

Following is President Clinton's State of the Union address as prepared for delivery last night:

Mr. Speaker, Mr. Vice President, Members of the 104th Congress, distinguished guests, my fellow Americans all across our land.

I want to begin by saying to our men and women in uniform around the world, and especially those helping peace take root in Bosnia, and to their families: Thank you. America is very proud of you.

My duty tonight is to report on the State of the Union, not the state of our government but of our American community, and to set forth our responsibilities—in the words of our Founders—to “form a more perfect union.”

The State of our Union is strong.

Our economy is the healthiest it has been in three decades. We have the lowest combined rate of unemployment and inflation in 27 years.

We have created nearly 8 million new American jobs, over a million of them in basic industries like construction and automobiles. America is selling more cars than Japan for the first time since the 1970s and, for three years in a row, we have had a record number of new businesses started.

Our leadership in the world is strong, bringing new hope for peace. Perhaps most important, we are gaining ground in restoring our fundamental values. The crime rate, the welfare and food stamp rolls, the poverty rate and the teen pregnancy rate are all down. As they go down, prospects for America's future go up.

'We Live in an Age of Possibility'

We live in an Age of Possibility. A hundred years ago, we moved from farm to factory. Now we move to an age of technology, information and global competition. These changes have opened vast new opportunities, but they also present stiff challenges. More Americans are living better lives; but too many of our fellow citizens are working harder to keep ahead, and in search of greater security for their families.

We must answer three fundamental questions: How do we make the American dream of opportunity a reality for all who are willing to work for it? How do we preserve our old and enduring values as we move into the future? And how do we meet these challenges together, as one America?

We know big government does not have all the answers. There is not a program for every problem. We know we need a smaller, less bureaucratic government in Washington—one that lives within its means. But then what is the responsibility of government? I believe government can help or government can hurt.

I believe our new, smaller government must work in an old American way: together with all our citizens, through state and local governments, in the workplace, in religious, charitable and civic associations. Our goal must be to enable all our people to make the most of their own lives with stronger families, more educational

opportunity, economic security, safer streets, a cleaner environment, a safer world.

To improve the state of our union, we must all ask more of ourselves; we must expect more of each other; and we must face our challenges together.

The era of big government is over. But we cannot go back to the time when our citizens were left to fend for themselves. We must go forward as one America—a nation working together, to meet the challenges we face together. Self-reliance and teamwork are not opposing virtues; we must have both.

'We Will Balance the Budget'

Our responsibility here begins with balancing the budget in a way that is fair to all Americans. There is now broad bipartisan agreement that permanent deficit spending must come to an end.

I compliment the Republicans for the energy and determination they have brought to the task. And I thank the Democrats for passing the largest deficit reduction plan in history in 1993, which has already cut the deficit nearly in half in just three years.

Since then, we have all seen the benefits of deficit reduction: lower interest rates have made it easier for business to create new jobs and have brought down the costs of home mortgages, car payments and credit card rates to ordinary citizens. Our budget would be in surplus today but for the interest payments we make on the deficits run up in the 12 years before 1993. Now it is time to finish the job. Though differences remain, after many hours of budget negotiations, the combined total of the proposed savings common to both plans is more than enough, using numbers from your Congressional Budget Office, to balance the budget in seven years and to provide a modest tax cut. And these cuts do not undermine our obligations to our parents, our children and our future by endangering Medicare, Medicaid, education or the environment.

Let's keep negotiating over our differences. But I ask you at least to enact these savings so we can give the American people their balanced budget, a tax cut, lower interest rates and a brighter future.

I am convinced we will balance the budget, and make permanent deficits yesterday's legacy.

Now it is time to look to the challenges of today and tomorrow. America was built on challenges, not promises. Challenges we have lived up to from our birth to the present day. When we work together, we never fail. That is the key to a more perfect union; our individual dreams must be realized by our common efforts.

Tonight, I want to speak about the challenges we face as a people.

'Stronger Families' Equal 'a Stronger Nation'

Our first challenge is to cherish our children and strengthen the American family.

Families are the foundation of American life. If we have stronger families, we will have a stronger nation.

Strong families begin with taking more responsibility for our children. It is hard to be a parent today; but it is even harder to be a kid. All of us—our businesses, our parents, our media, our schools, our teachers, our com-

munities and government—have a responsibility to help children make it.

To the media: I say you should create movies, CDs and television shows you would want your own children and grandchildren to enjoy. I call on Congress to pass the requirement for a "V Chip" in TV sets, so parents can screen out programs which they believe are inappropriate for their younger children. When parents control what their children see, that's not censorship. That's enabling parents to assume more responsibility for their children. And I urge them to do it. The "V Chip" requirement is part of the telecommunications bill now pending. It has bipartisan support, and I urge you to pass it now.

To make the "V Chip" work, I challenge the broadcast industry to do what movies have done: Rate your programming to help parents protect their children.

I invite the leaders of major media corporations and the entertainment industry to come to the White House next month to work with us on concrete ways to improve what our children see on television. I am ready to work with you.

I say to those who produce and market cigarettes: Every year, a million children take up smoking; 300,000 of them will die as a result. My administration has taken

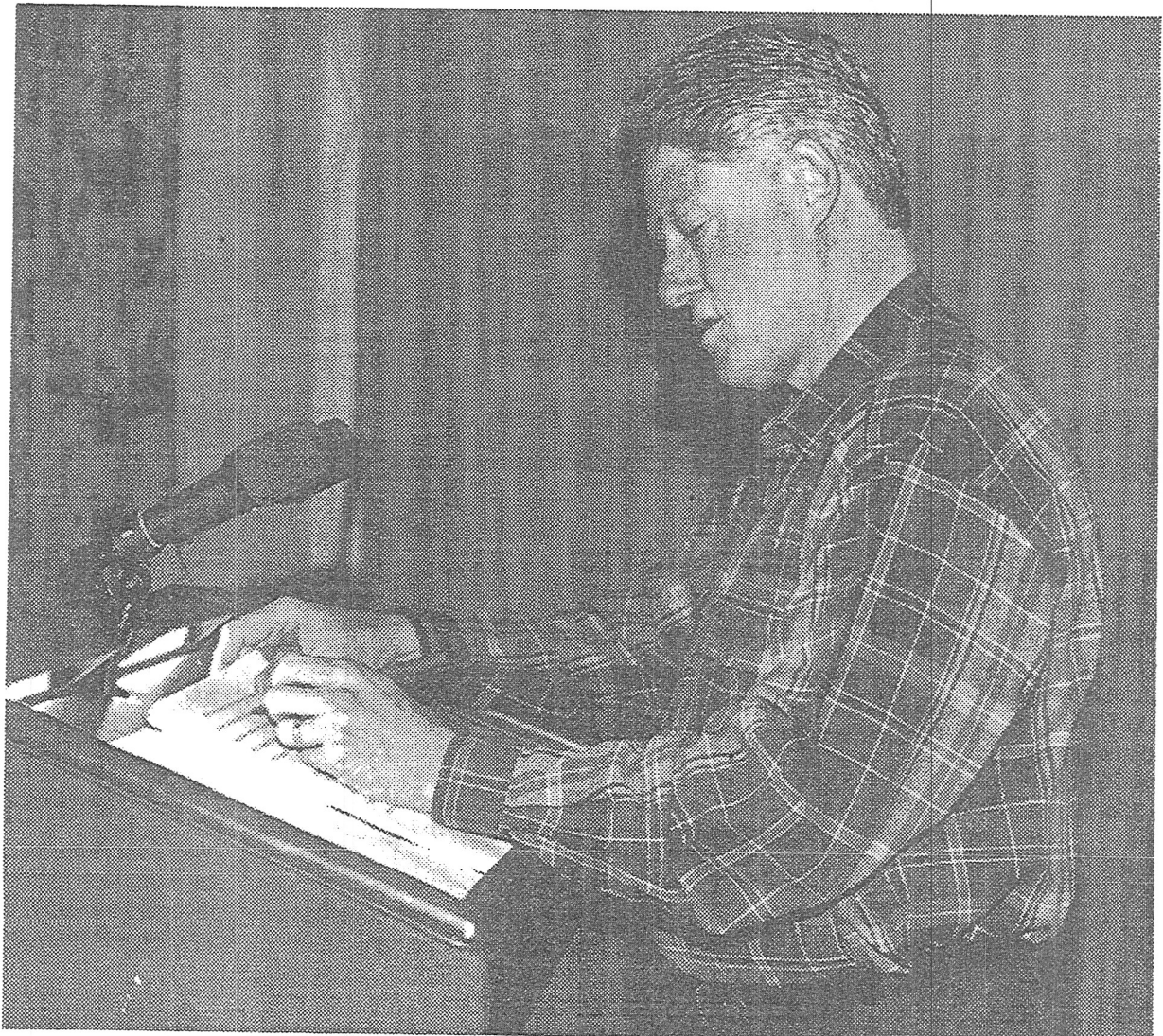
steps to stop the massive marketing campaign that appeals to our children. We are saying: Market your products to adults, if you wish. But draw the line on children.

'Move People From Welfare to Work'

I say to those on welfare: For too long, our welfare system has undermined the values of family and work, instead of supporting them. Congress and I are near agreement on sweeping welfare reform. We agree on time limits, tough work requirements, and the toughest possible child-support enforcement. But we must also provide child care so mothers can go to work without worrying about their children. So I challenge Congress: Send me a bipartisan welfare reform that will really move people from welfare to work, and do right by our children, and I will sign it.

But passing a law is only the first step. The next step is to make it work. I challenge people on welfare to make the most of this opportunity for independence. And I challenge American business to give them the chance. We applaud the work of church and community groups that care for the poor. More than anyone else, they know

TEXT OF THE STATE OF THE UNION ADDRESS



President Clinton works on final wording of his State of the Union address in the family theater of the White House.

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the difficulty of this task, and are in a position to help. Every one of us should join with them.

To strengthen the family, we must do everything we can to keep the teen pregnancy rate going down. It is still far too high. Tonight I am pleased to announce that a group of prominent Americans is responding to that challenge by forming an organization that will support grass-roots community efforts in a national campaign against teen pregnancy. And I challenge every American to join them.

I call on American men and women to respect one another. We must end the deadly scourge of domestic violence. I challenge America's families to stay together. If your family is under stress, try to stay together. Get help if you need it. But above all, put your children first.

In particular, I challenge fathers to love and care for their children. If your family has separated, you must pay your child support. We are doing more than ever to make sure you do, and we are going to do more. But let's admit: A check will never be a substitute for a father's love and guidance, and only you can make the decision to help raise your children—no matter who you are, it is your most basic human duty.

'Every Diploma Ought to Mean Something'

Our second challenge is to provide Americans with the educational opportunities we need for a new century.

Every classroom in America must be connected to the information superhighway, with computers, good software and well-trained teachers. We are working with the telecommunications industry, educators and parents to connect 20 percent of the classrooms in California by this spring, and every classroom and library in America by the year 2000. I challenge Congress to support our education technology initiative to make this national partnership possible.

Every diploma ought to mean something. I challenge every community, school and state to adopt national standards of excellence; measure whether schools are meeting those standards; cut red tape so that schools have more flexibility for grass-roots reforms; and hold them accountable for results by embracing our Goals 2000 initiative.

I challenge every state to give all parents the right to choose which public school their children attend, and let teachers form new schools with a charter they can keep only if they do a good job.

I challenge all schools to teach character education: Good values, and good citizenship. And if it means teenagers will stop killing each other over gang jackets, then public schools should be able to require school uniforms.

I challenge parents to be their children's first teachers. Turn off the TV. See that the homework gets done. Visit your children's classrooms.

Today, higher education is more important than ever before. We have created a new student-loan program that has made it easier to borrow and repay loans; and dramatically cut the student-loan default rate. Through AmeriCorps, our national service program, this year 25,000 students will earn college money by serving in their communities. These initiatives are right for America; we should keep them going.

And we should open the doors to college even wider. I

challenge Congress to expand work-study and help 1 million young Americans work their way through college by the year 2000; to provide a \$1,000 merit scholarship for the top five percent of graduates in every high school; to expand Pell Grant scholarships for deserving students; and, again, to make up to \$10,000 a year of college tuition tax deductible.

'\$4.25 an Hour Is Not a Living Wage'

Our third challenge is to help every American achieve economic security.

People who work hard still need support to get ahead in the new economy: Education and training for a lifetime, more support for families raising children, retirement security and access to health care.

More and more Americans are finding that the education of their childhood simply does not last a lifetime. I

challenge Congress to consolidate 70 overlapping job training programs into a simple voucher worth \$2,600 for unemployed or underemployed workers to use for community college tuition or other training. Pass this "GI Bill for America's Workers."

More and more Americans are working hard without a raise. Congress sets the minimum wage. Within a year, the minimum wage will fall to a 40-year low in purchasing power. Four dollars and 25 cents an hour is not a living wage. But millions of Americans and their children are trying to live on it. I challenge you to raise their minimum wage.

In 1993, Congress cut the taxes of 15 million hard-pressed working families, to make sure no parent who worked full time would have to raise their children in poverty. This expanded Earned Income Tax Credit is now worth about \$1,800 a year to a family of four living on \$20,000. The budget bill I vetoed would have reversed this achievement, and raised taxes on nearly 8 million of these people. We must not do that.

We need a tax credit for working families with children. That's one thing most of us can agree on. And it should be part of any final budget agreement.

I challenge every business that can possibly afford it to provide pensions for their employees, and I challenge Congress to pass a proposal recommended by the White House Conference on Small Business that would make it easier for small businesses and farmers to establish pension plans. That is something Republicans and Democrats can agree on.

We should also protect existing pension plans. Two years ago, with bipartisan support, we protected the pensions of 8 million working people and stabilized the pensions of 32 million more. Congress should not let companies endanger their workers' pension funds. I vetoed such a proposal last year and I would veto it again.

'Make Health Care Available to Every American'

Finally, if working families are going to succeed in the new economy, they must be able to buy health insurance policies they don't lose when they change jobs or when someone in their family gets sick. Over the past two years, over 1 million Americans in working families lost



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President Clinton shakes hands with House Speaker Newt Gingrich (R-Ga.) as Vice President Gore applauds.

works better and costs less. Thanks to the work of Vice President Gore, we are eliminating 16,000 pages of unnecessary rules and regulations, and shifting more decision-making out of Washington back to states and communities.

As we move into an era of balanced budgets and smaller government, we must work in new ways to enable people to make the most of their own lives. We are helping America's communities, not with bureaucracy, but with opportunity, through our successful empowerment zones and community development banks to help people in urban and rural areas find jobs and start businesses. And with tax incentives for companies that clean up abandoned industrial property, bringing jobs back to the places that desperately need them.

'The Problem of Illegal Immigration'

But there are some areas that the federal government must address directly and strongly. One of these is the problem of illegal immigration. After years and years of neglect, this administration has taken a strong stand to stiffen protection on our borders. We are increasing border patrols by 50 percent; we are increasing inspections to find illegal immigrants in the workplace. And tonight, I announce I will sign an executive order to deny federal contracts to businesses that hire illegal immigrants. But let me be clear: We are still a nation of immigrants, and we honor all those immigrants who are working hard to become new citizens. But we are also a nation of laws.

I want to say a special word for those who work for the federal government. Today, the federal work force is 200,000 employees smaller than the day I took office. The federal government is the smallest it has been in 30 years, and getting smaller every day. Most of you probably didn't know that, and there's a good reason. The remaining federal work force is composed of Americans who are working harder and working smarter to make

'Americans . . . Can Meet Any Challenge'

I have asked a lot of Americans this evening. But I am confident. When Americans work together in their homes, their schools, their churches, their civic groups or at work, they can meet any challenge.

I say again: The era of big government is over. But we can't go back to the era of fending for yourself. We must go forward—to the era of working together, as a community, as a team, as one America—to solve our problems.

And none of this will work unless all of you, every person in America reach across the lines that divide us and try to find common ground. We must reject any atmosphere of division, discrimination and rancor. We must work together.

I want you to meet two people tonight who do that. Dr. Lucius Wright is a teacher in the Jackson, Miss., public school system. A Vietnam veteran, he has created groups that help inner-city children turn away from gangs and build futures they can believe in. And Sgt. Jennifer Rodgers is a police officer in Oklahoma City. Like Richard Dean, she helped to pull her fellow citizens out of the rubble and deal with that awful tragedy. She reminds us that, in their response to that atrocity, the people of Oklahoma City lifted us all with their basic sense of values and community.

Lucius Wright and Jennifer Rogers are special Americans. I have the honor tonight to announce that they are the very first of several thousand Americans who will be chosen to carry the Olympic torch on its long journey from Los Angeles to the centennial of the modern Olympics in Atlanta this summer—not because they are star athletes: They are star citizens; community heroes meeting America's challenges. America's real champions.

'Hold High the Torch of Citizenship'

Each of us must hold high the torch of citizenship in our own lives. But none of us can finish the race alone. We only achieve our destiny together, one hand, one generation, one American connecting to another.

There have always been things we could do together—dreams we have made real—which we could never have done apart. Americans have forged our identity, our very union, from every point of view and every point on the planet. Bound by a faith more powerful than any doctrines that divide us—by our belief in progress, our love of liberty and our relentless search for common ground—America has always sought and risen to the challenge.

Who is to say that, having come so far together, we cannot go forward together now? Who is to say that the moment of our greatest potential is not for all Americans?

America is—and always has been—a great and good country. But the best is yet to come. If we all do our part.

Thank you, God bless you and God bless the United States of America.

that the quality of our services does not decline. Like Richard Dean. He worked for Social Security for 22 years. Last year, he was hard at work in the federal building in Oklahoma City when the terrorist blast killed 169 people and brought the rubble around him. He reentered the building four times and saved lives of three women. He is here with us this evening. I want to recognize Richard and applaud both his public service and his extraordinary heroism.

But his story doesn't end there. In November, he was forced out of his office when the government shut down. The second time the government shut down, he continued helping Social Security recipients, working without pay. On behalf of Richard and his family, I challenge all of you in this chamber: Never—ever—shut the federal government down again. And on behalf of all Americans, I challenge Congress to preserve the full faith and credit of the United States, to honor our obligations as we have for 220 years, to rise above partisanship and pass a straightforward extension of the debt limit.