. For the last two years Eve has been a part of Facing History and Ourselves. As a part of Facing History, Eve had the opportunity to speak at a benefit featuring Elie Wiesel about her feelings regarding racism and prejudice. Eve is 16 and lives in Chicago's Lakeview community.

Xundra Ward

Xundra, 15, recently toured Russia and Poland with the Chicago Children's Choir. Her favorite part of singing is looking out into the audience and seeing a person smile. When Xundra is home on the Southwest side of Chicago, she is a very active Girl Scout. As a Girl Scouts' Program Aid, Xundra helps run meetings and workshops for different troops throughout the city. Xundra, who used to be receive tutoring at Metro Achievement Center, a community center for girls, now helps tutor other children at the Center one day a week after school. She is a sophomore at Degan High School in Chicago.

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Federal News Service

NOVEMBER 20, 1991, WEDNESDAY

SECTION: MAJOR LEADER SPECIAL TRANSCRIPT

LENGTH: 9591 words

HEADLINE: REMARKS BY GOVERNOR BILL CLINTON (D-AR)
AT GEORGETOWN UNIVERSITY
GASTON HALL, GEORGETOWN UNIVERSITY
WASHINGTON, DC

BODY:

GOV. CLINTON: Thank you very much. I would like to thank Jeff for that very fine introduction and that interesting joke. (Laughter.) I think he's got a great future in politics, but he's going to have to revise his disbelief in Santa Claus if he wants to be elected in the United States. (Laughter.) I would like to thank Stephanie and also my friend Ricky Taylor who introduced me the last time I was here to talk about a new covenant and social policy in America.

And before I go any further, I would like to introduce a person without whom I would never have graduated from Georgetown, a man who gave me a job when I was a boy from a working class family and who kept me at work after my father took ill and my family would not have otherwise had the means to see me through college, one of the greatest Americans ever to serve in the United States Senate, Senator J. William Fulbright, who is over here on this side of the dais. (Applause.) This election is about a better future for your generation and a better life for all who will work for it, but I come here today convinced that your future and the very future of our country is actually in peril. This country's in deep trouble today. I have seen it as I've traveled around the country. I've seen it in the fear in people's eyes and the worry that darts every word of their conversation. We have simply got to do better.

This month I visited with a couple from New Hampshire you may have read about in Newsweek Magazine, called David and Rita Springs. David's a chemical engineer, and Rita's now studying to be a lab technician. They told me that just one month before David's pension vested, the people who ran his company fired him to cut their payrolls. Then they turned around and sold the company, and they bailed out with golden parachutes to a happy life, while David and his family got the shaft.

Last week I was at a bowling alley in Manchester, New Hampshire, and I met a fireman who told me that he was working two jobs. He introduced me to his wife, who worked between 48 and 50 hours a week in a mill, and to his handsome son, a straight-A student, and they told me they were pretty sure they wouldn't be able to afford to send their son to college because of the cost of college education going up and because they were too well off to get government help.

Then at a breakfast in Manchester, I met a young man who had a 12-year old child who had open heart surgery. He was unemployed. No one would hire him because they couldn't afford to embrace his child in their health insurance policies. Now, these families I met are from New Hampshire, but they could be from anywhere in America. They are the backbone of our country. They are the people who do the work and pay the taxes and send their children off to war. They are the people that I've seen in my state of Arkansas for years and years, living with the real consequences of our national neglect. These people and millions

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like them are the real victims of the Reagan revolution, the Bush succession, and this awful recession. During this administration, the economy has grown more slowly and generated fewer jobs than have been created in any administration since before World War II. People who have jobs are working longer hours for less money, and people who don't have them are looking harder and finding fewer. Middle class people are paying more for health care, housing, education, and pay more in taxes while their government services have been cut. And as these hardworking, middle class families look to their President to make good on his campaign promises, what has his answer been? Tough luck; it's really your fault; go buy a house or a car. Just this week, George Bush said, "We don't need a plan to end this recession; if we just wait long enough, our problems will go away." Well, he's finally said something I agree with. If he doesn't have a plan to turn the economy around by 1992, we're going to lay George Bush off, put America back to work, and our problems will go away. (Applause.)

It is no laughing matter to say we need a president who will take responsibility for getting this country moving again, who will provide the leadership we all need to pull us together and challenge our nation to compete and win in the world again. Ten years ago, we had the highest wages in the world; now we're tenth. And I believe with all my heart that if we elect George Bush for four more years, we'll be fifteenth and falling when he leaves office. Germany and Japan have productivity growth rates three and four times ours last year because they educate their people better, they invest more in their future, and they organize themselves to compete and win in global competition, and we don't. For twelve years of this Reagan-Bush era, the Republicans have let S&L crooks and self-serving CEOs try to build an economy out of paper and perks instead of people and products. It's the Republican way: every man for himself and get it while you can. They stack the deck in favor of their friends at the top and tell everybody else to wait for whatever trickle-down.

And the way they did it made it so painfully clear that the Republicans have forgotten about the very people they've always promised to help and the people who have provided their election majorities time after time after time: the people even Richard Nixon called, "the forgotten middle-class Americans"; the people who live by American values and whose hopes and hearts and hands still carry the American dream.

But Democrats forgot about them, too. Democrats in Congress joined with the White House in tripling the national debt and raising the deficit to the point of paralysis so that now, everywhere I go, people say, "Well, Governor, how can you do this? How can you do that? How can you do the other thing?" America is a country with its hands tied. Democrats and Republicans in Congress joined with the White House on the sidelines cheering on that S&L boom until it went bust and cost us \$500 billion. For too many Americans for too long it seemed that both the Congress and the White House have been more interested in looking out for themselves and for their friends, but not for the country and not for the people who make it great.

And now, after twelve years of Reagan and Bush, the forgotten middle class is discovering that the reward for twelve years of sacrifice and hard work is more sacrifice and more tough times. They paid higher taxes on lower incomes for service cuts, while the richest of us got tax cuts, poverty payments increased, and the President and the Congress got pay raises and national health insurance. I think we've got to move to a radically different economic direction.

The Republican failed experiment in supply-side economics simply doesn't produce growth or upward mobility. And most important, millions and millions and millions of Americans are not prepared to compete in this economy and to win. But we also have to move away from the old Democratic theory that says we can

just tax and spend our way out of all the economic problems we face. We know now that there's a difference between expanding government and expanding opportunity, and that big deficits cannot produce sustained economic growth, especially when the borrowed money is spent on yesterday's mistakes instead of investing in tomorrow's opportunities. Stale theories like this can produce nothing but stalemate. The old economic answers are obsolete. We've now seen the limits of Keynesian economics and the worst of supply-side economics. And we need a new approach.

For twelve years we've had no economic vision, no economic leadership, no national economic strategy. What America needs is a president with a radical new approach to our economic policies that will give new life to the American dream. We need a new covenant for economic change that empowers people and rewards work and organizes our country to compete and win again; a new national strategy to liberate and energize the abilities of millions of our American people who are tired of paying more when the government is doing less for them, who are tired of working harder while their wages go down.

My new covenant for economic change is not liberal or conservative; it's both, it's different. American people don't ever care very much about the idle rhetoric of politicians. And when they're flat on their backs and their hopes are damaged, they care even less. They just think no one in Washington really wants to solve their problems, or really will stand up for them.

The goals of this new covenant are for economic change and they are very straightforward, and they impose certain clear responsibilities on the president. We need a president who will put economic opportunity in the hands of ordinary Americans, not rich and powerful special interests. We need a president who will revolutionize government to invest more in the future and less in the past. We need a president who will encourage the private sector to organize in new ways and cooperate, not fight, so that we can all produce economic growth. We need a president who will challenge and lead America to compete and win in the global economy, not to retreat from the world.

That's how we can turn this country around, recapture our leadership, and build a better future for you, and for the children coming along behind you. That's how we can show the forgotten middle class that we do understand their struggle. That's how we can reduce poverty and rebuild that fragile ladder between poverty and the middle class. And that is why I am running for President of the United States. (Applause.)

Our first responsibility is to move as quickly as we can to put this recession behind us. Last week I released a plan for what I would do right away to try to help working people and get the economy moving again. I'd not only extend unemployment benefits, as the President and the Congress have finally done, but I'd push through a middle-class tax cut, accelerate the highway bill so that all \$25 billion is spent in the first six months, creating 45 to 50,000 new jobs, and I would increase the ceiling on FHA-guaranteed home loans so that middle-class people can move in and buy homes for the first time.

I do think good credit card customers should still have the interest on their credit cards lowered because the interest they are getting on their deposits has been lowered. And I believe that is an appropriate and responsible thing, even though I don't favor uniform and bureaucratic legislation. I'm proud to say that four of the ten banks in America with the lowest credit card charges are banks in my home state, and I wish more would follow their lead.

I'd also make sure that federal regulators send a clear signal to our banks, that we don't want to call in loans that are performing, and we don't want them to be afraid of making good business loans to help local businesses grow this economy again.

I'd also increase the water supply. (Laughter and applause.) But even if we

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did all those things tomorrow, every one of them, it wouldn't alter the fundamental challenge of the 1990s. Sure we need to get out of this recession, and soon, but we have to recognize that we've been in economic decline for longer than we've been in this recession, and we have to have a long-term economic strategy to make this a high-wage, high-growth, high-opportunity country again, not a hard-work, low-wage country.

We ought to be rising, and we are sinking, and we can do better. It does not have to be this way. We can win in the economy again if we recognize that growth does not come from government neglect or government spending. Instead, it comes from government helping individuals to work smarter, to learn how to do more, from entrepreneurs taking more risks and going after new markets, from corporations designing better products and taking a longer view. So we need to reward work, expand opportunity, empower people, and then we can win again.

There are two reason why middle-class people today are working harder for less pay. One is that their taxes have gone up while their wages have gone down. But that's only about 30 percent of their problem. The rest -- the other 70 percent -- came clearly from a decline in American economic growth and the loss of American economic leadership. So if we're going to turn this country around and restore the middle-class, we not only have to liberate ordinary working people from unfair taxes, we have got to empower every American with the education and training essential to get ahead.

Let me make this clear. Education is economic development. Every one of you here at Georgetown may take that for granted, but a first-year college graduate today is making about 70 percent more in the first year of work than a high-school graduate. You are being given enormous power. But we can only build a high-wage, high-growth country when everybody develops the maximum of their God-given abilities.

In a world in which money and production are mobile, the only way middle-class people can get and keep good jobs with growing incomes is to be lifetime learners and innovators. Without world-class skills, the middle class in America will surely continue to decline, but with world-class skills, our workers will generate even more high-wage jobs in the '90s, because our relative wage rates have fallen. We will get them back, and we will grow.

Empowering everybody for education begins with preschool for every child who needs it. We ought to fully fund Head Start. If we can afford 500 billion [dollars] for savings and loans, surely we can afford 5 billion [dollars] for every child who needs it, a preschool opportunity. (Applause.)

It means that the national government should help to develop a national education examination system so that we all know whether our students are learning what they need to know. And the report should be given every year, to every school district, every state, and every school, to measure whether our students are making the grade.

Empowerment in education means training all of our young people for high-wage jobs, which means that those who want to go into the workforce and not to college should not be consigned to dead-end jobs. Today, the average young American with a high-school diploma only is making 25 percent less than he or she would have 15 years ago. That is a devastating indictment on our failure to train our non-college-bound students for the global marketplace. We need a national apprenticeship program that will enable high school students who aren't going to college to enter a course of study designed by their schools and their local employers that will give them valuable skills, guarantee them a job when they get out, and give them a chance at a growing income, not a dead-end life.

And if you elect me I will give you that kind of apprenticeship system. (Applause.)

As I said to all of you here a few weeks ago, empowering our people in

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education means challenging all of our students and every American with a system of voluntary national service. In my administration we will offer a domestic GI bill that will say to middle-class as well as poor people, "We are glad to help you go to college and pay the exorbitant cost, but you ought to give something back to your country in return."

As President, I will ask the Congress to establish a trust out of which any American can borrow the money to finance a college education, as long as they pay it back with a small percentage of their income over time or with two or three years of national service here at home as teachers, as police officers, as nurses -- doing whatever work our country urgently needs. The fund would be financed out of a portion of the peace dividend and by redirecting the present student loan program, which is nowhere near as costly effective as it ought to be. This program will pay for itself many times over. It will be the best investment the United States ever made in the last decade of the 20th century. (Applause.)

But we have to remember that in an era in which what you earn depends largely on what you can learn, education can never end at the schoolhouse door. From now on, anyone who's willing to learn should have a chance to learn. In my administration we'll make adult literacy programs available to all who need it, by working with states to make sure every state has a clear, achievable plan to teach everyone to read, to give them a chance to earn a GED, and whenever possible to do it where they work.

I visited a library in Harlem last week where I saw people learning to read for the first time, learning to write for the first time, escaping from the prison of their imagination, knowing they could go to work, knowing they could help their children. But I was very upset to find that there was a long waiting list of people wanting to be in the program and insufficient funds and a system which did not respond.

Eight years ago in my state we only had 14,000 people in adult education programs. Today there are 50,000. In two years there will be 70,000. In four years there will be 100,000. And we're going to be able to say before the end of this decade, we taught everybody to read, gave everybody a chance to GED, and everybody in America should make that commitment. It will raise incomes and open up new vistas of opportunity for our people.

And we must make sure that every American has the chance to learn new skills specific to the workplace every year. Today our businesses spend billions and billions of dollars on training, about 1.5 percent of their total cost on the average. But 70 percent of that money goes to people like you, people in the top 10 percent of the corporate hierarchy.

Now in our administration, I want to require employers to offer every worker a fair share of those training dollars, or contribute the equivalent to a national training fund. Why? Because all over the world there are people we are competing with for the future. They train all their workers up and down the line. They know their frontline workers carry the key to their future productivity, and that's one reason why the average Germany factory worker works a shorter work week, gets 20 percent higher pay, gets a four-week paid vacation a year, has national health insurance and family leave when there is a baby born or a six parent. And we can do the same if we train our workers to compete in the global economy. (Applause)

And let me say that the employers who pay the bill find that the more that they spend on their employees, the more money they will make. It will be a good investment for them too.

We are going to have to make special efforts to empower the poor to work their way out of poverty. We should begin by making work pay, by expanding the earned income tax credit for the working poor, and then by supporting private and

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public partnerships for low income entrepreneurs, to give them the tools they need to start new business through innovative institutions like the Shore Bank in Chicago and its rural counterpart, the Southern Development Bank Corporation in Arkansas. We have got to break the cycle of dependency and poverty and put an end to this permanent dependence on welfare as a way of life by really investing, seriously investing in the education and development of poor people, and then giving them the means, the incentives, and yes the requirement to go to work.

And finally, empowerment means working Americans have to be able to keep more of what they earn. Ronald Reagan and George Bush pushed through programs that raised taxes on the middle class. I think it's time to cut them. And in my administration, I will offer middle income tax cuts that will cut rates on the middle class. The average working family's tax will go down about 10 percent, a savings of about \$350 a year, and I won't finance it with increasing the deficit. Instead, we will ask those earning over \$200,000 a year to pay some more, but they will still be paying less than they were in the 1970s and we offer this not to soak the rich, but simply to restore simple fairness.

Besides empowering our citizens, I think we have got to lead a revolution in government, so that it can become an engine of opportunity again, not an obstacle to it. The voters who went to the polls in this month's elections sent us a pretty clear message. If you look at the results of all the elections, there is a common thread, "We want more for our money."

Now there are experts here in Washington who think that's a contradiction, but I think the experts are wrong and the people are right. People want a better deal from government. They want to be treated more fairly and they will get it in my administration.

Too many Washington insiders of both parties think that the only way to provide more services is to spend more money on existing programs already on the books, especially those in education and housing and health care. But we can reinvent government to deliver new services in new ways, to have new partnerships with people in the private sector, to eliminate unnecessary layers of management and give people more real choices. We can give taxpayers more services with fewer bureaucrats. We can give them more for the same or less money.

Every successful major corporation in America in the last decade has had to radically restructure itself to compete. They have had to decentralize, become more entrepreneurial, give workers more say over frontline decisions, and offer customers more choices and better products and services. That's what government has to do. That's what we are trying to do in Arkansas when we balance the budget every year, produce modest surpluses, improve services, treat taxpayers like customers and bosses because that's exactly who they are.

Our state was the first to initiate a total quality management program that we dramatically entered -- excuse me -- we have dramatically reduced the number of reports that the Department of Education requires schools to fill out. We cut internal bureaucratic costs in our huge Department of Human Services and put millions back into direct services for people who desperately need it. We speeded up services that the Revenue Department gives people, which is a good thing, because everybody hates to deal with the Revenue Department. And also, we have come to measure programs by performance.

Today, when we start a vocational program, we measure it by how many people get placed in good jobs, and if they are not getting placed anymore, we shut the program down. These things can be done, but I want to be clear about this. A serious restructuring of government along the lines that major corporations have undertaken is very, very different from the traditional top down reorganization plans that have been offered in the past and to some extent in this campaign. Those things require a whole lot of time and energy and political clout and

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almost always result in the same government or more.

What I am proposing is hard and unglamorous. It will literally require all of us to re-examine every dime of your money we spend, and every minute of federal employees' time. It will require us to enlist the energies of front-line public servants in the federal government. They are often just as frustrated as the rest of us with bureaucracy.

But if in our state, which ranks among the lowest in overall tax burden, we can find significant changes and savings, if they're doing this in Texas and they're doing it in Florida, think what we could do in the federal government if we were serious about it and willing to pay the price of time.

In our administration we'll make government more effective and more efficient by holding ourselves to the same standard of productivity you find in good businesses. We will cut 3 percent across the board in the administrative cost to the federal bureaucracy every year of the first four years I'm President. That will save billions of dollars a year without laying off anybody, without undermining services, by forcing us to be more creative and follow the lead of our best companies. We can do it, and we will.

I also think if we're going to be more responsible, we have to look at the most irresponsible area of all. We need a whole new approach to the federal budget. We're going to have to have a budget which invests more in the future and spends less on the present and the past. As President I'll throw out last year's budget deal. It brought us the biggest deficit in American history and the fastest growing spending since World War II. And in its place I will establish a three-part federal budget, a budget for the past that pays off interest on the debt; a budget for the present for current consumption programs; and a future budget for investment and all the things that make us richer.

Today the national government only spends 9 percent of the budget investing in our future, considerably less than we were spending just 10 years ago, less on education, on child health, on environmental technology, on infrastructure, on research and development. We can double that in the next administration. We'll begin to finance this future budget with savings from defense expenditures no longer needed in the post-Cold War world and by controlling health care costs, as every other major country has already done.

We can bring our deficit down over time, but only if we control spending on current consumption and only if we tie overall increases in current consumption to real revenue increases, not estimates. Revenue estimates have gotten every state and local government and national government that has every invested in them and planned on the basis of them, in trouble because there will always be a bipartisan conspiracy to inflate the estimate. We ought to tie current consumption spending to the real increases in personal income of the American people, so that the federal budget every year doesn't go up any faster than the average American's paycheck. Making Congress and the President live under this regime will give us the most dramatic reform we've ever had.

And finally, if we're really serious about reinventing government, we've got to reinvent the way we deliver health care in this country. We spend more than 30 percent on health care -- than any other country in the world and we do less with it. For many Americans, the rising cost of health care, the lack of coverage or the fear of losing coverage, that's the number one fear in their lives.

Thousands of American businesses are losing jobs today because of the health care costs which prohibit them from competing in the global economy. Over two-thirds of our strikes today are over health care costs; and no matter who wins those strikes, both sides lose. We are the only nation in the world with an advanced economy where the national government does not help control health care costs.

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We could cover every American with the money we're spending right now if we just had the courage to demand insurance reform, slash health care bureaucracies, if we followed the lead of other nations in controlling the unnecessary spread of technology, stopping drug prices from going up at three times the rate of inflation, and forcing the people who send the bills to sit down with the people who pay the bills in planning out what we're going to spend on health care from year to year.

We do not need to reduce quality; we simply need to have the courage to restructure our system. If we don't do it, we're going to bankrupt the government and foreclose our opportunity to revitalize our economy. If we do, it will be the biggest short-term investment we could make in restoring our economic strength. And I will say again, nobody has ever done it in any other country without the national government taking the lead, and that's what I will do in the first year of my administration. (Applause.)

While all these changes are vital, we have to remember that American businesses and American workers are going to have to change, too. After all, the jobs in this country are created in our vital free marketplace. Many of the most urgent changes we need in the American marketplace can't really be legally mandated, but we know they're way overdue after a decade in which the stock market tripled while average wages declined.

The old economic arrangements are holding America back. It's time for a real revolution in the American workplace, too, one that will radically raise the status of the American worker and tear down the Berlin Wall between workers and management.

It's been years since the United States could really out-produce the rest of the world by simply treating workers like so many cogs in a machine. We need a whole new organization of work where workers at the frontline make more of their own decisions, not just follow orders and whole levels of middle layers management simply become obsolete. We need a new style of management where frontline workers and management work together more responsibly to make decisions that really improve quality and increase productivity. Dynamic, flexible and well-trained workers who cooperate with savvy and sensitive managers to make changes every day, little by little -- they're the key to our long-term economic growth and productivity in manufacturing and in the service sector, and especially in education, health care and government, where productivity growth has been virtually non-existent in the 1980s.

Everyone will have to change, but everyone will get something in return. Workers will gain new prosperity and independence, but they'll have to give up non-productive work rules and rigid job classifications and be more open to change. Managers will reap more profits, but they will have to manage for the long run, not the quarterly profit, and train all their workers and not treat themselves better than their workers are treated.

Corporations will reach new heights of productivity and profitability in this coming decade, but only if our CEOs have the vision to put the long-term interests of their customers, their workers and their companies ahead of their short-term compensation packages. We have to restore the link between pay and performance by encouraging companies to provide for profit-sharing for all employees, not just the executives, and for profit-sharing plans. We have executives who profit when their companies do and when their companies don't. We should change that. We should go up or down together, executives and workers alike.

We should say to America's corporate leaders, you shouldn't take bonuses anymore if you don't give bonuses to everybody who works for you. We should say you shouldn't take golden parachutes when your companies fail, unless you've got good, generous severance packages for your workers and a way for them to

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retrain for a new job when you're gone with enough to retire on. It's wrong for executives to keep doing what too many did in the 1980s. At the biggest companies they raised their pay by four times what their workers' pay went up, three times what their profits went up. It's wrong to drive a company into the ground and have the boss bail out with a golden parachute to a cushy life while the workers are left looking for another job at a lower pay. The average CEO at an American corporation is paid 85 times as much as the average worker, over 100 times as much as the lowest paid worker. The German ratio is 23 to 1; the Japanese ratio is 17 to 1. And our government today rewards that excess, whether the company is performing or not, with a tax break for executive pay, regardless of what happens to the company. If a company wants to overpay its executives to perform less well and underinvest in the future, well it's their money, it's okay with me. But I don't think they should get special treatment from Uncle Sam, and I don't think your parents and you should underwrite it.

If a company wants to transfer jobs abroad and cut the security of working people at home they should have the right to do it. But we shouldn't be alone among advanced industrial countries in absolutely subsidizing those moves. In the 1980s we didn't do enough to help companies compete and win in the global economy. I frankly admit that. But we did do way too much to transfer wealth away from hard-working middle class people and small businesses and people who were trying to keep their companies going to people who were rich but who did not contribute to our economy and who did too much to weaken our country with debt that was no longer invested in America.

All that's got to stop. We can't have any more deductibility for irresponsibility.

I want you to know something. I believe in business. Alone, among the people running, I guess, I spent 11 years working with most of my time trying to get and keep good jobs in my state. I believe in the marketplace. I believe the best jobs program this country ever had is economic growth. Most of the new jobs in this country are created by small business people and entrepreneurs who get hardly any help from the government. Too often, especially in this environment, banks won't even loan them money. They won't take a chance on people with good ideas and good futures. And I do think we ought to do more to encourage them.

So while I would remove deductibility for irresponsibility, in my administration I would offer tax incentives to those who take risks in starting new businesses and developing new technologies. Instead of -- instead of offering a capital gains tax which will cut for the wealthy the taxes who will -- people who will churn out stocks on Wall Street anyway, I think we should have a new enterprise tax cut that rewards people with the patience, the courage, and the determination to create new jobs. Those who risk their whole savings on new businesses that create most of the jobs in this country will, under my administration, receive a 50 percent tax exclusion for the gains they hold for more than five years. I think if you're going to invest in America you should be encouraged to do it.

I agree that we should make the research and development tax credit permanent. I think we should take away incentives for companies that shut down their plants and move jobs overseas, and I don't favor a capital gains cut but I do favor a targeted investment tax credit to small and medium-sized businesses who will create new jobs with new plant and new equipment. We have to reward the right kind of business behavior to make our market succeed again.

And, finally, we owe American workers and entrepreneurs in industry a pledge that all this work won't go down the drain. We have to have a national strategy to compete and win in the global economy. The American people, in my opinion,

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aren't protectionists. Protectionism's just a fancy way for giving up. We want to compete and win. Besides that, it's not even an option. One in five American jobs is already tied to trade. That's why this new covenant must include a new trade policy that says to Japan and the rest of Asia, to Germany and the rest of Europe, to all of our trading partners, we favor an open trading system. But if you won't play by these rules we'll play by yours.

That's why we need a sharper and a stronger Super 301 bill that will be a means to enforce that policy. I supported the Fast Track negotiations with Mexico for a free trade agreement there, and I believe in it. But I think our negotiators must insist on tough conditions to prevent our trading partners from exploiting their own workers or from lowering costs through pollution to gain an advantage. I think we should seek similar agreements with other Latin American countries capable of honoring them, because rich countries get richer by helping other countries grow into being strong trading partners.

I think we need a new energy policy to lower the trade deficit, increase productivity, and improve the environment. We cannot continue to import over 50 percent of our oil from foreign sources. We need to rely more on cheap, abundant, environmentally clean natural gas, on research and development and renewable technologies, and on achieving international standards of energy efficiency. That would free up billions and billions of dollars to reinvest in the American economy.

If we want to help our companies keep pace in the world economy, we also need to restore America not just to the forefront of inventing products but in bringing them to the market. All too often, we've won the battle of the patents and lost the war of creating the jobs, the profits, and the wealth. American scientists invented the microwave, the VCR, the color TV, and the memory chip. But today, the Koreans, the Japanese, the Germans, and many others leave us behind in making those products.

In the area of Defense, the research and development arm of the Defense Department has done a superb job in helping to promote the discovery of new technologies and then turn them into domestic production because we don't want our weapons produced overseas. But we should launch the civilian equivalent -- an agency to provide basic research for new and critical technologies and to make it easier to move these ideas into the marketplace. And we should pledge right now that for every last dollar we reduce the defense research and development budget we'll increase a civilian R&D budget by a like amount. (Applause.)

There's a lot of talk today about how we need to reduce the defense budget 40 or 50 or 60 percent. Most people haven't thought about the implications that has for American high technology manufacturing. Yes, we have to reduce the budget. Of course, we do. Of course, we need to free that money up for reinvestment in this country. But let's not do it without a transition plan to convert from a defense to a domestic economy in a way that creates more high-wage jobs instead of destroying our most successful high-wage industrial base and with it the careers of thousands of our best scientists and engineers and factory workers. We must do all these things. But we must do something more. These economic challenges I've been talking about today, they may seem dry. I've often heard economics called the dismal science. Maybe this will be called the dismal address. (Laughter.) But I can tell you something. Behind all these figures, behind all these programs, there are real people, real suffering. I have seen the pain in the faces of unemployed workers in New Hampshire, policemen in New York and Texas, and computer company executives in California, middle class people everywhere. In New Hampshire last week, I looked into the eyes of children at a high school and I saw the pain when I said to them, "I know a lot of you go home to dinner every night with parents who have lost their jobs or

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who have had to take lower-paying jobs, and you feel the tension in the air, and I want you to know why that happens. They think they failed you, and it's like stripping the skin off of their back to look into your eyes and know that you're their children and they love you more than anything in the world, and they have somehow let you down. And I want you to know it is not their fault."

(Applause.)

These people I see, they show the same pain and worry that I've seen on the faces of the folks in my state since I started 10 years ago going to plants when they were working for the last day, not the first day. I see it in the men and women that I grew up with, my own childhood friends who know they played by the rules and now see their cherished dreams flying away. That's why I want us to offer a radically new approach to economics, economics as if people were really important.

If we offer these hardworking families no hope for the future, no solution to their problems, no relief for their pain, then their fear and their insecurity will only grow. Their resentment will deepen, and the politics of hate and division will inevitably spread. If we don't act now to bring this country together in common cause to build a better future, then David Duke and his kind will be able to divide and destroy this country. Our streets will get meaner, our families will be devastated, our very social fabric, our goodness and tolerance, our decency as a people will be torn apart.

The politics of division which the Republicans have parlayed into the presidency will eventually turn on even them, as we are seeing now. George Bush has forgotten the warning of the greatest Republican president we ever had. Abraham Lincoln said a house divided cannot stand, and Lincoln gave his life for the American community. Now the Republicans have squandered his legacy.

I want to be a president who can unite this country. This morning here at Georgetown, the Robert Kennedy Human Rights Award ceremony was held. Twenty-six years ago when I was president of my class here, Robert Kennedy filled in for his brother at the last minute, brought two of his children from his home to speak here at Georgetown. The next year, he gave a very different description about what American politics was all about. It was on the front of the program today in the human rights ceremony, and in case you weren't there, I would like to read it to you and ask you how long it's been since you heard an American president say and believe these things.

Twenty-five years ago, Robert Kennedy said, "Each time a man stands up for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance." That is the spirit I seek to bring to the presidency, the spirit of renewal in America.

I believe with all my heart the very future of our country is on the line now. That is why these are not just economic proposals. They are a way to save the very soul of this country. This is not just a campaign; it is a crusade for the forgotten middle class, a crusade to give economic power back to ordinary people and to enable all of us together to recapture the American dream. It's a crusade not just for economic renewal but for social and spiritual renewal, as well, a crusade to build a new economic order, of empowerment and opportunity, that will preserve our social order and make it possible for our beloved country once again to make the American dream live here at home and to be strong enough to see it triumph broad.

Thank you very much, and God bless you all. (Applause.)

MODERATOR: We now have 15 minutes for questions, so if we can get someone from the College Dems up there to ask the first one, or from the NAACP, and the other one to ask the second one, and then we'll open it up. There's a microphone

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ght there in the middle. Christian, why don't you go ahead.

Governor Clinton, I would like for you to comment briefly on what you think about the welfare system in America, and specifically, whether or not you believe it's cost effective, and if not, what you would do to reform it?

OV. CLINTON: I think it's important to recognize that you basically have two kinds of populations on welfare, neither of which the original welfare system was designed to serve. Originally, welfare was created before the full Social Security came in, before there was Supplemental Security Income, before there was Medicare or Medicaid. And the typical recipient was the widow of a West Virginia miner, a woman who lived in a hill or a hollow with a third or fourth grade education, several children, no way to make a living, and no practical way to go to work.

Today there are two kinds of people on welfare, and for one the system works pretty well, and for the other, I've been working for years to make it work better. There are people who get on welfare because they fall on hard times, and they won't be on welfare long. Most people get off of welfare between six months and one year after they get on it. Today in New Hampshire, most people going on welfare are middle class people who have lost their incomes and are literally taking that paltry check to make a house payment so their children won't be thrown into the street. And a lot of them are embarrassed about it because of the connotation welfare has, but really, they shouldn't be embarrassed, they should be proud. They're Americans, they earned it, they paid for it, and that's the people welfare ought to be helping.

Then there are people who are permanently trapped in poverty. Most of them are young women and their little children, who draw welfare checks because their children are too young for the women to go to work, there is no child care, the women have no training. Even if they took a job, it would be a minimum wage job, and by the time they got through paying for child care, they would be behind. And they would also take a job without medical coverage, and as long as they stay on welfare, the Medicaid will take care of the medical coverage for their children.

So now the welfare system at least spends some money on education and training, says you have to take a job if your child is one year old or older and there is child care, and offers the opportunity for these people to get a few months of transitional child care and medical coverage.

What I want to do is to see a national health insurance system which will always cover those children, whether people are on welfare or off, a good system of child care, which will be available to all working people. And a much more intensive effort to train these people to liberate their own energy. So, people who want to end the welfare system, folks, are not the people who cuss at election time, they're the people on welfare. They're the ones who want to end the welfare system.

People wish to be liberated. They wish to be dignified with work and capacity and the ability to set a good example for their children.

And so if you cover the child care, and if you have national health, what I favor is an intense program of training, which would teach everybody who doesn't have it to get a high school diploma, give training to people, get them jobs in the private sector. But if after 18 months to two years, there's no private sector job, I would require them to perform community service work to continue to draw the check, because I believe work gives dignity to people. This is not an anti-poor persons deal, like David Duke said, this is a way of giving dignity and potential to every American, and it is quite important.

Q Governor Clinton, you spoke of the position for government and what government must do, a position for business, and what business must do. What about students who soon will join the US economy and the global economy? What

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is the position for us and what must we do to be included in the rolls?

GOV. CLINTON: Well, the first thing I think you have to do is to make sure you understand what has happened to this country and why. Because you can help others who don't have the opportunity to come into a hall like this, who don't have the luxury of going to your beautiful library named for a person who was in Georgetown with me -- he was killed in Vietnam -- who will never have the time to study and to think, and you can understand and share.

The second thing you can do is make sure that even if you disagree with me, and 100 percent of you ought to be registered, you ought to vote, and you ought to try to influence the outcome of this election.

Look, unless there's some medical miracle, I've already lived more than half my life. You've got a lot more at stake in this election than I do. And yet younger people participate less in elections than middle age people and older people. It's all backwards. You're the one that's got the future at stake.

If you don't want to grow up to have a future that's more diminished than the one I enjoyed when I was your age, then you need to get involved and try to change the course of this election. You need to decide what kind of problems you think we have, how we got here, whether you agree with me and rear back and bear down.

And finally, do not leave here until you've finished. The college dropout rate is two and a half times the high school dropout rate. Don't be sucker-punched into quitting. If you've got to go to work to stay, do that. If you've got to borrow money to stay, do that. Do whatever it takes to stay.

(Applause.)

Q (Inaudible.)

GOV. CLINTON: Well, let me answer both questions. First of all, no one has ever asked me to do it or advanced the argument that we had in discrimination in hiring in our state government. And if anyone from my state asked me to do it, I would certainly take a look at it. No one ever has to my knowledge.

I am very much opposed to discrimination against anybody for any unwarranted reason. And when the Pentagon issued its report saying that there was no basis for the ban on homosexual men and women in the military, I said that I would act to repeal the ban. The Secretary of Defense said it ought to be repealed, but he wouldn't do it. But they stopped kicking people out while the Gulf War was going on, and then started again after the Gulf War was over.

I don't think it's right. I think everybody ought to have the right to work and should be required to work. I think people should have the right to serve their country. And if denied the right to serve their country, it should be on the basis of behavior, not status. I feel very strongly about that.

In terms of the conversation that I had with Senator (Kerry/Kerrey), what I said was that I thought he ought to comment about it. I will say to you I believe all of us -- everybody in this room, everybody in this country -- who has lived any length of time, has said something at some point in our lives we wish we hadn't said. And I believe he gave a heartfelt and genuine apology, which I hope will be accepted.

Furthermore, I think that we should try all to learn from things like this. I believe that the Thomas-Hill hearings, as awful as I thought they were, produced far greater sensitivity about sexual harassment in the workplace. I believe Magic Johnson's tragic announcement produced far greater sensitivity about AIDS and a much greater energy in this country to do something about it. And that is the sort of thing I hope will come out of this. And I think Senator (Kerry/Kerrey) gave a genuine, heartfelt apology, and I hope it will be accepted.

(Applause.)

Yes?

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Q I'm interested in knowing if your proposed economic revolution favors -- (inaudible) -- for environmental protection.

GOV. CLINTON: Yes. I think environmental protection is good economics, not bad economics. I don't favor, for example, the apparent proposal of the Vice President's Competitiveness Strategy Council to weaken the Clean Air regulations. You know, I remember when I -- not long after I became Governor, a lot of the Asian cities you couldn't breathe when you walked in. And as they have moved to clean up their air, it's been a great boon to their economy because it has been a high-technology generator of new jobs and new opportunities. I think that, as I said earlier, I think that our dependence on foreign oil is a terrible mistake environmentally and economically. I think if we had a real serious energy policy, and just achieved the levels of energy efficiency in factories, offices, and schools that the Germans have achieved, did what we could with renewables, and used our massively plentiful, cheap and clean natural gas, you wouldn't have to have fragile off-shore drilling or drill in the Arctic Refuge.

And finally, let me say I'm opposed to the wetlands definition that the administration now has. I think it opens too much land to development.

(Applause.) Go ahead.

Q (Inaudible.) If we don't do something about the reduction and the possible elimination of gases toxic to the ozone layer, the future of the health of Americans and citizens throughout the world will be -- (inaudible.) Of course, these health problems would not be noticed for generations, if we continue on our present path. How would -- (inaudible) -- the administration remedy this problem and set an example for all the nations of the world? And if don't think this is a problem, then why is 80 degrees today in Washington -- (inaudible) -- (laughter) --

GOV. CLINTON: Well, let me answer the question first. When I was about your age, it was 75 on Christmas day in my hometown, so I don't know that that makes a compelling case. But I think it is plainly a very serious problem. I think we should set a good example. I think the -- we should accelerate the international -- the date for the elimination of CFCs if at all possible. And I believe that a lot of the multinational work that we'll be doing in the 90s will be over environmental issues of all kinds, not just those which deal with the depletion of the ozone layer, but hopefully we will be able to find some multinational strategy that will slow down the destruction of the rain forest, where half of the flora and fauna of the world are, and where in all probability there is a cure for the AIDS virus and a number of other things, if we can stop the destruction rate. And I think it's a very important issue. Thank you.

(Applause.)

Q Hi. My name is Todd Schaeffer (ph) and I'm a member of the middle class.

(Laughter. Applause.)

GOV. CLINTON: So am I. (Applause.)

Q I was just wondering what you feel the justification is for having a middle class crusade when every indication is that it's the poor that have suffered most under Reagan and Bush.

GOV. CLINTON: Well, first of all, there is a very good reason for it. And that is that if all you do is help the poor, the only way to help the poor without helping the middle class is to recycle money in a shrinking economy. The reason there is so much more poverty now than there was 10 years ago in part is that there is no ladder out of poverty and the middle class boat is smaller. I have not had -- there is no hostility to the poor. In my plans, the poor would get better health care, the poor would get better education, the poor would get more opportunities for economic development through self-employment.

Federal News Service, NOVEMBER 20, 1991

and other innovative strategies that have worked in other places in the country. I believe that I have the most detailed plan for the economic advancement of people in poverty of any candidate running in this race. But let's not kid ourselves. If you're going to help the poor with tax money, somebody's got to make enough to pay the taxes and there's something wrong when you live in a decade where the stock market triples and wages go down. And if all you do is take the money from the rich and give it to the poor and you don't do anything to expand the economic growth and make this country more competitive, you will have short-term help for them, but over the long run, they'll be worse off. So my view is that the best way to help the poor is to expand the middle class. That's who will go into the middle class, re-establish the ladder between poverty and the middle class and provide the basic life supports that give everyone a decent life -- health care, education, housing and economic strategies that will work for people in poverty, because we've seen them work in this country and throughout the world.

(Applause.)

GOV. CLINTON: Last question.

Q (Off mike) -- re-examining of the entire education system -- (off mike) -- student loan system. I'm wondering if you could expand on exactly how -- (off mike).

GOV. CLINTON: Well, we spend about \$5 billion a year on Pell Grants. I would leave that alone and would even like to see that expanded. Those are just flat-out grants for low-income students. We spend about \$6 billion a year with the savings and loan program and this year, the cost of defaults and the cost of collections are somewhere in the \$3-billion range. Senator Paul Simon has done a lot of research on this and he and Senator Bradley have each proposed in their own way proposals that would enable the American people to borrow money to go to college and pay it back with a small percentage of income. Under the Simon proposal, you would save \$2.7 billion in the first year by having the IRS collect it and cut out all the middle men. Some of the big banks that make big money off student loans might not like it, but you would weed out massive inefficiency and everybody would have to pay their loan back, if they had a job, because if they were in the income tax records and you just sent them a bill based on their taxable income, they would have to pay it. It would be much less costly, much more efficient and the IRS can certainly do it since they have more employees than they had 20 years ago and they're doing fewer audits. So they can do it.

(Applause.)

GOV. CLINTON: Thank you very much.

LANGUAGE: ENGLISH

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October 18, 1994

* ADMITTED IN D.C. & N.Y.
* ADMITTED IN N.Y. ONLY
* NOT ADMITTED IN D.C. OR N.Y.Mrs. Hillary Rodham Clinton
First Lady
The White House
Washington, DC 20500-2000

Via Telecopy

Dear Hillary:

Needless to say, I am immensely pleased to hear that you have agreed to speak to Independent Sector's Annual Conference in Chicago next week. Your audience will include the leaders of a broad and diverse group of important philanthropic organizations from around the country. Your appearance will do very much to cement the warm relationship of the Administration with the nonprofit community which you and the President so forcefully began with the White House conference last spring.

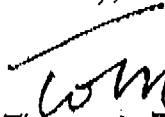
As I mentioned when I was first in touch with you about the IS Conference, a topic of major continuing concern to IS has been legislative advocacy by philanthropies. It is far from the only work of IS, but it has been central to the organization from the time of its original formation.

To give some sense of the IS views on the point to whomever is doing preparatory thinking for you about your remarks, I attach a copy of testimony I did several years ago for IS in the Ways and Means Committee. To avoid the need for reading through five long, dreary pages, I have marked the key paragraphs.

I very much look forward to seeing you in Chicago next week, and if I can help in any way before then, by all means have one of your people get in touch with me.

With warmest personal wishes.

Sincerely,


Thomas A. Troyer

Attachment

Statement by

THOMAS A. TROYER
Caplin & Drysdale
Washington, DC

COPY

HEARINGS BEFORE SUBCOMMITTEE ON OVERSIGHT
COMMITTEE ON WAYS AND MEANS
U. S. HOUSE OF REPRESENTATIVES

Room 1100, Longworth House Office Building
9:30 a.m., March 12, 1987

My name is Thomas Troyer. I am a member of the law firm of Caplin & Drysdale. I represent a broad range of charitable and educational organizations, and I am the former chairman of the Exempt Organizations Committee of the American Bar Association Tax Section. I appear today on behalf of Independent Sector. I appreciate very much the opportunity to participate in this hearing.

I would like to focus my comments on one part of the terrain which is the general subject of your hearing -- the highly important law that Congress adopted in 1976 to enable public charities to elect liberalized tax rules for their legislative activities. The Ways and Means Committee in particular spent a good deal of time and effort in developing that law. Nonetheless, memories fade; a multitude of important matters have consumed the Committee's attention over the intervening decade; and the membership of the Committee and the Congress have naturally changed over that time.

That said, it seems to me well to highlight three key aspects of the 1976 law: (1) the fundamental objective of the Committee and Congress in developing and enacting the statute; (2) the measured, deliberate process by which the law was formulated; and (3) the experience we have had with the statute since 1976.

Prefatorily, let me underscore two points about the tax laws governing charities that are left entirely unchanged by the 1976 law. First, since 1954 the tax provision for charities has squarely and absolutely ruled out any participation in political campaigns. From the beginning, that bar was absolute; Congress quite consciously left it intact as the 1976 law passed; and it remains so today. Second, the 1976 liberalizations were made available only to eligible public charities. Private foundations cannot make use of them. The very strict limitations that Congress specifically designed for the legislative activities of private foundations in 1969 were untouched by the 1976 law, and they, also, remain in effect today.

CONGRESSIONAL OBJECTIVE

For many years the Internal Revenue Code specified that, for a charity to be tax-exempt and eligible to receive deductible charitable contributions, "no substantial part" of its activities could consist of attempting to influence legislation. Over those years, neither the courts nor the Internal Revenue Service provided any real guidance about the meaning of the "substantial" test. The result was that the charitable community generally gave a very wide berth to any comment on any issue of public policy.

In the late 1960's, one charity departed from that precept -- and in a highly publicized case, lost its eligibility to receive charitable contributions by lobbying to prevent the flooding of the Grand Canyon. Several other charities were threatened with loss of their exemptions because of their legislative activities.

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As those cases became known, they pointed up the fundamental irony of denying access to the public policy and legislative process to charities -- institutions by their nature formed for public purposes, rather than to advance the private financial interests of shareholders, employees, or others.

In 1971, Congress turned to the problem. In March of that year, Senator Muskie introduced the first of a series of bills designed to clarify and liberalize the tax law restriction on public charities -- and thereby to encourage them to participate more fully in the formulation of public policy at the local, state and national levels.

The legislative history is quite plain about the purpose of the Congressional effort.

Senator Nelson:

- "The present law governing legislative activities of public charities is unduly restrictive, difficult to administer, and undemocratic. The present law effectively inhibits a diverse, informed, and important segment of our society from presenting its views either to Congress or State and local legislative bodies, and deprives legislators of the experience and knowledge of those charities." 119 Cong. Rec. 5746 (daily ed. February 28, 1973)
- "These organizations represent the public in many important areas such as health, education, and the environment. These groups have much information to contribute and a wide range of helpful experience that could greatly assist the consideration and enactment of this country's laws." 119 Cong. Rec. 5749 (daily ed. February 28, 1973).

Rep. Conable:

- "The role of the charities in a pluralistic society -- something we are all dedicated to -- is constructive and the charities should not be muzzled." 119 Cong. Rec. 42632 (daily ed. December 19, 1973).

Sen. Muskie:

- "It makes no sense to decide that these organizations operate in the public interest and grant them tax-exempt status and then silence them when they attempt to speak to those who must decide public policy." 117 Cong. Rec. 8517 (daily ed. March 30, 1971).
- "These organizations can be a valuable source of information; they can broaden legislators' understanding of proposed legislation, and they can suggest valuable legislative alternatives." 121 Cong. Rec. 42028 (daily ed. December 19, 1975).

Sen. Dole:

- "Charities can be and should be important sources of information on legislative issues." 121 Cong. Rec. 42032 (daily ed. December 19, 1975).

THE EVOLUTION OF THE STATUTE

The 1976 statute was the product of a careful and deliberate process that took place over a period of five years. Broader efforts followed the 1971 beginnings. In 1972, bills were

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introduced in both the House and the Senate. The Ways and Means Committee held three full days of hearings on the subject in 1972. More than 100 witnesses submitted testimony at those hearings. Russell Train, the Chairman of the Council on Environmental Quality, testified strongly about the capacity of charities to make important contributions to the consideration of public policy -- and, specifically, legislative policy -- and urged the Committee to allow charities sufficient freedom to make those contributions. Members of Congress, the Chairman of the Tax Section of the American Bar Association, and a wide range of other organizational representatives and individuals testified in favor of liberalization of the existing tax restraint on charities' legislative activities.

At least eleven bills with that essential objective were introduced from 1971 to 1976. During this period, there were a great many meetings among Ways and Means Committee members, other interested members of Congress, the staff of the Joint Committee on Internal Revenue Taxation, Treasury, and representatives of the charitable community. These discussions produced repeated revisions of the draft legislation. The Joint Committee draftsmen devoted many days and much hard thought to devising and refining legislation that would meet the objectives of Congressional proponents and, at the same time, resolve concerns expressed by Treasury or by one or another member of Congress.

Additional hearings were held by the full Ways and Means Committee in 1976. The Coalition of Concerned Charities, consisting of some 80 public charities, expressed its support for the final bill. The Treasury representative supported the bill without reservation, stating Treasury's belief in its worth for the legislative process and the Department's understanding that it comprised both a clarification and a liberalization of existing law.

The statute that emerged from this painstaking process drew very broad bipartisan support. Chairman Ullman had long been a vigorous proponent. The Committee's senior Republican, Congressman Barber Conable, had for some time led the effort to press the legislation to enactment, and he introduced the final bill. Among the members of the Ways and Means Committee who sponsored that bill were Congressman Gibbons, Rangel, Vanderjagt and Frenzel. The forty-three Senators who joined in sponsoring the Senate counterpart of the Ways and Means Committee bill, included Senators Muskie, Dole, Baker, Cranston, Stevens, and Leahy.

The statute that resulted is a detailed addition to the Internal Revenue Code, reflecting the care employed in its development. In essence, it enables eligible public charities to elect to spend, for their legislative activities, fixed percentages of their total annual expenditures for charitable purposes. Electing charities can spend no more than one-fourth of those fixed ceilings for grassroots legislative activity. Very helpfully, the statute defines with some precision classes of activities that are not to be considered attempts to influence legislation.

RESULTS SINCE 1976

The 1976 statute has been in effect for a decade now. About 3,300 public charities have elected to be covered by it. Although they are so far a small part of the universe of theoretically eligible organizations, they represent an important and diverse part of the charitable community. They include, for example, such well-known national charities as the National Council on the Aging, the American Lung Association, the National Audubon Society, Reading is Fundamental, and the several national charities about which other members of this panel will testify in detail. The list also includes a host of less prominent names. Local charities bulk large in it. A sample gives a sense of the group:

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Citizens for Safe Drivers
 Able Disabled of Beaver County [Pa.]
 Dallas Zoological Society
 Travelers Aid Society
 Connecticut Library Association
 Keep Austin Beautiful, Inc.
 Suicide Prevention of Florida, Inc.
 Alaska Foster Parents Association
 Brandon [Oregon] Historical Society
 Buckley [Washington] Beautification Club
 Ketchikan [Alaska] Youth Football League
 San Carlos Volunteer Firemen, Inc.
 Society for Pediatric Research
 Birmingham Music Club, Inc.
 Elizabeth City [N.C.] Girls Club
 Friends of the Zoo [New Orleans]
 Morgan County [Alabama] Association for Retarded Citizens
 Committee to Preserve Assateague Island

Tennessee Conservation League
 American College of Allergists, Inc.
 Arizona Opera Company
 Big Horn Education Fund, Inc.
 Coalition for Persons With Disabilities
 Society's League Against Molesters
 Prince William League for the Protection of Natural Resour. [Va]
 Brothers Keeper Mission, Inc.
 Salt Lake Acting Company
 Colorado Association of Soil Conservation Districts
 County Sheriffs of Colorado, Inc.
 Society for Traditional Music
 Junction City Arts Council [Kan]
 House of Neighborly Service
 Junior League of Topeka, Inc.
 Old Fort Historic Sites, Inc. [N.C.]

I know from my own experience as counsel to a variety of charitable organizations that the 1976 law has had its intended effect of clarifying the standards and enabling public charities to communicate their information and views, within the statute's specifically stated limits, on legislative matters. Groups like those I have listed have made a great many useful contributions to public policy debates on a variety of issues at all levels of government. For example:

- The American Council of the Blind provides information to lawmakers on the impact of policy decisions on those whose vision has been impaired. When Congress considered reduction of the postal subsidy supporting, among other things, the Blind and Visually Handicapped Mailing Privilege, the Council demonstrated the effect of the proposed reduction for those who would, under it, be unable to afford postage for braille and recorded materials.
- The New York chapter of the National Parks and Conservation Association urged the State legislature to put the Environmental Quality Bond Act to a referendum. Approved by the voters, the Act, among other things, provides for State purchase of land for permanent preservation.
- The Girls Club of Alabama (Birmingham) addresses itself to such concerns as teenage pregnancy, the development of self-esteem in the community school system, and the prevention of sexual abuse. Concentrating particularly on modes of preventing teenage pregnancy, it has worked with the Mayor's Commission of Women, the State legislature and members of Congress.
- The United Handicapped Federation of Minnesota succeeded in its work to save the planned expansion of the Metro Mobility Para-Transit Program from state budget cuts. The program's expansion entails service to and from the metropolitan area surrounding St. Paul and Minneapolis. About 10,000 disabled riders benefit.
- The National Council on the Aging, in its work with the Senate Committee on Aging, provided important assistance in drafting Title V of the Older Americans Act, the Senior Services Employment provision. The Act adds a new component to federal support of services to senior citizens that contrasts with previous emphasis on services to dependent persons. By offering increased