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Republican Response on State of the Union - 1996

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House REPUBLICAN Conference

John Boehner, Chairman
8th District, Ohio

January 23, 1996 10:25 p.m.

Response to the State of the Union Address

It was a good campaign speech, but we've heard it all before.

The President said the "era of big government is over," and then spent 75 minutes calling for more federal government, where the federal government can't solve the problem.

Bill Clinton is the say anything, do nothing liberal president:

- He claimed the state of the union is strong. But we have a sluggish economy, with slow job growth, despairing communities where children are having children and children are killing children. The nation has lost 200,000 manufacturing jobs in the last 10 months.
- He called for welfare reform that is strong on work. We sent him a bipartisan welfare reform bill with strong work requirements, and he vetoed it.
- He voiced support for family tax relief, then he thanked Democrats for passing the largest tax increase in history.
- He called for an end to teen pregnancy, but he vetoed welfare reform proposals to curb illegitimacy.
- He asked for merit-based scholarships, which were rejected by the Democrat Congress twice when President Bush proposed them.
- He called for protecting pensions, but Secretary Rubin is raiding employee pension funds, and Secretary Reich is pushing private pension funds into government social spending programs.
- He claimed to want to protect education and the environment. He's fighting to make the Department of Education the nation's third largest lender and to prevent Congress from shifting environmental protection dollars away from lawyers and into cleanup.

In this speech, Bill Clinton played Big Brother. He used a national address to deliver an overhearing lecture telling each of us how to be parents, how to be husbands and wives, how to be neighbors, and how to be colleagues. Father Knows Best was a television sitcom. It's not a governing philosophy.

House
REPUBLICAN
Conference

REALITY CHECK

JOHN BOEHNER
Chairman
1st District, Ohio

January 23, 1996

THE CLINTON ADMINISTRATION'S IMPACT ON THE STATE OF THE UNION

A document released by the White House yesterday in anticipation of President Clinton's State of the Union Address tonight paints a rosy picture of the Clinton Administration's accomplishments and their impact on the nation. This document attempts to set the record straight.

✓EC

The Economy

- **Clinton Policies Keep Budget Deficit on Auto-Pilot** - The deficit reduction achieved in 1993 was due to budget decisions made in 1992 - before Clinton was in office. After the Clinton tax hike was enacted in late 1993, OMB projected a 1994 deficit of \$250 billion - higher than the 1993 deficit. The actual 1994 deficit was \$203 billion due to better than projected economic and technical factors -- issues unrelated to the President's budget policies. Clinton policies now in place would increase the budget deficit from \$172 billion in 1996 to \$223 billion in 2002.
- **National Debt Increases at Alarming Rate** - During Clinton's first three years, the national debt has climbed by more than \$800 billion - rising from \$4.1 trillion in January 1993 to more than \$4.9 trillion today. At the current rate, Clinton will have stacked up more debt in 4 years than either of the Reagan administrations.
- **Lackluster Economic Growth** - In the year ending last September, GDP increased by only 1.9 percent. By comparison, GDP grew by more than an average of 4 percent per year from November 1982 to July 1990.
- **American Workers Earning Less** - Real median household income declined by 2 percent in 1993 and then remained unchanged in 1994 at \$32,264.

- **Reagan Created More Jobs** - Job creation during the Clinton Administration lags far behind that of the Reagan economic recovery. On average, the economic recovery under Reagan created 300,000 more jobs per year than is currently being created during the Clinton Administration. (Joint Economic Committee)
- **Bigger, Bloated Government I** - The number of pages of actual regulations and notices published in the *Federal Register* increased from about 61,000 pages in 1983 to nearly 65,000 pages in 1994 -- exceeding every year except 1979 and 1980 during the past 20 years.
- **Bigger, Bloated Government II** - The President claims he has eliminated 200,000 jobs from the federal payroll. By 1998, 90 percent of the Clinton Administration's "downsizing" will have come from the Department of Defense alone. GAO says that 98 percent of last year's reductions came from defense cuts. When the Pentagon is taken out of the picture, the rest of the federal government grew by 6,000 employees between 1994 and 1995.

research Crime

- **False Sense of Security** - While overall murder, robbery, and car theft rates are down, violent crimes committed by juveniles continue to skyrocket. The drop in crime rates has more to do with the efforts of governors who have implemented tough truth-in-sentencing and three-strikes-and-you're-out laws than with the President's over-hyped COPS bureaucracy.
- **COPS Program a Bust** - The President's COPS program funds only 20,000 new cops -- local governments must pick up the full cost of funding the remaining 80,000. An October 1995 GAO investigation found that 58 percent of law enforcement jurisdictions haven't applied for the COPS program, citing the inability to afford the matching funds requirement, the inability to pick up the tab for the entire program after the three-year grant cycle ends, and the numerous restrictions on the use of funds.
- **Brady Law/Semi-Automatic Weapons Ban Don't Reduce Crime** - According to Justice Department and BATF estimates, 90 percent of violent crimes are committed without a handgun. Of those committed with a handgun, 93 percent of the guns used were obtained through unlawful means. In addition, the FBI's own information concludes that less than 1 percent of all murders in 1994 were committed with semi-automatic weapons. Meanwhile, the Clinton Administration allowed federal prosecutions for firearm violations to drop by more than 20 percent from 1993 to 1994.

- **Clinton Retreats in the War on Drugs** - Although drug use is up among young people and drugs still ravage our inner cities, the President slashed staffing at the Office of National Drug Control Policy by 80 percent, reduced military interdiction efforts by eliminating 1,000 anti-drug positions, cut interdiction funds for the Customs Service and DEA, eliminated 355 DEA agents and 102 personnel from the Justice Department's organized crime drug enforcement task force, and disbanded Operation Snowcap, which assigned DEA agents to cocaine-producing countries to aid local police.
- **Weakening Enforcement of the Borders** - Throughout 1993 and 1994, the Clinton Administration undermined border control efforts. The President's budgets proposed cutting the number of border patrol agents. In 1994, the INS announced it would discontinue a background check program that prevents criminals from gaining U.S. citizenship and asylum. Only after protests from Congress was the program reinstated.

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Dypt

Education

- **Direct Loans Limit Choices for Schools and Cost More Than Traditional Loans** - The Clinton Administration wants to force every school in the country to participate in direct lending by July 1, 1997. The President's program expands the Education Department bureaucracy by \$2.5 billion and adds more than 500 new bureaucrats to the federal payroll. Direct loans also mean more waste. With only a direct loan volume of 3 percent in 1994, the Education Department was unable to account for 15 percent of \$700 million in direct loans.
- **Test Scores Remain Flat** - Though SAT scores showed a slight improvement, they remain far below levels of 25-30 years ago. Moreover, ACT scores in 1995 remained unchanged from 1994.
- **Access to Higher Education a Bipartisan Cause** - It's disingenuous for the Clinton Administration to take credit for having "opened access to higher education." College loan and grant programs have always enjoyed wide bipartisan support. Current GOP proposals increase the volume of student loan money by 50 percent during the next 7 years (rising from \$24 billion to \$36 billion), increase maximum Pell Grant amounts, and fully fund minority higher education programs (historically black colleges and TRIO programs).

NEC

Community

- **Poverty Rate Higher Now** - The 14.5 percent poverty rate recorded in 1994 remains well above the 12.8 percent level at the end of the Reagan economic expansion period.

- **The Welfare Crisis Continues** - A small decline in the welfare rolls is no cause for celebration. For millions of American families, welfare is still a way of life. Of nearly 5 million AFDC families, more than 77 percent will spend more than 5 years on welfare. During the past 30 years, black illegitimacy rates have nearly tripled to 68 percent, and those for whites have increased ten-fold to 22 percent. When given the opportunity to "end welfare as we know," President Clinton instead chose to veto the bill to do just that.

- un - 7 • **The AmeriCorps Boondoggle** - The Clinton Administration wants to spend hundreds of millions of dollars every year to pay up to 50,000 young people to "volunteer" in their communities. Nearly 80 million Americans already volunteer more than 19 billion hours in their communities - at no expense to taxpayers. A GAO audit shows that the average AmeriCorps "volunteer" costs between \$28,000 and \$31,000, and one-fourth of program "volunteers" end up working in government agencies and not in their communities.

Peace

- **Exposing the American People to Nuclear Attack** - The President vetoed the defense authorization bill (H.R. 1530) because of his opposition to the deployment of a national anti-missile defense system by 2003.
- **Putting American Troops in Harm's Way** - The President's exercise in nation-building in Somalia went astray when U.S. troops were not given the adequate artillery and military hardware to defend themselves from hostile attacks.
- **The Bosnia Gamble** - Congress is supportive of our troops in Bosnia, but concerned about the process by which the President got them there in the first place. The President committed U.S. troops to Bosnia more than 2 years ago, and it appears that his commitment was in search of a mission. The peace that exists on paper doesn't yet exist in the hearts of the Balkan people. And the President still has not clearly defined the mission or developed a logical exit strategy, other than saying that U.S. troops won't be in Bosnia for more than a year -- regardless of the circumstances.

Clinton**Reality Check**

This is the end of the big government era ...

FLIP-FLOP #1

**BILL CLINTON, STATE-OF-THE-UNION,
1/23/96**

**THE ERA OF BIG GOVERNMENT IS
OVER.**

- In his first year, Clinton pushed through the largest tax increase in history (without a single Republican vote), a \$16.3 billion pork-barrel 'stimulus' package (which Republicans defeated in the Senate), and a 20 percent increase in domestic spending—more than \$300 billion over five years.
- "It will be the largest tax increase in the history of public finance in the United States or anywhere else in the world." (Senator Patrick Moynihan, D-NY, commenting on Bill Clinton's tax proposal, 3/18/93)
- "An association of U.S. hospitals says its study has found the Clinton health care reform plan would create 59 new government offices staffed by nearly 100,000 new government workers." (*United Press International*, 3/8/94)
- "I personally believe the Democratic Party and the notion of an activist government are synonymous, neither can succeed without the other." (Rep. Torricelli, D-NJ, *Washington Post*, 6/15/95)
- His budget submitted 1/6/96 increases spending \$346 billion more over 7 years than Congress' Balanced Budget (BBA). he would increase spending 25% over seven years. (House and Senate Committees on the Budget, 1/18/96)

The Clinton State-of-the-Union Address has been downloaded from the "Electronic Cottage Transcript Software." Be aware that there may be transcription and/or spelling errors.

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JAN-25-1996 13:28

SENT BY:

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P.02
VIA XREF: 2/ 3**Clinton****Reality Check****Teen pregnancy****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****AND THE TEEN PREGNANCY ARE ALL
DOWN****The foremost problem is not teen pregnancies,
but illegitimate births.**

- Illegitimate births accounted for 31% of all births in 1993. (the most recent statistics available) (Department of Health and Human Services, 9/95)
- Illegitimate births increased 84% in the past 10 years, and have increased in every year since 1965, the year the welfare state was created. (Department of Health and Human Services, 9/95)

**Clinton has hampered efforts to curb the
problem.**

- Clinton's welfare reform proposals contained no incentives to curb illegitimacy.
- Earlier this month, Clinton vetoed landmark welfare reform which provided incentives to states to reduce out-of-wedlock births.

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VIA AIRMAIL 5/ J**Clinton****Reality Check**

#5

(Interest Rates)**BILL CLINTON, STATE-OF-THE-UNION,
1/23/96**

**LOWER INTEREST RATES HAVE
MADE IT EASIER FOR BUSINESSES TO
BORROW AND TO INVEST AND TO
CREATE NEW JOBS.**

- Interest rates began climbing shortly after Congress passed Bill Clinton's 1993 tax increases. They peaked on election day, November 8, 1994, when Republicans won control of Congress.

	<u>30-year Fixed Mortgage Rate</u>	<u>3-month T-Bill Yield</u>	<u>30-year T-Bond Yield</u>
Immigration Day	8.04%	3.00%	7.33%
August 9, 1993	7.21%	3.01%	6.46%
Election Day '94	9.05%	5.22%	8.12%
January 22, 1996	7.02%	4.98%	6.04%

Federal Reserve Board Chairman Alan Greenspan has testified that the "expectation" of a balanced budget has played a "significant part" in this year's two percentage point drop. Greenspan also predicted that failure to reach a balanced budget agreement will result in a "sharp increase" in long-term rates. (Senate Banking Committee testimony, 11/27/95)

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VIA XEXPEDITE: 2/ 2

Clinton**Reality Check****Smallest Since Kennedy ...****FACTUALLY CHALLENGED # 6****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****TODAY, THE FEDERAL WORKFORCE IS
200,000 EMPLOYEES SMALLER THAN
THE DAY I TOOK OFFICE -- THE
FEDERAL GOVERNMENT IS THE
SMALLEST IT HAS BEEN IN 30
YEARS...**

- Bill Clinton has slashed civilian employment at the Department of Defense by 137,000 or 15.3%. Non-defense federal employment has risen by 4,700. (Bureau of Labor Statistics, 1/96)
- "Based on decisions already made, we will have cut a total of more than a quarter of a million positions from the federal government, making it the smallest it has been since John Kennedy was president by the time I come here again next year." (Bill Clinton, State of the Union address, 1/24/95)
- In November 1963, President Kennedy's final month in office, the federal government numbered 2,342,600 employees. In October 1995, under Clinton, the federal government numbered 2,789,700 employees, 19.1 percent higher. Excluding civilian Department of Defense employees, federal employment is 44.7 percent higher today than when Kennedy left office.
- In John Kennedy's last year as president, the average American had to work until April 19th to earn enough income to pay all his federal, state, and local taxes. Under Bill Clinton, the average American must work harder than ever -- May 6th -- to reach "Tax Freedom Day." (Tax Foundation, 1995)

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VIA X-FILE: 2/ 8

Clinton**Reality Check****National(ized) Service****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****THROUGH AMERICORPS OR
NATIONAL SERVICE PROGRAM, THIS
YEAR 25,000 YOUNG PEOPLE WILL
EARN COLLEGE MONEY BY SERVING
THEIR LOCAL COMMUNITIES.**

- "The General Accounting Office has concluded ... that President Clinton's AmeriCorps-USA volunteer service program has rolled up a high tab in this, its first year. The average cost per participant, including future education costs, is \$26,654 — hardly what most people think of as volunteering." (*Investor's Business Daily*, 9/8/95)

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Clinton**Reality Check****Minimum Wage****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****I CHALLENGE YOU TO RAISE THEIR
MINIMUM WAGE.**

- "[T]o the degree economists ever reach consensus on anything, they concur that the minimum wage *increases* unemployment among low-skilled workers." (*Wall Street Journal*, 1/10/95).
- "The Congressional Budget Office has predicted that increasing the minimum wage to \$5.05 could destroy as many as 500,000 jobs." (*Washington Times*, 1/12/95)
- "Many well-meaning people favor legal minimum-wage rates in the mistaken belief that they help the poor. These people confuse wage rates with wage income. It has always been a mystery to me to understand why a youngster is better off unemployed at \$4.75 an hour than employed at \$4.25." (Milton Friedman, *Inventor's Business Daily*, 9/9/94)
- "[A]s a recent survey conducted by the University of New Hampshire reveals, 77 percent of American economists believe an increase in the minimum wage will have a negative effect on employment." (*Washington Times*, 10/11/94)

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Clinton**Reality Check****Education - Standards****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96**

I CHALLENGE EVERY COMMUNITY,
EVERY
SCHOOL AND EVERY STATE TO ADOPT
NATIONAL STANDARDS OF
EXCELLENCE TO MEASURE WHETHER
SCHOOLS ARE MEETING THOSE
STANDARDS, TO CUT BUREAUCRATIC
RED TAPE SO THAT SCHOOLS AND
TEACHERS HAVE MORE FLEXIBILITY
FOR GRASS ROOTS REFORM AND TO
HOLD THEM ACCOUNTABLE FOR
RESULTS. THAT'S WHAT OUR GOALS
2,000 INITIATIVE IS ALL ABOUT

- Goals 2000--Clinton's principal education initiative-- has no positive impact on helping children learn or making schools better.
- The original American history standards devised under President Clinton and Goals 2000, which emphasized Joseph McCarthy and the Ku Klux Klan over George Washington and Thomas Edison were opposed 99-1 by the Senate.
- Four states have already rejected the "free" money under Goals 2000.

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P.08

18 ~~17~~**Clinton****Reality Check***Flip, Flop, Flip #3*

Clinton's 1993 Tax "Cur"

**BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****IN 1993, CONGRESS CUT THE TAXES OF
15 MILLION HARD-PRESSED WORKING
FAMILIES**

- Bill Clinton is trying to rewrite history. He proposed, and the Democrat-controlled Congress passed, the largest tax increase in American history.
- The president's tax package included taxes on Social Security benefits, higher income taxes, and gasoline taxes.
- Clinton later admitted his tax increase had been a mistake: "Probably there are people in this room still made at me at that budget because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too." (Bill Clinton, Presidential Gala Dinner, Houston, Texas, 10/17/95)

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Clinton

Reality Check

19X

Direct student loans

**BILL CLINTON, STATE-OF-THE-UNION,
1/23/96**

**WE HAVE CREATED A NEW STUDENT
LOAN PROGRAM THAT'S MADE IT EASIER
TO BORROW AND REPAY THOSE LOANS**

- The President's Direct Student Loan program would increase the federal debt by \$200 billion without providing one additional student loan. (House Economic and Educational Opportunities Committee)
- The President's Direct Student Loan program amounts to nothing more than a government takeover of private lending institutions-- just like Clinton's attempt to nationalize health care.

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Clinton

Reality Check

AmeriCorps

**BILL CLINTON, STATE-OF-THE-UNION,
1/23/96**

THROUGH AMERICORPS OR NATIONAL
SERVICE PROGRAM, THIS YEAR 25,000
YOUNG PEOPLE WILL EARN COLLEGE
MONEY BY SERVING THEIR LOCAL
COMMUNITIES TO IMPROVE THE LIVES
OF THEIR FRIENDS AND NEIGHBORS.

Voluntaryism - "The principle of reliance on
voluntary contributions rather than government
funds, as for churches or schools." (emphasis
added) (*The American Heritage Dictionary,
Second College Edition*)

This is the cost of Clinton's government
"volunteers."

- "Funding to field a participant is \$26,037 for
non-federal agency grant

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VIA XPDITE: 8/ 8
21**Clinton****Reality Check****School Choice****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****I CHALLENGE EVERY STATE TO GIVE
ALL PARENTS THE RIGHT TO CHOOSE
WHICH PUBLIC SCHOOL THEIR
CHILDREN WILL ATTEND**

Clinton later came out against private school choice. He told the AFL-CIO in California: "[I]f I were a citizen of the state of California, I would not vote for Proposition 174, the private school initiative ... [The private school initiative] would ... impose no real standards on the quality of the programs which could be funded." Bill Clinton, (AFL-CIO Convention, San Francisco, 10/4/93)

- While opposing private school choice for other parents, the Clinton's send their own daughter Chrisea to a private school in Washington D.C., prompting school choice advocate Polly Williams to respond: "Bill Clinton shouldn't be the only person in public housing who gets to send his kid to private school." (Polly Williams, *Policy Review*, Summer 1994)

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Clinton**Reality Check***Factually Challenged #11*

Crime - 1994 Bill

**BILL CLINTON, STATE-OF-THE-UNION,
1/23/96****THE CRIME BILL OF 1994 IS CRITICAL TO
THE SUCCESS OF COMMUNITY POLICING**

- "What the president calls the toughest smartest crime bill in federal history is unlikely to have a traceable effect on the national crime rate, and some of the toughest sounding provisions could perversely end up weakening rather than strengthening the ability of local and state officials to fight crime." (*The Washington Post*, 8/23/94)
- "What was all the money going for, then? All the usual liberal social programs and political pork. There was money for government-sponsored dance programs, arts and crafts, a midnight basketball league and programs to promote 'self-esteem.'" (Thomas Sowell *The Seattle Times*, 8/17/94)
- Clinton's crime bill was silent on *Habeas Corpus* reform.
- Clinton's crime bill said nothing regarding "good faith" exceptions to the exclusionary rule.
- "Attorney General Reno really watered that ... whole [1994 crime] bill down to a point where this truth in sentencing thing ... was ... diluted to a point where it didn't mean a whole lot." (Ben Wattenberg, *Charlie Rose Show*, 11/3/95)
- "The program would never have supplied enough to pay salary, benefits, pensions and other costs, so the cities would have had to come up with a lot of upfront money many say they don't have." - (*Washington Post*, 2/14/95)

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1-23-96 10:05PM

Reality Check

Clinton

FACTUALLY CHALLENGED #12**Loans - General****BILL CLINTON, STATE-OF-THE-UNION,
1/23/96**

I CHALLENGE CONGRESS TO THE YEAR 2000, TO PROVIDE A \$1,000 MERIT SCHOLARSHIP FOR THE TOP 5% OF GRADUATES IN EVERY HIGH SCHOOL IN THE UNITED STATES. TO EXPAND PELL GRANT SCHOLARSHIPS FOR DESERVING AND NEEDY STUDENTS

- Under the Balanced Budget Act of 1995, student loan volume will increase by 50% over the next seven years. (House Economic and Educational Opportunities Committee)
- The balanced budget bonus would lower the cost of the average student loans \$216 per year.
- "The Clinton plan makes no reforms to the student loan program. That means no savings to taxpayers and a possible government takeover of the student loan program. In contrast, the Republican plan would save taxpayers close to \$5 billion over the next seven years without affecting the cost, availability, or projected growth in the volume of student loans." (House and Senate Budget Committees, 1/18/96)
- The Republican balanced budget increased the maximum annual Pell Grant from \$2,340 to \$2,440 - the largest increase even in a single year - and the highest level in history. (Committee on Appropriations, 8/10/95)

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Clinton

Reality Check

Flip-Flop # 5

Pensions

BILL CLINTON, STATE-OF-THE-UNION,
1/23/96

CONGRESS SHOULD NOT NOW LET COMPANIES ENDANGER THOSE WORKERS' PENSION FUNDS. [APPLAUSE] I KNOW THE PROPOSAL TO LIBERALIZE THE ABILITY OF EMPLOYERS TO TAKE MONEY OUT OF PENSION FUNDS FOR OTHER PURPOSES WOULD RAISE MONEY FOR THE TREASURY. BUT I BELIEVE IT IS FALSE ECONOMY. I HAVE VETOED THAT PROPOSAL LAST YEAR AND I WOULD HAVE TO DO SO AGAIN.

Until he needs the money.

- "[Treasury Secretary] Rubin ... will defuse the debt limit crisis by temporarily 'borrowing' from a \$21.5 billion voluntary saving plan for federal workers known as the G-Fund. He is also expected to redeem early some of the government securities held in the \$350 billion Civil Service Retirement and Disability Fund." (The Washington Post, 11/15/95)

- Last year, Clinton's Labor Secretary Robert Reich relaxed federal pension guidelines to encourage investment in "Economically Targeted Investments" or ETIs. ETIs are "investments selected for the economic benefits they create apart from their investment return to the employee benefit plan," according to the Reich directive. Examples include: public housing, community development projects and construction projects employing union labor.

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