

STATE OF THE UNION

OUTREACH

DECEMBER 22, 1995

THE WHITE HOUSE
WASHINGTON

December 22, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: DON BAER
MICHAEL WALDMAN
PRESIDENTIAL SPEECHWRITERS

SUBJECT: STATE OF THE UNION OUTREACH

As in previous years, we have solicited suggestions from people around the country -- both in government and out -- to help you prepare for your State of the Union address. Their contributions are collected in this book.

The first section of this book consists of list of people who Bill Galston invited to have dinner with you on Sunday, January 7. The topic of the evening will be "Assessing the Condition of American Democracy." Memoranda from these attendees are contained in a separate binder (attached).

The second section is made up of contributions from an array of prominent thinkers, some of whom are friends of yours. This section deals largely with domestic issues. We have included in full the best of these submissions; for others we have excerpted only the strongest passages.

The third section, assembled by the National Security Council, contains memoranda from people in the foreign policy community.

Because the State of the Union takes on special importance in an election year, the fourth and final section consists of State of the Union addresses given by Presidents seeking reelection.

We are reaching out to Cabinet secretaries for their suggestions. Their responses will be forwarded at a later date.

These documents are intended to suggest themes and language for the speech. Policy suggestions will be coming to you separately from Bruce Reed.

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Divider Title: **Table of Contents for Galston Book**

ASSESSING THE CONDITION OF AMERICAN DEMOCRACY
THE WHITE HOUSE
JANUARY 7, 1996

Cover Memo

Brief Biographies of Participants

Bruce Ackerman

Benjamin Barber

Stephen Carter

Alan Ehrenhalt

Amitai Etzioni

Henry Louis Gates

Amy Gutmann

Charles Johnson

Randall Kennedy

Jane Mansbridge

Robert Putnam

Additional Materials: Jean Bethke Elshtain

Additional Materials: Bill Galston

These memos are available in a companion volume compiled by Bill Galston. The individuals listed above will be attending a dinner at the White House convened by Bill Galston on January 7, similar to the one at Camp David last year.

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Divider Title: Outside Contributors

OUTSIDE CONTRIBUTORS

H. BRANDT AYERS is editor and publisher of *The Anniston Star*, Alabama's largest home-owned paper.

JOHN MORTON BLUM, Sterling Professor Emeritus of History at Yale, is author of *The Progressive Presidents*.

TAYLOR BRANCH is author of *Parting the Waters: America in the King Years, 1954-1963*.

ALAN BRINKLEY, professor of history at Columbia University, is author of *The End of Reform: New Deal Liberalism in Recession and War*.

TONY CAMPOLO, an American Baptist minister, teaches sociology at Eastern College. He is author of *Was Jesus a Republican or Democrat?*.

JOHNETTA COLE is president of Atlanta's Spelman College.

ANDREW CUOMO is Assistant Secretary for Community Planning and Development at the Department of Housing and Urban Development.

ANDREW DELBANCO, Levi Professor of Humanities and English at Columbia, is author of *The Death of Satan: How Americans Have Lost the Sense of Evil*.

DAVID HERBERT DONALD, professor of history at Harvard, is author of *Lincoln*.

ANN DOUGLAS, professor of English and comparative literature at Columbia, is author of *Terrible Honesty: Mongrel Manhattan in the 1920's*.

MICHAEL ERIC DYSON directs the Institute of African American Research at the University of North Carolina at Chapel Hill. An ordained Baptist minister, he is author of *Between God and Gangsta Rap*.

PETER EDELMAN is acting Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services.

AL FROM is President of the Democratic Leadership Council

FRANCIS FUKUYAMA, resident consultant at the Rand Corporation, is author of *The End of History and the Last Man* and *Trust: The Social Virtues and the Creation of Prosperity*.

DAVID GELERNTER, professor of computer science at Yale, was gravely wounded in June of 1993 by the UNABOMBER. His latest book, *1939*, examines that year's New York World's Fair.

PHILIP HOWARD is author of *The Death of Common Sense*.

GARRISON KEILLOR hosts "A Prairie Home Companion."

TONY KUSHNER wrote "Angels in America."

NICK LEMANN is author of *The Promised Land*.

WILL MARSHALL is president of the Progressive Policy Institute.

WALTER RUSSELL MEAD is the President's Fellow at the World Policy Institute at the New School of Social Research.

JACK MILES is director of the Humanities Center at the Claremont Graduate School. He is author of *God: A Biography*.

M. SCOTT PECK is author of "The Road Less Traveled"

NICHOLAS NEGROPONTE is founder and director of the Media Laboratory at the Massachusetts Institute of Technology.

DEVAL PATRICK is Assistant Attorney General for Civil Rights at the Department of Justice.

HUGH PRICE is President of the National Urban League.

BERNICE JOHNSON REAGON, a historian and curator, is founder of 'Sweet Honey in the Rock'.

JONATHAN SALLET is Assistant to the Secretary of Commerce and Director of Policy and Strategic Planning.

SIMON SCHAMA is Old Dominion Professor of Humanities at Columbia University. He is author of *Landscape and Memory*.

FRED SIEGEL is a Senior Fellow at Progressive Policy Institute.

JOHN SILBER is President of Boston University.

DEBORAH TANNEN, professor of linguistics at Georgetown University, is author of *You Just Don't Understand: Women and Men in Conversation* and *Talking From 9 to 5*.

GERALD TORRES is professor of law at the University of Texas.

NAOMI WOLF is author of *The Beauty Myth* and *Fire with Fire*.

MEMOS REQUESTED BUT NOT YET RECEIVED

KEN BURNS

JAMES FLEXNER

DORIS KEARNS GOODWIN

STEPHEN JAY GOULD

SEAMUS HEANEY

REV. BILL HYBELS

MICHAEL KINSLEY

GLEN LOWRY

DAVID MC CULLOUGH

ARTHUR SCHLESINGER JR

TED SORENSON

LARRY SUMMERS

CORNEL WEST

ELIE WIESEL

H. Brandt Ayers

Toward a Brighter Future

And now I turn to a vision of the two futures we face at this crossroads in the American story. Nothing is more important to the future -- no purpose is higher in a free-enterprise democracy -- than promoting an economy that pushes back the margins of poverty. That is more than a gift, it is an obligation of a nation to its citizens, because as poverty recedes, it leaves safe streets and confident families in its wake. But when it grows, it overwhelms neighborhoods and destroys schools. It breeds children with no moral coding -- *children* who frighten adults.

Unless current trends are corrected, one version of the future looks very much like the past that Latin America is striving with admirable success to escape -- a nation where the very rich retreat to gilded islands in a sea of desperate poverty. In that nightmare vision, walled and gated communities are surrounded by razor wire and private security guards. Already in America -- where the privileged 1 percent own 42 percent of the nation's wealth -- there are more private security officers than municipal police. And the number of private communities has increased from 4,000 in 1970 to 66,000 in 1990.

Most alarmingly, the great stabilizing middle class -- the sails and rudder of the nation -- has shrunk in the last 20 years. Median middle class wages have fallen from \$34,048 to \$30,407. We know from the radical and turbulent America of 100 years ago that, when the working and middle classes are hurt or afraid, there is trouble. But when they feel the lifting winds of progress, there is tranquility.

No American wants this fearful future, hiding behind the golden gates of walled communities. We must attack fear at its source. That is what my Middle Class Bill of Rights seeks to do. By expanding the middle class and shrinking the underclass through education and increased opportunity, we can achieve a future for the people of our cities and rural towns that feels lighter, brighter, more confident.

Much progress has been made in banishing poverty in my native region, the South. Cities have sprung up to replace the little towns where generations of the same family went to work at the local mill before finishing high school. Those working-class communities weren't well-off in a material sense, but they were good places to raise children. The old-fashioned values they taught -- patience, sharing, self-denial, self-reliance, respect for authority, work and worship -- aren't obsolete. But if they are to be recaptured, it will be in a different environment.

Weathered gray frame shacks, where farm families used to subsist on less than \$200 a year, are disappearing around Clarksdale, Miss., where the future is now. The shacks are being replaced by new brick homes. Family values are taught there. Children learn the dignity, disciplines and values of the working world. Those values are at mortal risk in welfare shacks.

The Mississippi Delta is one of the nation's poorest regions, yet the employees of Delta Wire, a globally competitive Clarksdale company, are living the American Dream. Its workers use statistical process control they learned from a curriculum designed by Mississippi State University, taught by Coahoma Community College, and tailored to the needs of Delta Wire. (Ask the president of Delta Wire to stand. Cite him as a civic statesman of industry.)

The American Dream doesn't just happen, it is made. In this case, it was made by a public-private partnership -- government acting not as big brother, but enabler -- the Invisible Hand of the market economy joined to Uncle Sam's good right arm.

Clarksdale's new brick houses illustrate the point of our policies designed to encourage students to get at least 14 years of education. It is the rural version of what I mean by "growing the middle class and shrinking the underclass." A version of the urban future I would like to see is Chicago's Central Avenue -- transformed. In the late 1970s, it was a shuttered, lifeless moonscape -- a ditch separating the middle-class neighborhood of Marquette Park from the menacing ghetto to the east.

People across no-man's-land from the ghetto are like people living on the slopes of an active volcano. They don't fear black people. They fear poverty, which destroys communities just as certainly as volcanos do. The future I'd like to see is a tree-lined Central Avenue teeming with customers in its rich brew of ethnic shops where two neighbors meet -- one a Lithuanian Catholic, the other a black Protestant. They became friends at a mid-tech community college where they learned to operate computer-driven lathes, and now carpool to good-paying jobs at the same export-oriented plant. (Invite people who illustrate this point and recognize them.)

That is a vision of the future where poverty and its only product -- fear -- are driven back to the dark corners of an ill-remembered past. It is the sum of policies designed to shrink the underclass and expand the middle class. It may be unrealistic to think we can totally banish poverty, but the quest validates our moral purpose.

One more thing. If we are to tame the mysterious and profound forces that are remaking the global economy -- and coincidentally widening the gap between rich and poor -- we must have a government strong enough to stand up to the giants of international commerce and industry. More than that, we will have to challenge and engage our citizens where they live to join local, state and national government in a partnership with private enterprise.

As each of the American tribes pursues its own version of happiness, we need to be reminded that the highest title in a democracy is not hyphenated by race, class or ethnicity. That title is Citizen, and the act of citizenship is a transaction in which citizens suppress their own egos and interests for the sake of the country.

-END-

Taylor Branch
1806 South Road
Baltimore, Maryland 21209

December 18, 1995

These can be no more than the sketchiest notes, because I am swamped with my own issues just now before the holidays. Here are three possible watchwords for the State of the Union

RENEWAL

BALANCE

ROLE OF GOVERNMENT

[1] A key word should be RENEWAL. Re-read the '93 Inaugural. This State of the Union should pick up that theme for continuity, looking toward completion of the first term as well as toward the '96 campaign. The emphasis should be on validation across several dimensions: "We needed to renew, we have renewed, we still need to renew. Here's how and why."

[2] A second key word is BALANCE. Here I don't mean as in "balance the budget" (except subliminally), or even that the word should appear a lot in the spoken address. What I mean is that the concept of balance should guide the preparation, and I hope the reviews. The content should be roughly balanced between foreign and domestic, for example, to reflect the Administration's substantial achievements in foreign policy. The speech should have a sense of balance between under-reaction and over-reaction to large historic challenges--the end of the Cold War abroad and systemic threats to prosperity at home.

Most emphatically, "balance" does not mean drifting or doing nothing (not in this era), any more than balancing the budget is easy. Balance is hard. To mix metaphors, we need more renewal to regain our balance.

As you know, my favorite two words for the test of the American creed are discipline and faith--discipline, as in self-discipline or self-government (ideas still unproven in the large sweep of time), and faith, as in the stretching commitment to equal citizenship, equal justice, equal votes.

The President already applies the balance of discipline and faith to major political issues. He says, for instance, that we must balance the budget (discipline) and maintain our values (democratic faith). In foreign policy, Bosnia and Haiti are examples of a difficult balance between restraint (limited power, no democracy by US guarantee or garrison) and democratic values (the hope of peace, the birth of freedom).

Balance in this sense can provide a unifying, statesmanlike theme--a method of renewal. More partisan overtones can lie beneath. Democrats cannot pretend that money grows on trees if they want to uphold their tradition as the party of the common people. Republicans often behave as though neither discipline nor

faith is really possible, which makes them unbalanced as anti-government extremists. The President, by contrast, is trustworthy.

[3] By maintaining this balance to meet the challenge of historic renewal, the President is doing something else not commonly recognized. He is defining the **ROLE OF GOVERNMENT** for the beginning of the next century. I think the President should consider the idea of **re-defining and defending the role of the federal government**, at least as a test.

This is a risky proposition, I know, because the slightest defense of government is vulnerable to attack as addiction to the dreaded, status quo "big government." Still, we must remember that every successful campaign must have a simple, winning answer to the question, "what is this election about?" The first and most prominent campaign answer, if I know Bill Clinton, is "promises fulfilled." I'm suggesting a backup, second line of attack.

American voters have a much bigger emotional investment in the federal government than we realize in the present political climate. After all, the raw material of patriotic feeling is the remembered attachment to federal events from the Constitutional Convention onward. The federal government is the only one in which Montanans have a common stake with New Yorkers. A simple review of **American turning points--say, a century ago when Theodore Roosevelt and the Progressives between promoting the federal government as a countervailing power to corporate monopolies and polluters--will revive in most people an awareness that this federal role is still needed.**

By reminding people of simple history, the President can champion American values without promoting a single new federal function. He can challenge Republicans on rhetorical excess that scorns all national government. Sending problems to the states won't make them go away, of course, and more likely the states will be swamped. Many states already are turning desperately to casinos for revenue, as they turned to lotteries over the past two decades. For abiding reasons, the cold reality is that states in general have a far worse record than the feds in corruption, bureaucracy, and general morals. (After all, the states codified slavery for centuries until the Union finally abolished it.) The President himself can't point out state deficiencies in good taste, but he can remind voters that our most shining political commitments have been national ones. ✓

In sum, the federal government must be renewed and reformed, not dismembered. We are all responsible for the federal government. Americans must be tough (disciplined) to maintain a government of common will (democratic faith), but they cannot be cynical.

Please crank whatever you like of the above into the mix. I hope it helps. Yours in haste,

Taylor

John M. Blum

My fellow Americans, I want to talk to you briefly tonight about community, about our nation as a community. We Americans have always understood that our community was a commonwealth in which the well being of the individual at once depended on and contributed to the well being of us all. Therefore we have always encouraged individual enterprise because we have always recognized that successful enterprise results in important benefits for the whole community, for all of us. During the nineteenth century, as a nation we provided families moving west with land to farm. Those families on that land extended the national community, once confined to the eastern seaboard, to the shores of the Pacific. As a nation we provided essential support for the enterprisers who built our great transcontinental railroads. Those avenues of commerce drew us closer together, hastened the growth of our national market, and gave the American hinterland access to the markets of the world. As a nation we have encouraged individual invention and creativity by providing, as we still do, the protection of copyrights and patents for innovations that have revolutionized our lives, most recently the innovations in communication now transforming the world by making its distant parts close neighbors in cyberspace.

But as a nation, as a community, we have also always expected individuals who received our direct assistance in their enterprises in their turn directly to assist the community. In the 1930s, a time of severe economic hardship, the community,

John M. Blum page 2 of 2

through the federal government, undertook to help the unemployed by providing them with work. Government-sponsored educational and training programs were designed to impart skills that would permit the jobless to find gainful employment, initially on government projects, ultimately in private enterprises once economic conditions improved. The community, the nation, was encouraging individuals to earn self-respect and the respect of others by productive work.

The community now needs again to provide that kind of encouragement. Continuing, rapid and extensive changes in both national and international markets--changes brought about largely by individual enterprises protected by national patents--have resulted in temporary unemployment and underemployment for many Americans as eager to work as were their forbears sixty years ago. Some of them need temporary jobs which the community can and should help to provide. Most of them need further education and training to prepare for employment in the now unveiling future. This, too, the nation can and should help to provide. As it has so often before, the community will ultimately benefit from encouraging the displaced to equip themselves for satisfying and contributory work.

Columbia University in the City of New York | New York, N.Y. 10027

DEPARTMENT OF HISTORY

Fayerweather Hall

December 19, 1995

FROM: Alan Brinkley

Thank you for the opportunity to offer some thoughts about the President's State of the Union address. You asked for one or two pages describing what I would like to hear the President say, and I will offer precisely that. Obviously, much will depend on the status of the budget negotiations at the time of the State of the Union address and the character of whatever settlement, if any, the President and Congress have reached by that time. But what I will suggest is based on the situation as it is today. I realize things will certainly have changed by mid-January. I like to think, though, that the principles suggested here will be worth explaining whatever happens.

"One year ago, in the aftermath of an election in which the American people once again demanded change, I spoke to you of the need for all of us to work together to put our government's house in order. And since that time, we *have* worked together successfully on some important issues and produced real and important change. I congratulate the Congress on your progress towards real reform in the way in which lobbyists and special interests exercise power in Washington; for the changes you have made in the rules governing your own activities; and for the bold way in which you have been willing to question rules, institutions, and assumptions that have gone unquestioned for much too long. But much, of course, remains to be done before we will have responded adequately to the expectations of the American people.

"What are those expectations? One of them, clearly, is that we bring to an end the debilitating pattern of deficits and debt that have placed such a burden on us and that threaten to create an even greater burden for our children and grandchildren. We have made significant progress in that direction in the last three years. The federal deficit has declined steadily since the beginning of 1993 – the first serious reduction in more than twenty years. But we need to do more. The President and the Congress have agreed to find a way to balance the federal budget within seven years, and I intend to honor that agreement. But I have said repeatedly, and I say again tonight, that any plan for balancing the budget must be consistent with our nation's values. Let me tell you what I think some of those values are.

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"First, the American people believe that any changes we make in the way the government works must be fair. If there are to be spending reductions, they should not place the heaviest burdens on those least able to bear them. If there is to be a tax cut, it should not offer the most generous benefits to those who need them least. Fixing our budget should not be a cloak to hide efforts to benefit special interests and pursue narrow ideological goals.

"Second, the American people believe that society has an obligation to help those who cannot help themselves. We are all aware of the many shortcomings of our welfare system, and no one wishes to preserve it as it is. But we do not want to leave our most vulnerable citizens -- children, the elderly, the disabled, the ill -- unprotected. Whatever changes we make in our welfare system -- and we need to make changes -- must ensure that people who need our help are not abandoned.

"Third, the American people believe that their government needs to work better. They are unhappy with the many things government does badly and with the many things government does that it should not be doing at all. But they do not consider the government their enemy. They do not want the government to abandon the things it has done successfully: protecting the rights of citizens, protecting the health and safety of workers, and protecting the environment. Nor do they want the government to give up trying to ensure a just and healthy economy. Our economy has been growing impressively over the last three years, but that is small comfort for the millions of working class and middle-class Americans who have seen their real incomes stagnate and their standards of living decline over the last twenty years. Those of us whom the people have chosen to serve them have an opportunity to continue searching for ways to make this difficult transition to a new economy work to benefit all our people.

"And fourth, the American people believe that we cannot rely on government alone to build a just and prosperous society. We must work to rebuild the values and institutions that have sustained our nation throughout our history and that have, in recent years, often seemed to have lost their vitality. Neighborhoods, churches, schools, universities, voluntary associations -- the dense webs of social institutions that have provided generations of Americans with a sense of community and commitment -- need our attention and support. This is not primarily a job for public policy. But it is a job that requires public commitment -- a commitment from all of us to devote at least a part of our lives to something larger than our own needs, to make some contribution to the public good.

"Americans believe, in short, that their nation requires a healthy, vigorous market; a responsible and compassionate government; and a strong set of social institutions capable of creating stable, nurturing communities for everyone. These critical elements of our national life depend on one another, and we cannot hope to move successfully into the next century without attending to the health of all of them."

Tony Campolo



December 18, 1995

Dear Mr. President:

In our private conversations, you have made it clear that you see as your primary responsibility the exercising of the moral leadership of this nation. That leadership must flow out of the deep spiritual roots from which this nation has grown and which you yourself have embraced with a deep sense of dedication. Consequently, what I suggest for the State of the Union Address is that you consider moral imperatives that flow out of that tradition and that there be allusions to the words of the prophets who gave birth to that tradition. I hope what I suggest helps you.

SUGGESTIONS FOR THE STATE OF THE UNION ADDRESS

I. CALLING OUR NATION TO BE RESPONSIBLE TO THOSE WHO ARE IN NEED

"There is no other nation throughout time and history that has enjoyed the blessings that our nation has enjoyed. But we must always be mindful that with those blessings go responsibilities. It has been written of old 'to whom much is given, from them much is required' (Luke 12:48).

It is required of us to see to it that all of our children are nourished and educated so that they can live out the fullness of their potential.

It is required of us that we provide proper care for our elderly mothers and fathers, that our days as a nation might be long upon this earth.

It is required of us that we find ways to solve the seemingly perennial problems that haunt us. We must reach out to the homeless. We must find a cure for AIDS. We must continue our battle against cancer. And we must carry out the ongoing struggle against unjust discrimination - even as we chase from our hearts and minds the phobias and prejudices that create them.

And yes, it is required of us that we go on seeking to find a way to provide basic medical care for all of our citizens whether they be rich or poor."

II. OUR MORAL LEADERSHIP IN THE WORLD AT LARGE

"In the arena of world affairs, we have dared to be a people who act out of concern for the peace and the dignity and the well-being of others rather than being isolationists who care only for ourselves. That is why we have sent our troops to Haiti to re-establish democracy. That is why we have sent American men and women in uniform to Bosnia. Of course it is in our national interest to see peace and democracy abound throughout the world, but we sent our troops to these distant places, because we were responding as a nation to a higher calling. There is a voice that echoes down the corridors of time that calling us to do right we as a nation did what we believed was right."

President Clinton
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III. THAT GOVERNMENT CANNOT DO IT ALONE

"As we face the challenges that lie before us, we must recognize that government cannot solve our nation's problems by itself. I call for a new partnership between government and private voluntary organizations. With the resources of the former coupled with the ingenuity and thrift of the latter, we can attempt great things for the American people and expect great things from the American people. We must forget partisan politics and listen to each other and learn from each other if we are to meet the needs of our people. That is why we must give careful consideration to Senator Ashcroft's proposal that we look for a new partnership between government on the one hand, and local community organizations both secular and religious. Those thousands of points of light that have dispelled the darkness of hopelessness and despair must be supported by government even as we acknowledge that they are no substitute for our collective responsibility as a people."

Mr. President, I know the significance of this speech not only for your administration, but for the future of our nation. I would be more than honored to visit with you and to talk about the speech and what phrases you might use to touch the hearts of our people and to steer them to moral and compassionate greatness. Feel free to call on me. I want you to know that I will be trying to arrange through your personal secretary an opportunity to get together and talk about these matters.

Sincerely,



TONY CAMPOLO

TC:dmor

Andrew Delbanco

Thoughts on the State of the Union

The key phrase of the 90s seems to be individual responsibility. The President rightly stressed this theme during his first campaign and early in his administration, and thereby touched a nerve with the American people, whose culture has always been about self-reliance. Healthy expressions of this creed have included entrepreneurship, independence, irreverent humor, and suspicion of any authority that is not rooted in democratic consent.

More recently, however, many political leaders have tapped a darker motive that animates some of the talk about individual responsibility: it has become a coded phrase for expressing resentment at what many Americans see as a permanent, parasitic "underclass" that is sapping the moral and economic vitality of our country.

The trouble with-- and the vulnerability of-- this Republican mantra is that it has lost its connection to the other side of what has been called the American "civil religion": the acknowledgment of a collective responsibility through which we all share in the happiness and sorrow of one another.

Let me offer a brief historical reflection, then, on how liberals can restore the crucial balance between individual and collective responsibility. This is not a political strategy for the moment. It is the balance upon which democracy depends.

1

The great figure in American history who understood this problem of balancing individual with collective responsibility was Abraham Lincoln. Lincoln declared repeatedly during his career that he "hated" slavery. But he never demonized the southerner or pretended that the responsibility for this crime against humanity was somehow local or to be limited to one region. In his Second Inaugural Address, Lincoln spoke of God bringing "to both North and South, this terrible war, as the woe due to those by whom the offence came." He understood that the fates of all Americans-- slaves and slaveowners, northerners and southerners-- were as inextricable as the states of the Union itself.

Lincoln was able to speak this way because he grasped and beautifully expressed America's religious tradition: the Judeo-Christian tradition that compels us to understand evil as existing both outside and within the self. He understood the need to fight evil as well as the capacity of all human beings to foster and abet it within themselves in the form of indifference.

Liberals need to regain this balance. To do so-- as the President sensed when he sounded the "New Covenant" theme at the start of his first campaign-- they must not cede the insights and language of religion to the Republican right.

Let me now briefly suggest how liberals might think of the religious tradition in a way that confirms rather than threatens liberal values.

2

When our culture began, all Americans had a story through which they tried to think about the dilemma of individual vs. collective responsibility. Made vivid by preachers and

primers, it was the Bible story of the Fall from the Garden of Eden— in which Adam and Eve, tempted by the serpent, fell from God's grace. At the center of this tale (as it was interpreted by Christian theologians) was the devil— a seductive monster who infused his insatiable pride, envy, and rancor into the impressionable mind of man.

The moral genius of this story was its insight that the tempted share responsibility with the tempter. It maintained that evil exists as an objective force in the world; but it also insisted that every person is responsible when evil infiltrates into himself. It made a connection between the evil without (the serpent) and the evil within (sin) -- a connection that *explained* human sinfulness, but did not *excuse* it. This story furnished the basis of what we now call "Judeo-Christian" ideas of good, evil, and responsibility. Satan was the embodiment of pride, a creature culpably unable to imagine the world from any perspective other than his own. Consumed with rage, he felt victimized by God; and he took his implacable vengeance on man.

Today, after the rise of science, in a culture where pride and ambition have become virtues rather than sins, it might seem strange to take this story seriously. Yet it remains the best story we have that enables us to hate evil when we observe it, while at the same time recognizing it within ourselves. It makes it possible, as we stare into the undifferentiated world of the TV screen, to be repulsed by the fervor of the terrorist and the indifference of the thug, while at the same time recognizing our capacity for fury and callousness in our own lives.

With the moral power of this story in mind, the poet Wallace Stevens wrote that "the death of Satan was a tragedy for the imagination." This point is confirmed today by both the fundamentalist right and the secular left, each of which has lost the basic insight that was once expressed through the symbolic idea of Satan. On the right there is, to be sure, lots of talk about evil and the devil and God. But this is not the intimate devil of *Genesis* or St. Augustine or *Paradise Lost*, who shocks us with his resemblance to ourselves. The fundamentalist devil is, instead, remote-- easy to believe in because he stands apart from the righteous, who discover him in the abortionist, the immigrant, the welfare cheat, but never in themselves. People on the right are quick to preach responsibility to the tempted-- to the absentee father, the welfare mother, and their bereft child. But they have little to say about the responsibility of a society that leaves to its children a choice between virtuous poverty and going to work for the drugdealer whose siren song is the only credible promise in the blasted garden of the ghetto.

Commentators on the left, who tend to be less comfortable with explicitly religious language, nevertheless have plenty to say about temptation. Their devil is "the system"-- with its false allures and blandishments. They are more comfortable talking of rehabilitation than punishment, quicker to call for access to education than for standards of judgment. The left sees the serpent, but not the sinner. The right sees the sinner, but not the serpent.

For those who hunger for a more satisfying vision-- a liberal vision-- of our problems and possibilities, it is worth recalling that the political center in America has often been galvanized by religious leaders (Walter Rauschenbusch, Reinhold Niebuhr, Martin Luther King) who bring to public debate a powerful sense of the presence of sin both without and within ourselves. These progressive religious thinkers recognized that the only future for our society is one in which we accept responsibility for ourselves *and* for each other. They understood that without this balance, which is best expressed in the *Genesis* story, we are headed for a world like that made vivid in the recent movie, *Pulp Fiction*-- where the poor

make no distinction between killing a man and ordering a cheeseburger, and where the rich dissipate in compounds of privilege, pretending that they bear no responsibility for those who live outside the wall.

3

Consider the horrific events in Oklahoma City and on 125th Street in Harlem. Each of these crimes-- these evils-- involved the acts of individuals who can never be excused or exonerated. At the same time, each took place in an atmosphere of sanctioned rage-- whereby an insidious enemy (the Federal Government in Oklahoma City; whites and Jews in Harlem) had been identified by politicians, radio hosts, and even religious leaders, as the targetable source of pain and injustice.

These events, in other words, involve individual *and* collective responsibility. They are national tragedies as well as individual crimes. They should certainly make us resolve to hold our citizens accountable for themselves; but they should also alert us to the frightful danger that threatens our society when the sense of mutual connection is severed-- when more and more Americans seem to be searching for persons, institutions, or groups on which they can blame their own distress. In short, these events were manifestations of evil that most Americans regard as far-away-- worth a shudder or a sigh as they are replayed on the television screen. But the difficult moral challenge-- the paradox that Lincoln understood-- is that such events also bespeak our collective responsibility. They remind us with terrible clarity of the destructive power of words, and of indifference to the lives of those who seem remote from us.

4

Americans not only recognize that involvement with the lives of others is a commendable virtue. They hunger for this involvement, and they know that it is what makes life worth living. The President tried to touch this current of altruism with his National Service program-- and I believe he should push forward in that direction despite the anti-big-government chant of the Republicans.

Yes, Americans are uneasy about the drift toward a bureaucratic state which conservatives have succeeded in portraying as a form of creeping socialism, by which individuals are coddled and relieved of responsibility for themselves. But they are also appalled by the prospect of a return to the laissez-faire brutality of the 19th century, in which society recognized virtually no responsibility for its individual citizens-- in which widows and veterans and children were left to the mercy of fortune. The best way to speak about the mutual imperatives of individual and collective responsibility is through the language of religion-- not of any specific denomination or doctrine, but through the broad Judeo-Christian language of virtue and sin. If the President uses this language with due caution but with real conviction he will, I believe, touch the American heart.

Andrew Delbanco
Columbia University

David Herbert Donald

Some Thoughts for the President's Consideration in Preparing his 1996 State
of the Union Address

- (1) The address should begin with a passage stressing the numerous positive achievements of the past three years.

The state of the Union is sound. We continue to live in peace and harmony with the other nations of the world. As the sole remaining superpower, unchallenged and unthreatened, the United States has been able to exert its enormous moral force to help resolve long-standing international quarrels--between Israel and its neighbors, in Ireland, and in Bosnia--that pose the only threat to peace. We must now use that moral leadership to bring about general disarmament.

At home, too, the outlook is auspicious. We continue in a period of unprecedented prosperity. Unemployment remains low, as do rates of interest, and the federal deficit has been sharply reduced. A turnabout in foreign trade and the expansion of our overseas markets have produced a marked reduction in the balance of payments deficit, which for decades has been bleeding the country. By balancing the budget and eliminating the federal deficit over the next seven years we can ensure that our prosperity will continue into the indefinite future.

- (2) The address should then define the nature of anticipated disagreements.

In attaining that goal, we will inevitably disagree over the methods to be employed. In the months ahead we can expect a good deal of heated rhetoric to be employed in the discussion of these questions. But it is important for us

all to remember that, behind the angry debates and campaign attacks, there is a fundamental consensus. All Americans have agreed that we wish to restore more power to the states and localities, to reduce the size and burden of the federal government, and, above all, to balance the federal budget. We will differ on means, not ends, and the American people expect us to resolve those differences promptly and rationally.

(3A - my first and preferred program of action) The address should offer the only rational solution to this problem in a way that preserves basic American values.

There are only two ways to secure a balanced budget. The first is by increasing government revenues. But taxes are already high, and no one favors raising them. While I join in opposition to any increase in taxation, I urge that we stand firm against any sizable loss of federal revenues through tax reduction. You cannot fill a bucket by drilling a hole in its bottom. For this reason I withdraw my promise of a tax cut for the middle class, and I call on the opposing party to withdraw its much larger pledge of a tax cut for the rich. Both sides can discuss tax reductions later, when our finances are once again on an even keel.

The other way to balance the budget is by reducing expenses, and this administration will cooperate with the Congress in every reasonable effort to eliminate waste, duplication of services, or fraud in government programs. We will also work to reduce subsidies, whether to agriculture or to business, that are no longer required to meet economic competition. We have already done much to reduce the size of the federal bureaucracy, and we will do more.

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But I must warn that we are now close to the point where further reductions in government expenses for social programs will injure the very fabric of American society. It is a short-sighted economy to provide for immediate gratification at the expense of the future. A prudent farmer does not grind up his seed-corn. We need to remind ourselves that government, now so often hated and reviled, has important and legitimate functions, which Abraham Lincoln defined as "to do for the people what needs to be done, but which they can not, by individual effort, do at all, or do so well, for themselves." If we fail to provide for the public safety, to protect the public health, to promote the education of our youth, and to guarantee the security of our senior citizens, we will undermine the values on which our country was founded.

That leaves only one other source from which significant savings can be drawn: the defense budget. I come to this conclusion with reluctance, because every American is immensely proud of our superb army, navy, and air force and no one wishes to jeopardize our national security. But our military establishment was designed for a different era, when the United States was threatened by rivals abroad. Now that no such threat exists, we need to rethink our policies and our priorities. In the years ahead I will work with the Congress to bring about enough savings from the military budget to provide adequate funding for programs that guarantee the health and welfare of our citizens.

(3B - an alternate, more general statement of a program) The address invokes traditional American values to help resolve disagreements.

In bringing about that resolution we must act cautiously and wisely. To guide us, we need constantly to keep in mind the basic values on which the

American democracy rests. The American people have always been a generous people, ready to care for those who have fallen behind in the race of life. We believe in helping infants and children who are unable to help themselves. We believe in maintaining our superb medical establishment in order to care for the sick. And we believe that older Americans have the right to live out their lives in comfort and dignity. These are values that we all must share--that we all must work to preserve. Let us not, in a quest for fiscal stability, accidentally slash through the social net that undergirds our society. The choices we must make during the next few months are serious not just because they may threaten the welfare of the infirm and poor but because they may undermine our society's commitment to generosity and equality.

(4) The address concludes:

As we proceed with our deliberations during the coming year, let us remember that we are making choices about the kind of society we seek to preserve. Our decisions are momentous one, and they will determine our place in history. As our great Civil War President, Abraham Lincoln, reminded the Congress in December 1862: "We cannot escape history. We of this Congress and this administration, will be remembered in spite of ourselves." On what was done--and what was not done--in those crucial days rested the future of the country, and Lincoln warned his listeners: "We shall nobly save, or meanly lose, the last best, hope of earth." I fervently pray that we in this administration and in this Congress will choose to save, rather than to lose, that hope.

David Herbert Donald
P. O. Box 6158
41 Lincoln Road
Lincoln Center, Massachusetts 01773-6158

Ann Douglas

December 21, 1995

Despite our considerable progress in this area, we continue to face, as we have for centuries, grave difficulties in our race and ethnic relations. But, as always, our problems here are indissolubly connected to the greatest promise of American life. A recent study revealed that people of various nationalities around the world who are dissatisfied with their lives in their country of origin overwhelmingly chose the United States as the place where they would like to go. In a world shrunk to the size of a crowded room by the speed of telecommunications, where national politics cannot be separated from international developments, where people of diverse and disparate backgrounds are neighbors and must try to be good neighbors if they wish to survive, the United States has an invincible and still growing appeal. The great African-American poet, Robert Hayden, Consultant in Poetry to the Library of Congress in the late 1970s, believed that the United States, as the only major nation-state of the West founded by two or more races, as for over four centuries the destination and friend of immigrants from every quarter of the globe, as the home of the largest groups of African, Chinese, Irish, and Italian people anywhere outside their countries of origin, seems "destined to bring together all the people of the world"; America will be "an instrument for peace" precisely because it already has "all the races, cultures, and nationalities of the world in one way or another in the country."

If anyone doubts the benefit and power coming to the United States as a result of its mixed population, think of our mass arts. For almost a century now, they have been among our most reliable exports; however our cars may be faring in overseas markets, our movies and music, our pop stars and athletes, have found a warm welcome. Our mass arts, borne everywhere by the magic of the media, have provided much of the world with a common language, and they have done so because the talents that made them, men and women like Louis Armstrong and Benny Goodman, Billie Holiday and Fred Astaire, Mickey Mantle and Michael Jordan, are as racially and ethnically diverse as the nations from which they come and the world to which they go. When Abraham Lincoln, speaking at Gettysburg in November, 1863, said that "government of the people, by the people, for the people, shall not perish from the earth," he could not have anticipated that the mass arts of a century later would be one of the major vehicles of our democratic tradition, but that is exactly what they are. It can be no accident that American popular art has peaked in creativity and profits in just the decades when racial and ethnic conflict and collaboration were at their most visible—in the 1850s amid the Abolitionist crusades, in the decades before and after World War Two as the foundations of the Civil Rights movement were being laid, and today, when we face in acute form the challenges that our mixed population pose. In its best incarnations, the United States bears the trademark stamp of its many peoples.

If our mixed population has been our greatest gift, it has also posed the most severe and telling test of the American Dream. Looking at the disproportionately high numbers of our young black men now in jail, at the legal and political confusions surrounding the status of some of our most recently-arrived immigrant groups, at the poverty and drugs infesting the lives of those dwelling in our inner cities, we must face up to the fact that despite the enormous gains we have made, much remains to be done if we are to make our dream a reality for all Americans, for all "the people" that Lincoln had in mind as he delivered the Gettysburg address one hundred and thirty-three years ago. We cannot doubt that the solution lies within our reach, but we cannot doubt that we will not grasp it if we turn our backs on any of the nation's people—on the

poor, the disadvantaged, the very young, and the very old; they must not be denied the benefits our forefather and foremothers dreamed of when they christened this new land "a city on the hill," a beacon and a hope to mankind.

Sometimes visitors to the United States have seen our national character, our actual problems and our possible solutions, more clearly than we have been able to do. The Swedish economist Gunnar Myrdal, in his monumental study An American Dilemma: The Negro Problem of Modern Democracy, first published in 1944 and instantly a classic, found massive injustice attending the lives of African-Americans, yet his book was not a despairing one. He believed that "the American is on the average more of a believer and a defender of the faith in humanity than the rest of the Occidentals"; even more important, this average American is very unhappy if he is not "true to his ideals," if he does not "carry them out in actual life." How long could black and white Americans endure the betrayal of the American dream that racism involves? Not long, was Myrdal's answer. Americans are not merely idealists; *they insist on the possibility of making their practice conform to their ideals*, and in that insistence Myrdal saw better relations between the races as not only possible, but inevitable.

The great Caribbean writer, C. L. R. James, who lived in the U.S. in the 1940s, saw the American dilemma in much the same way. He explained to European and Caribbean audiences that the real American Revolution lay in the famous line from the Declaration of Independence, about "life, liberty, and the pursuit of happiness" as everyone's inalienable right. No country before America had ever said that "the pursuit of happiness" was an inalienable *right*. Europeans have sometimes found the phrase an indication of American superficiality, of the young nation's lack of "the sense of the tragic," but C. L. R. James did not. He saw it rather as the very basis of America's popular arts, and of its democratic promise: Americans have a *will* to be happy, to see to it that others are happy--this most pragmatic of nations will *do everything in its power* to ensure the happiness of its people. If "a sense of the tragic" means man's acceptance of the evils of society as unreformable, unchangeable, what good is it? America's insistence on their right to be happy is a *pledge*, a pledge to work as hard as they possibly can to conquer the obstacles barring that happiness from wide view, so that "government by the people, of the people, and for the people shall not perish from the earth."

We are a people of many races and nationalities, but we are still *one* nation, united in our pursuit of life, liberty and happiness. The time has come, not to retract the pledge offered by the Declaration of Independence and Lincoln's Gettysburg Address, not to deny it, not to rewrite it as "government by a *few* of the people for the benefit of *some* of them," but to fulfill it, to put our shoulder to the wheel, to face, and close, the still painful gap between our ideals and our practice. It is difficult, but it is not impossible, not if we include *all* "the people" in facing the problem and finding the solution. We must ask ourselves, in the words of a famous philosopher [Kant], "*What do I know? What must I do? What can I hope?*" In past centuries, as today, we have sometimes dazzled the world with the glittering array of our goods and services, but our most important product has always been our hopefulness. We can learn everything we need to know, do everything we must do, with hope as our guide. Hope is our banner, and it cannot, *must* not, be surrendered to any enemy, foreign or domestic.



Michael Eric Dyson

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Department of Communication Studies
College of Arts and Sciences
919-962-1127 Fax 919-962-3305

CB# 3285, 113 Bingham Hall
The University of North Carolina at Chapel Hill
Chapel Hill, NC 27599-3285

December 19, 1995

President William Jefferson Clinton
The White House
Washington, D.C. 20500

Dear President Clinton:

The following memo is a brief summary of a few things that I think you should touch on in your 1996 State of the Union address. I know you've thought long and hard about these issues, so I hope you view what I have to say simply as a reminder about matters that already have a dear place in your heart and mind.

Mr. President, I think of the many important subjects you should speak to our nation about, three stand out. The first is about race. Of course, you gave one of the most important, and refreshingly honest, speeches that any American President has ever given on race earlier this year. I think some of the things you said need to be repeated for the entire nation. The setting of the State of the Union address lends an additional authority to your words. When you gave your race speech in October, the O.J. Simpson verdicts, the Million Man March and the possible presidential run of Colin Powell were weighing heavily on our national consciousness. You spoke brilliantly about the pains and possibilities that loomed for our diverse citizenry in negotiating the tense, sometimes tortured, relations of blacks and whites in the fresh shadow of these events. So what remains to be done? Repeat and extend. Say some of the great stuff you said then -- including the necessity for open dialogue; the acknowledgment of history's impact on our present state of affairs; the blunt repeal of stereotype; and the willingness, indeed the mandate, to be courageous in speaking about mutual suspicions and ancient wounds.

But also extend the thrust of your basic argument by placing race in the context of the health of our collective destiny. It is true that too often we live in what has been termed the United States of Amnesia. Our raw forgetfulness -- or our simple refusal to remember -- punctures the fabric of civic tranquility and unravels our awareness of this nation's past in all its glorious achievements and in its bitter failures. We have been harmed by neglecting that past -- a point you made memorably in your affirmative action speech. You might also speak about how the great black scholar W.E.B. DuBois predicted in 1903 that "the problem of

the twentieth century will be the problem of the color line." As we stand on the threshold of the twenty-first century, will the sad accuracy of DuBois's prophecy have even greater relevance for our country, as too many of us bring our horse-and-carriage bigotry into a society travelling the superinformation highway?

You might also speak about how the D.N.A. of bigotry -- and the great black preacher and theologian Howard Thurman defined a bigot as a person who makes an idol of his commitments -- has undergone a profound change in structure and appearance, that prejudice has received a facelift, and shows up in white and black skin, in young and old bodies. In short, one of the greatest threats to our future together as Americans -- one of the biggest obstacles to democracy -- is what's been called pigmentocracy, the rule of skin privilege in deciding the distribution of this country's precious resources. We can only solve the riddle of race by acknowledging its existence, and then by getting down to the hard work it will take to ensure that the most humane and edifying features of the American dream are equally shared.

This is equally true for how we treat the poorest of our citizens, and concerns the second of the issues that I'm sure you will address: the issue of virtue and values. I know you've been in the thick of heated discussions about this matter, so I'll spare you my ten cent advice about how to implement highfalutin' moral philosophy and cut to the chase of what I think lies behind your differences on so many issues with the Republicans: a clash of visions, and more important, values. With all of Bill Bennett's and Newt Gringrich's talk about values -- and the big money they've made off of celebrating the common person's observation of simple virtues -- the callous and mean-spirited tone of so much of the Republican social agenda really does set you apart from them in spirit, and I believe, in truth. Vive la difference!

I can't differ with my buddy Ben Wattenberg when he argues that values matter most; but you already know this, as your speech about values in D.C. proved. But it's the link between values and public policy, between ethics and politics, that is so difficult to get right. That link is often broken on the backs of the poor, and literally at their expense. Too often discussions about virtue, values and morals take place in a vacuum, with little feel for the lives, perspectives, pains, failures, and triumphs of the very poor on whose behalf we claim to speak -- or, more to the point, on whose behalf we must responsibly act.

Mr. President, the demonization of poor people in our nation is so complex and sophisticated -- with Disraeli's quip still true, that there are three kinds of untruth, "lies, damned lies and statistics" -- that the machinery of dishonesty about their lives must be deliberately shut down. How to begin the process? By taking counsel of people who study poor people, and by resisting the mighty temptation to make the poor the scapegoats for what ails our nation most. Armed with such information, we can then call all of our citizens to responsibility for their behavior, including the poor.

But what is so harmful is the perception that most poor people

aren't decent, honest, hardworking folk who want the best for their children and our nation. They are! You need to say that as their President, as the most noble representative of a swath of our citizenry who, despite their vulgarized visibility, remain unknown to this country. They are viewed as "them niggers," or "those poor white trash." I know you know this -- having grown up white, poor and Southern. I know this as well -- as a former teen father who lived for several years on welfare in a Detroit ghetto and who worked in factories before I received a Ph.D. from Princeton, while my brother languishes in prison on a sentence of life for murder. We both know that poor people -- our mothers and fathers, our sisters and brothers, our aunts and uncles -- want to achieve and prosper. And what stands in their way is not values, but unemployment, hunger, harsh treatment by insensitive bureaucrats, the hostility of upper classes, and malignant indifference by too many in the middle classes. I don't romanticize the poor; they must be held responsible for their actions in a world that despises them. But to paraphrase Dorothy Day, "I want to work toward a world in which it is possible for people to behave decently." The great challenge of politics is to help make such a world possible.

Finally, I think the incredible violence of our nation has to be taken up once again. I don't simply mean debates about gangsta rap or video games, though such debates have their usefulness. And I'm not referring solely to escalating rates of criminal activity, although such activity must be addressed. I'm speaking about the addiction to violence that cuts across every demographic population in our nation. Violence, it seems to me, is not only heavily concentrated among the poor, but its lethal effects are most dramatically realized on the bodies of women and children. The stunning domestic abuse that, until late, has been a virtually invisible epidemic, must be addressed with swift and decisive action by all segments of our society. Those who are its major perpetrators -- men of every stripe -- must certainly be held criminally accountable. And the judicial logic that assigns lesser weight to the evils of harming women and children must be drastically overhauled.

The more difficult, but necessary, step is to constantly evaluate how we are spreading dangerous messages of permission to hurt and harm the bodies of the most vulnerable. Sexism and misogyny continue to show up in dreadful forms, from sexual harassment to hateful stories of retribution against women that are twisted applications of equally tortuous readings of religious texts, especially the Bible. And child abuse is so deeply intertwined with ancient, and often, vicious beliefs about the inferior position of children in our society.

Unfortunately, it has taken our awareness of the violent dimensions of everyday existence to sensitize us to how violent life has always been for women and children. By linking the violence that average Americans face on the streets of our cities to the sort of rhetorical and symbolic violence that vulnerable women and children continue to face, you might do more to put this issue on the political and public policy map than a thousand

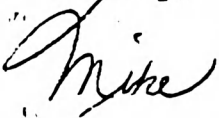
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protests or eloquent articles.

Well, Mr. President, I know your plate is full. I hope these suggestions are in some small way helpful, or at least stimulate you to think about the issues I've raised in more profound ways than I have been able to express in this memo. I'm grateful for the opportunity to communicate with you, and I hope that we might be able to speak about these and many other important issues in person in the near future. In closing, I simply want to pass on some advice to a mighty Razorback from a transplanted Tar Heel when I was a temporary Volunteer as a pastor in Tennessee, given to me by a wise old minister about "How to Stay in the Ministry" (I hope it has some relevance to "How to Stay in the White House"!).

First, he said, you have to marry the right person. Partnership is crucial. Everybody knows you've done that. Enough said. Second, you've got to learn to read in the bathroom. Read whenever you can, he said, and read more than one thing at a time. Finally, you've got to dig your well deep enough so it won't suck mud. I know you're an old country boy, and you know what that means -- that you've got to go deep, beyond the surface slime, in order to get to some substance. Well, I hope it helps.

Sincerely,



Michael Eric Dyson
Professor of Communication Studies and
Director of the Institute of African-American Research

SUGGESTIONS FOR THE STATE OF THE UNION

Peter Edelman

1. This might be a good time to remind ourselves of what Lyndon Johnson actually said in his much maligned Great Society speech at the University of Michigan in 1964. (1963-64 Pub. Papers pt. 1, at 704, May 22, 1964) He said, "The challenge of the next half century is whether we have the wisdom to use . . . [our] wealth to enrich and elevate our national life, and to advance the quality of our American civilization." "The Great Society," he continued, "is not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor." Finally, and perhaps most important for current purposes, Johnson said, after discussing a wide range of the nation's problems, said, "The solution to these problems does not rest on a massive program in Washington, nor can it rely solely on the strained resources of local authority. They require us to create new concepts of cooperation, a creative federalism, between the National Capital and the leaders of local communities."

Those words -- the real Great Society speech -- are as true today as they were in 1964. The challenge which the President might issue is a broad-gauged, broad-based challenge to all Americans to rebuild the civic enterprise. The key words here are responsibility and community. Responsibility in two senses: to take responsibility for ourselves and our own behavior, and to take responsibility for others around us in our community. Parents need to take responsibility for instilling values in their own children. Children need to learn to take responsibility for themselves. The community needs to take responsibility for one another, beginning with our immediate neighbors and people on our block, and extending outward. Churches need to take responsibility. So do businesses, trade unions, philanthropies.

This has a number of payoffs, beginning with the intrinsic value of the individual behavior and maximum involvement of private resources in the solution of problems, and ending with a much better understanding of where we need governmental involvement to fill in the gaps. The debate has become so polarized that we really need to go back to first principles. Let's think in concentric circles, from the individual, to the family, to the block, to the neighborhood, to the groups and nongeographical communities of which we are all a part, to the city, county, state, and nation.

This, after all, is the way the Constitution of the United States is constructed: from the bottom up. Government has only the powers that the people give it. The Ninth Amendment confirms that all powers not enumerated are "retained by the people." The Tenth Amendment confirms that the powers not delegated to the United States "are reserved to the States respectively, or to the people." We need to go back to first principles.

In the end, the question the President might ask is, what does it mean to be an American? In the end the whole has to be larger than the sum of the parts. We might have a national debate which re-examines responsibility at all levels from the bottom up, as I have suggested, but the question at the end of the day, beyond the question of what residual responsibility has to be assumed by the national government, is, what does it mean to be an American? What do we stand for? What is our national purpose? What is our responsibility in each and every way, from bottom to top, from the individual citizen on up to the President and Congress and the courts?

2. As part and parcel of all of the above, a major theme should be about our responsibility to help parents do their best for their children, and what we need to do to assure safe passages for young people -- all of our young people -- from childhood to adulthood. Secretary Shalala has pursued a "Safe Passages" theme in speeches and departmental materials for the past few months and has met with a tremendously positive response. The question goes beyond prevention, whether of teen pregnancy, drug use, violence, smoking, or HIV-AIDS, as important as all of those outcomes are to prevent. The question is one of positive development to full, self-sufficient participation in American society and the American economy. Every community is fundamentally responsible for its own young people. We need a national commitment to encourage every community -- every institution and sector in every community -- to do everything necessary to assure safe passages for all young people through the stormy and risky period of adolescence along the way to adulthood. This is a great opportunity for Presidential leadership, a marvelous possible use of the bully pulpit, a way to exhort and encourage the rebuilding of community and the taking of responsibility, a way to pursue public and private partnership about a subject of the greatest importance.

3. If safe passages has appeal as an idea, two types of people might be invited to be in the audience, and referred to by name in the speech. One is young people who have beaten the odds, young heroes, young people whose resilience and strength have taken them from situations of the greatest risk to great success, especially in helping others. The other is adults who are leaders of programs or initiatives or by personal example in working with young people to help them navigate and achieve a safe passage. We can provide a long list of these: Geoff Canada of Rheedlen Centers for Children in Manhattan (who also runs a Beacon school, a school which has been turned into a community center by being open at night and on weekends); Luis Garden Acosta of El Puente in Brooklyn; Khatib Waheed of Walbridge Caring Communities in St. Louis; Chris Baca of Youth Development, Inc. in Albuquerque; Yoland Trevino of the Vaughan Next Century Learning Center in the San Fernando Valley in California; and Mary Nelson of New Bethel Life, Inc. in Chicago.

I hope these suggestions are helpful.

AL FROM

A memo from Al From will be forwarded to you when it is received.

MEMO

To: The President
From: Frank Fukuyama
Date: December 22, 1995
Subject: Themes for State of the Union

The interrelated themes of trust, civil society, and social capital could be used very effectively in a State of the Union address. President Clinton has talked about these issues earlier (this was one of Bill Galston's favorite topics), but it could be made into a much more identifiable trademark for him.

There are two separate issues, one of public trust (i.e. of politicians and public institutions) and private trust, the trust that Americans feel toward one another. The public trust issue has been much discussed, and I don't know that the President can say much more on this topic. But the more worrisome issue concerns the deterioration of trust among Americans in their private relations.

Trust is the basis for voluntary organizations that constitute the traditionally vigorous American civil society noted by Tocqueville. There is considerable evidence that trust and civil society have been breaking down rather dramatically in the past generation (one longitudinal survey indicates that trust and civil society have been breaking down rather dramatically in the past generation (one longitudinal survey indicates the number of Americans saying they generally trust other Americans going from 2/3 to 1/3 of respondents over the past 30 years), as voluntary organizations decline and people feel little sense of moral community with those around them. Everyone senses that this is the underlying problem linking familiar pathologies like litigation and crime. The outcome of the O.J. Simpson trial demonstrated the total breakdown of trust between races, but there is also a fracturing of trust between men and women, among ethnic communities, along class lines, and on and on.

We need to strengthen civil society by encouraging voluntary organization and a sense of community. However, it is not possible to create trust out of thin air; it comes about as a result of shared values, norms, and experiences. You can't have community without holding something in common, but our culture has been emphasizing our differences for many years now. We Americans need to think carefully about what we do indeed hold in common, beyond the Constitution and legal system. This means to some extent a restoration of the authority of many social institutions around us, from the family to neighborhood to workplace. We also need to think carefully about how institutions in civil society can take over more, as government is cut back. The Republican assumption is that civil society simply springs back to life if the state retreats, but a good deal of evidence indicates it isn't that simple.

The themes of trust and civil society are good ones for the President at this time, because they transcend the traditional divisions of left and right and create a degree of common ground between them. That is, we want a sense of social solidarity and community, but we don't necessarily want it to take a statist form. The strong need to support the weak, but this can come about through voluntary organizations and not simply through federal bureaucracies. We need to avoid the extremes of a lonely and atomistic individualism, and of a community that can only emanate from Washington.

Garrison Keillor

Dec. 22, 1995

President William J. Clinton
The White House

Dear Mr. President:

Hasty stream-of-consciousness thoughts on the State of the Union and what you might say:

We're having a debate in Washington over the future of our country, and it's a debate that I welcome.

I welcome it, first, because I respect the other side, think they have some good ideas, and want to hear them. And I welcome this debate because we need to answer these great questions and find some common ground so we can move ahead as a nation.

This debate is not about budgets; it's not a matter of accounting. It's a debate over who we are as a people and what we believe.

The United States of America is not a country united by race or ethnic past, or by a common religion: it is our ideals that unite us. We are a democracy, a society committed to justice, a people who believe in opportunity.

Our debate in Washington is over the question: what obligations should we have to each other?

I believe, for example, that we as the people of the United States have an obligation to all of our children --- not just our own children but to all children --- to provide them, if necessary, with food, shelter, and health care, and especially to provide an excellent education.

I believe that excellence in public education is a basic principle of American life.

We need good schools.

No child can be raised by its parents alone; every child needs the support of the community. Education that is second to none and available to all is at the heart of the American idea.

Garrison Keillor page 2 of 2

Most of us are the children of public education. Our parents worked hard and they didn't have time to home school us or investigate alternatives --- they put us on a bus with some lunch money and told us to mind our manners and do what the teacher said.

The public school system is part of what holds this society together.

So is the so-called "safety net" --- the assumption we have that if we fall, we won't hit bottom.

We are a nation of industrious people --- we believe in work, as a necessity and as a privilege --- but we know that you can't always tell troubled or broken people to shape up and get a job and expect them to do it. And you can't simply throw them out in the street. They're people. They're our people. A people that doesn't take care of its own is a selfish people. Our parents who went through the Depression taught us that.

What do we believe now?

Yrs. in haste.

Garrison Keillor

Although this may fall into the category of things you do first and then talk about, what I think what the President should pursue is some domestic equivalent of the "Powell doctrine." That doctrine, as you'll recall, holds that the American military was devastated by Vietnam because it was given an unfulfillable mission, and then unfairly blamed (reviled, even) for the mission's failure. The solution to the problem was to take on only missions with a super-clear and almost certainly achievable purpose; and this has worked, in the sense that without Grenada and Panama and the Gulf War, you probably couldn't have gone into Haiti and Bosnia.

Domestically, the overwhelming political and policy reality is that people think government always fails, and hence are unwilling to accept the idea that if the society has a problem, government should solve it. I'd say the source of the idea is another of the overreachings of Lyndon Johnson, the war on poverty, which was actually pretty successful but has been portrayable in a retrospect as a failure because poverty wasn't eliminated. So far in the Clinton Administration, what appears from the outside to be the response to this issue is to try to push universal programs that don't bear a poverty/race stigma: health care, the earned income tax credit, national service.

I'd suggest a different approach, which is to take on small missions with a near-certainty of success, rather than launching large programs that would appear to have a middle-class constituency to provide political cover. Example: building safe,

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decent housing for the poor, which is something that people in the field have learned to do very well in the decades since the high-rise housing projects were built. If you can do a few carefully selected things right, and if they're the kind of things that produce visible, tangible, camera-friendly successes, then the whole perception that government doesn't work will begin to turn around, with enormous good effects. Don't, on the other hand, highlight domestic missions that are unlikely to produce visible successes (e.g. empowerment zones). The crucial variable isn't whether it's a poverty program or a middle-class program, it's whether it's an undertaking that's likely to succeed in an obvious way.

The Democrats are always going to be seen as the party of government, so the future of the party lies in being seen as the party that can make government work, and solve problems that everybody cares about.

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Fr: Will Marshall
Ro: State of Union Themes

Per your request, some quick and dirty thoughts about themes for the State of the Union address.

This is a speech to the nation, of course, but I see a specific opportunity here that should not be missed: to address the concerns and doubts of the large bloc of independent voters that will decide the 1996 election. The President needs to convey, 1) that he is on the side of change; 2) that nonetheless he's for responsible rather than reckless change; 3) that he understands the real issues that fuel the "radical middle's" frustration with the two parties; and, 4) that he is exercising Presidential leadership on trade and international policy, even if these same voters don't like the details.

1) A blow to the status quo

Assuming a budget deal, I think the President should start by driving home the point that he is the co-author of this historic reordering of national priorities. He promised fundamental changes in the '92 campaign and has delivered, especially on "ending welfare as we know it." It wouldn't hurt to point out that he pressed his reforms in the teeth of opposition from Congressional Democrats and interest groups, who in the public's mind embody the despised status quo in Washington. An admonition or explicit challenge to traditionalists in his own party to stop resisting change and join his agenda for humane and measured reform also wouldn't hurt.

2) Responsible vs. reckless change

Having made it clear that he does not side with the guardians of the programmatic status quo, the President should then remind the country of his role in moderating the worst excesses and extremism of GOP neophytes in the House. While reaffirming his willingness to work with the other party to bring about needed changes in government, he should vow to stand firm against reckless attempts to disable government from carrying out essential public responsibilities. Indeed, he might challenge Congress to go even further -- toward genuine political reform (the country doesn't think the GOP has fundamentally changed the system) and/or toward revisiting the question of a step-by-step approach to universal health insurance.

3) Seizing the initiative on reform

Next, the President should attempt to seize the political initiative by defining what's next on the public agenda after balancing the budget. An adroit statement of his governing priorities would set the stage for the campaign, highlight the inadequacies of the GOP drive to put government in a straitjacket, and preempt Perot by articulating what's really bugging the working middle class. Here are my candidates for those priorities:

- * **Economic stagnation.** The main point here is not to underscore how anxious working families are, but to make the point that the nation needs to launch new efforts to equip our workers to succeed in global competition. The President's proposals on education and the workers' Bill of Rights are good starting points. We have an inherent advantage here because GOP efforts to dismantle government will leave working people alone and helpless before the forces of technological change and globalization.

- * **Social breakdown.** If the polls are right, Americans are even more worried about social disintegration than their economic fortunes. It's important that the President empathize with this concern and show that he has some ideas for rebuilding the social order: a crime prevention strategy, measures to strengthen families (tax relief), roll back out-of-wedlock births. This is also a place to stress the vital role of religious faith in reinforcing the moral underpinnings of community life.

- * **Political dysfunction.** I don't know if the Administration has anything specific and new to offer here, but it's crucial that the President talk about restoring public confidence in our political system. Political reform proposals perhaps, but even more importantly some initiatives for dramatically decentralizing decisions and responsibility from central institutions to self-governing individuals and communities. Woodrow Wilson voiced the central theme: "government should serve society (and) by no means rule or dominate it." For him, society was "vastly bigger and more important than its instrument, government."

4) **U.S. global leadership.** Finally, I'd love to see the President close with a ringing defense of economic and political engagement abroad. He ought to defend expanding the frontiers of open trading, including NAFTA and restate the case for the Bosnian intervention. A President is inherently more credible on these matters than his parochial critics. Even though many have doubts about internationalist policies, they'll admire the President for forthrightly standing up for the national interest.

I hope these sketchy thoughts are useful.

Memo to: President Clinton
From: Walter Russell Mead
Re: The State of the Union Message
Date: December 20, 1995

Last year I urged you to move foreign policy to the center of your State of the Union message on the grounds that you could use your constitutional powers in foreign policy to control the debate and set the agenda despite the Republican majorities in Congress. I also expressed the hope that you would make full use of the ceremonial aspects of your foreign policy role -- travel abroad, entertaining foreign leaders here.

This year, when your State of the Union address will inevitably be seen as an election manifesto, you should return to domestic themes. During the year you will want to continue a program of ceremonial events and to exercise leadership in foreign policy as a way to highlight your experience in office and your standing in the world, but -- barring catastrophic developments overseas -- the election will be fought over domestic issues.

Here you have one big advantage and one big risk. That advantage, of course, is that the United States is now in the "feel good" portion of the economic cycle. You can credibly tell the American people that they are better off now than they were in 1992. Most of them will agree -- although they are still worried.

The risk is that the "feel good" window in the economic cycle is shrinking. It now takes a long, strong expansion to make the electorate feel good about the economy, while even a short and mild recession creates serious problems in millions of homes. If even a mild recession starts as late as the second quarter, there will be serious political repercussions.

But assuming that the expansion persists, your task in 1996 will be to explain to the voters why you should be trusted to manage and oversee the process of change and reform that has begun in this country. So far, you have done extremely well at making this case. You should continue to show people that you understand and support what is positive in this process, that you will press Congress to move farther and faster where it is too timid, and that you will hold Congress back when it goes too far and too fast.

The core of the State of the Union message should be celebration. The United States has made a real turn. After years of moving in the wrong direction, the country has begun to move in the right direction. We have only begun to make this change, and there is still a long way to go, but the United States is at last on a course that offers a return to the kind of America we all believe in and want to pass on.

The change we are making is above all a moral change. The changes in government policy are really only a small part of this change. The real story takes place in millions of American lives and homes as individual Americans decide to make changes. Freedom is not anarchy; it is self-rule instead of rule by others. Our government does not and should not censor entertainment, but our corporations must make responsible choices about what to present, and parents must make responsible choices about what to permit into their homes. Most decisions like this are and must remain private. Government and politics only reflect what the American people are doing, and the changes we see at the national and state levels simply reflect and echo the much more profound and positive changes that the American people are making in their personal lives.

But there are specific and important ways in which a new governing philosophy is appearing -- even in Washington -- as the American people return to their core values and as the American government reshapes itself in response. These are the themes that have shaped your presidency, and they ought to be recognized in your State of the Union address.

We have returned to the family and recognized that the family is the cornerstone of our nation and our civilization and we have begun to look for ways to strengthen the family. We now have a pro-family tax code that for the first time provides real help to working families trying to raise their children right. We have accepted the fact that welfare and other government programs should strengthen families rather than weaken them.

We have returned to faith and recognized that religious faith is not something to be ashamed of. Diversity of faith is part of our rich national heritage, but so is respect for faith. America is not a sectarian or a bigoted nation, but it is a nation of faith. We see, as our ancestors saw, the hand of God in our history, and we know that we live under God's judgment.

We have also returned to the future. We have determined that we do not want to leave our children a heritage of debt. Instead we have decided to leave them the same kind of rich heritage that we ourselves received: a fiscally prudent government, a strong education system, a healthy environment. We have moved away from the politics of consumption and embraced the politics of investment.

This is a historic turn in American life. Both parties deserve some of the credit for this turn, and neither party can claim a monopoly on it. Many Republicans may have been quicker to understand the need for restraint in federal spending than many Democrats, but many Democrats have been more sensitive to the need for protecting the environment than many Republicans. We still have differences, serious differences, but American politics today starts from a consensus on the importance of building a society that is supportive of families, accountable to God, and responsible about the future.

Because of this, you can tell the American people that the State of the Union is improving. We are better off than we were four years ago. And the policies and values now moving to the fore in American life give us every hope of being even better off four years from now.

But we cannot be complacent. It is one thing to make up your mind to do the right thing; it is much more difficult to carry out your good intentions.

Again, most of this drama takes place in private life -- the American people making good decisions about what their priorities are. What you are in charge of is the small but important role that that government plays in this reorientation, as we try to bring the size and the policies of the government in line with the enduring values and feelings of the American people.

As we move towards a balanced budget, we must make certain that the consequences do not fall too heavily on the weak: on the elderly, on the infirm, and on children. We know that welfare did not solve the problems of poverty; that does not mean that we can forget the poor, or the elderly, or the infirm. We have made some mistakes trying to do the right thing in the wrong way -- but that does not mean that we can now turn our backs on the problem.

Walter Russell Mead page 3 of 3

You can get Biblical here if you like. Neither Christ nor the prophets ever rebuked anybody for spending too much on the poor.

We know that unwise regulations can cost jobs and hurt business. But that does not mean that we can ignore our God-given responsibility to protect the environment.

We know that many of our entitlement programs have serious long term financial problems. But we also know that the needs these programs address are real needs of real human beings.

In 1996 and thereafter, it will be the job of the President of the United States to monitor the effects of these budgetary changes, and to find creative new ways to meet the real needs of the American people at an acceptable cost.

There are two areas where the process of reform isn't fast enough, and here it is your job to urge Congress to move faster. One is campaign finance reform. The lobbying bill that you signed into law this month is a start, but much more needs to be done. Public opinion demands change in campaign finance, and as long as you are president, this issue is not going to go away. You might well want to introduce a specific and detailed proposal for campaign finance reform in the State of the Union address. It will give the speech concrete substance and, properly framed, it will cause your opponents considerable embarrassment as they attempt to respond to it.

Second, the process of economic restructuring which is part of the general process of change in the economy and government is not yet working as well as it should for the average American family. The rich are doing well, corporations are making record profits, but working people aren't bringing home more money.

It is not enough for GDP to go up; not enough for corporations to make more money.

The American economy must work better for the American people. The minimum wage must rise. Child labor and sweatshop labor must be attacked wherever they appear - abroad but also in the United States. Safety standards in the workplace cannot be compromised. The food we eat, the water we drink, and the medicines we depend on for health must stay safe.

Some in Congress want to weaken these protections and to gut the enforcement mechanisms that both parties developed over the last hundred years to ensure that the American economy benefits the American people. While you are president of the United States, this will not happen.

In summary then, this year's State of the Union should capitalize on your successful strategy of identifying yourself as an agent of moderate reform, remind Democrats that you are their bulwark against excessive and cruel spending cuts, keep your options open for the future, and speak to the still unsatisfied public hunger for reform of the political system and for economic progress that benefits the average American family.

Good luck.

MEMORANDUM

To: The President
From: Nicholas Negroponte

You asked that I furnish some possible themes and text for the President's State of the Union address. I will limit my remarks to those things digital, in which America has such a strong intellectual lead. Within this, two categories: our digital demographics and our enterprise are outstanding.

When you see an --x-- this means I would have to check exact and current figures. Those numbers given are otherwise solid. Sorry this is so short. I can develop the ideas further. You catch me at a bad time and at a time when, of all things, I have been selected for jury duty.

The computer presence in American lives is utterly unique and will fashion the future of learning and leisure, work and play. There is almost no ten-year-old American who is digitally illiterate. Today there is one computer for every --x-- kids in our classrooms. Over 80% of teenagers have access to a computer at home.

Twenty million Americans are on-line. This includes a huge growth in senior citizens, 29% of whom own a computer. The result is that digital homeless are largely Americans between 30 and 55, which just happens to be that sector of our society who run companies, make laws, and hold leadership positions in communities, schools and the social fabric of our nation. For this reason, we need kids to teach parents, grandparents, and teachers alike. We have to learn from our young. The issue is more generational than economic.

Equally unique is our entrepreneurial system. Venture capital for early stage companies exists nowhere else in the world like America. Start-ups since 1990 accounted for no less than --x-- new jobs. An average of --x-- has been invested annually.

This meshes with a highly individualistic society, refreshed by young leadership and new ideas. We take young entrepreneurs far more seriously than any other nation and nurture them accordingly. This is an important trait in American life and will take on new importance as more and more people find employment opportunities on the Net.

The automation of white collar jobs and the continued re-engineering of corporate America will downsize and rightsize companies. What we saw happen to the factory will now happen to the office. And when that happens, those people will find many new jobs in electronic commerce. My personal prediction is that as many as 35% of all Americans in the year 2020 will be working for the single largest employer in the USA: "self." We need to lay the foundation now.

Deval Patrick

December 19, 1995
Draft for State of the Union
(DLP)

Some describe this age as an anxious one. Perhaps that is so. The economy is strong and expanding, but it is changing, and the uncertainties of some of that change make us worry. Our civic and political life is lively, but it is changing, too, and the extremes we see on both sides of the great debates of the day make us worry. Our social and demographic make-up is ever more racially and ethnically diverse, but its unfamiliarity makes many Americans uneasy. And into this mix, preying on our anxieties, come the schemers and the demagogues, looking for ways to exploit our differences and make points at whatever cost to common values.

But let me admonish you to remember who we are as Americans. People have come to these shores from all over the world, in every kind of boat, and built from a wilderness the most extraordinary society on earth. Self reliance, the value of family, religious faith are each essential elements of our national character, but they are not all there is to us. We are most remarkable, and most envied the world over, not for these values or for our material wealth alone, but for the ideals to which we have dedicated ourselves. And we have defined our ideals over time with principles of equality, opportunity and fair play. These are the founding principles and evolving ideals of the great American experiment. These are our common civic commitments. These are the notions that define us as Americans.

Civil rights is the struggle for these ideals. It's hardly about some abstract racial spoils system. It's about affirming our basic values and ideals as a Nation. It's about breaking down artificial barriers to personal achievement. It's about the perennial American challenge to reach out to one another, across race, across ethnicity, across gender and religion and class, and most of all across our fear and hopelessness, to grasp our common humanity and see our stake in that.

We have made enormous progress here. In the last two years alone, the Justice Department has broken just about every record in its history of enforcing civil rights laws, filing more cases, starting more investigations in more areas of the law than ever before. Fair lending, public accommodations, hate crimes, police misconduct, disability access, voting rights, gender discrimination -- all are areas in which, through enforcement and through public education, the Justice Department has made important progress against enormous odds. I am proud of those accomplishments. You should be, too.

But ultimately civil rights is deeper and more important than any struggle in the courts. It's ultimately a struggle for the American conscience. My greatest frustration with most of the public debate over affirmative action or the attacks on even legal immigration is that it ignores the American conscience and character. There is no sense of the challenge or even the importance of building a common American community, of showing people the importance of finding a way to each other. All there is is fear and myth-making, claims of the wholesale disenfranchisement of whites and men when none of the evidence supports the charge. Lost in the hysteria is any sense of our national ideals and our historic commitments. It leaves me wondering whether ours will be the generation known mainly for finally giving up on and losing interest in building a genuinely integrated society; whether ours will be the time in history when American ideals were finally abandoned.

I cannot accept that. As President, I will not accept that. Building a national community -- genuinely fair, genuinely inclusive and integrated, genuinely compassionate as any true community must be -- involves risks. Reaching out to another who is unfamiliar is not easy. But it is our destiny. This is the course which the Founders set for us at our Nation's beginnings, for which we have fought wars, civil and foreign. These are the ideals against which we must measure ourselves now, as history has past generations down through the ages. I am unwilling to abandon this commitment today. I am unwilling to turn this country away from who we are.

While we debate the abstract merits of colorblindness, the intellectual subtleties of this or that claim or remedy, there are children all over this country without help, without hope, without purpose, looking to us to learn tolerance, good citizenship and courage. We cannot lead them to the future by blaming our own brothers and sisters for our anxieties. We cannot lead them, or ourselves, out of this anxious age, by giving up our own sense of hope and refusing to face our challenges head on. We cannot lead them, or ourselves, to the full promise of American citizenship by turning away from each other and declaring ourselves too tired and too broke for the hard work and risk of building a national community.

Our problems and our challenges are real, but they are not beyond our capacity to care about and to fix. Not if we remember who we are, and what we have dedicated this country to become. Let history record that we in our time faced our challenges remembering who we are and believing finally "that we are more than our brother's keeper. That on this earth we are his savior and he is ours."

Hugh B. Price
President
National Urban League
December 22, 1995

SUGGESTED DOMESTIC PRIORITIES FOR 1996

As the millennium approaches, ours is a society in search of its soul, in search of itself. The severe economic turbulence of the last decade coupled with the profound domestic policy upheavals of the past year have left millions of Americans worried, wary, skeptical and disengaged. America must regain its bearings and restore broad confidence in "the system" before intractable cynicism sets in.

For generations, the genius of the American economic and political system has been our collective determination to make it work for average Americans, not only for the elites. That's what has set us apart from other industrialized nations.

Following World War II, when the economy was booming, most Americans were on the "up" economic escalator. The working man was the American hero. Not an American hero, mind you, but The Hero. We designed our tax and labor policies to make certain America worked for them.

When Jim Crow was defeated, we African Americans figured it was our chance at long last to jump on that "up" escalator. But things soon turned sour for those of us who were destined to work in factories. For these blue collar workers of all complexions, the city-based manufacturing economy started moving to the suburbs and eventually overseas.

Amazingly enough, those who make society's economic rules haven't seemed overly concerned about what has happened to working people. According to Peter Drucker, the noted management guru, no class of people in history has ever risen faster than the American blue collar worker. Nor has any class ever fallen faster.

The result is that, much to our disgrace, America has the widest income and wealth gap between haves and have-nots in the entire Western world. What's even worse, according to economist Peter Gottschalk of Boston College, one's chances of escaping the bottom have gotten no better, while conditions at the bottom have gotten much worse.

This simply isn't a socially healthy or politically sustainable situation. The growing alienation of inner-city youngsters, of angry and anxious white males and of those weekend militia warriors -- are by-products of the economic marginalization of working people, who believe "the system" has abandoned them.

As their resentment grows, we risk ignoring a history lesson noted by the late Christopher Lasch in his provocative book, *The Revolt of the Elites*:

In the first half of the 19th century most people who gave any thought to the matter assumed that democracy had to rest on a broad distribution of property. They understood that extremes of wealth and poverty would be fatal to the democratic experiment.

America urgently needs to implement employment and income policies which put working people back on the "up" escalator. And for those poor people who live in communities where work really is scarce, government should generate credible jobs for them as a last resort so that they, too, can support their families through work instead of welfare, and give value back to society in the bargain.

If those who make the economic rules fail to reverse these socially corrosive economic trends, they'll do America a grave disservice by driving deeper schisms between the American people and gradually undermining public confidence in the American way of life.

Economic adversity and vulnerability help explain the souring of race relations in our society. Wedge politicians are exploiting anxieties and indulging in shameless scapegoating. This triggers counteroffenses by those representing the "oppressed", with the resultant escalation of racial and class hostilities. As Dennis MacShane, a British Minister of Parliament, once said of his society which applies equally to ours: "A rising (economic) tide does lift all boats while a sinking one exposes some very nasty things on the beach."

Thus, even as we endeavor to make our economy work for everyone, we must simultaneously set about stitching back together the many communities that comprise America. That means an all-out assault on bigotry. For all the headway made since the heyday of official segregation, the pace of improvement has stalled and race relations have turned sour in recent years.

Bigotry comes in many colors and shapes -- all of them repugnant. Incendiary rhetoric. Swastikas painted on buildings. Racist epithets shouted from passing cars. But in recent months, things have taken a suddenly fatal turn. The killing of a couple by two white supremacist soldiers stationed at Fort Bragg. The deaths of seven innocent people trapped in a Harlem inferno. The death of a black driver in the hands -- and at the hands -- of the Pittsburgh police.

The victims of bias-related violence also come in all colors -- Latino, white, black, native American, Asian -- and from many parts of the globe. Their suffering should dwell on the consciences of all who would polarize the American people. Bigotry doesn't merely segregate the living. When carried to extremes, it extinguishes life.

The responsibility for promoting racial healing rests with all Americans. With those who could act, but don't. With those of us who should act, but won't. It's the collective responsibility of elected officials and opinion leaders, of institutions and individuals. As we've seen from the

Hugh Price page 3 of 3

events of recent weeks, bigotry strikes too frequently and capriciously for any of us to hide on the sidelines hoping it won't touch us or our families.

Issuing a call to action is one thing. Recommending precisely where and how we should swing into action is quite another. Let me suggest six concrete ways to begin fighting bigotry. I realize that racism won't disappear completely even if we succeed on these fronts. But it will subside. That alone would lay the foundation for renewed trust and further progress.

The six focal points for action are:

- Restore civility by renouncing bigoted rhetoric and wedge politics;
- Intensify community-based efforts to promote racial harmony;
- Eliminate police abuse of citizens' constitutional rights;
- Encourage colleges to address racial divisiveness;
- Create multi-ethnic coalitions to press for just public policies; and
- Affirm the nation's commitment to inclusion;

The grieving sister of the slain North Carolinian asked a poignant question in the wake of her brother's death: "How are we going to get along in heaven if we can't get along down here?" All Americans, regardless of their station of life, owe her an answer.

Bernice Johnson Reagon

During a recent interview I was asked to talk about the things happening in the world today that I would sing about. I informed the interviewer that as an artist I am more of a historian than a journalist. I am deeply affected by the things going on today, but I tend to be drawn to wondering about the deeper implications of the day to day events.

In the past few years, I've witnessed in the world the human capacity of violence on a scope I would think more keeping with my studies of the Middle Ages. With Somalia, I had to contend with the idea that there are human beings with high-powered modern weapons who targeted food as a method of genocide. Wanting to make sure women and children starved, they killed those who came to bring food to them. In Rwanda, the bodies filling the rivers seemed not to stop and I wondered about a world that would just let it play out and watch until a smaller band of fighters put an end to the genocide, then move in to help with those surviving the slaughter.

In Bosnia, I was particularly struck with the idea that there are young men who were willing to die to be sure they killed as many of their neighbors, who were born into a different culture and religious group, as possible. It was very hard to wrap my mind around the strategy of trying to destroy Muslims by raping Muslim women with the goal of getting them pregnant and having non-Muslim babies. Again, as with Somalia, a military strategy where men did not only fight against men, but, in a contemporary time, killing the future of the group by targeting women, children, and unborn children.

Here at home, I look at the withdrawal by society of the deal it offered young people in another time. Don't get pregnant, stay in school, and you'll have a future that's not dead end, a future with growth. Today, we live in a society where children start to get the message in second and third grade that they don't live in a society that wants them. They are obsolete material with no reward of a future with growth for going the education course. And I see children, by the time they are 9, 10, 11 years old, reverting to nature in the absence of a future that offers something better than physical-sexual indulgence, and babies. We do have a strange culture because we ask our young people to go against their natural inclinations. We say that when your body is ready for sexual activity, suspend it for 10-15 years. These days we have seen the collapse of a system that offers a promise in exchange for that suspension, so, of course, the practice of suspending sexual activity deteriorates.

I think also, that there is something wrong with a country that allows children to come into the world without a strong system of support. Here I am thinking beyond food, clothing, and shelter, to organized programs that would train the body and mind, through the arts, to call out of each child his/her creative potential. It is dangerous to live in a world where children grow up and they have not experienced the flowering of their potential as artists. One then has a society where young people are growing up underdeveloped as humans and unfit to function in a social and cultural community.

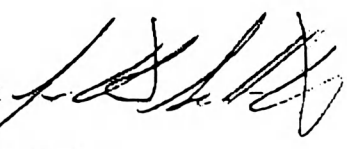
I have watched people, who won the last elections but lost their position as the majority party, not finding anything of worth in operating from a minority position. I think there is much the Democrats could learn from the best of the African American legacy in this land.

One of the strongest issues coming onto the last Presidential election was health care and the fact that not only are older people unsupported in their health needs in good and bad times, but younger people also find themselves moving out of the protection of working parents into marginal jobs that offer no health care. I watched the assault on the work led by Hilary Clinton. I guess there probably were some things missing in the health plan, however, the health plan was not as bad as we have been told. The urgency around health care as an issue was so strong that Bob Dole was calling for a health plan. But I watched the change, I feel the insurance industry executed a successful strategy that said, "we don't have to compromise, we can kill this health plan" and before they were finished, I actually saw Ms. Clinton talking about the mistakes she made, as though she was the reason the plan was wiped from the face of the earth. Still we are living in a powerful and rich society where the best care is available and people are terrified of being sick because access is denied to too many of us.

There has been a lot of talk lately about the gap between the races, but, from where I sit, White and Black people are actually closer today than ever before. We still live in a racist society; racism is systemic, cultural, political, and economic. However, coming out the Civil Rights Movement, we now have a large percentage of ordinary citizens who do not go into anxiety at the thought of people in their community who are not from the same culture, ethnic group, or race.

What happens when people get closer is they learn more about each other. If you are in the minority position you are forced to know your position and the position of those in the majority, it is essential to your survival. White folk never before had to consider that there was any other perspective other than their own. When I see White people realizing that Black people look at the same phenomenon and come up with a different position, I think that white folk are entering pre-kindergarten and beginning to learn another way of seeing. They might finally gain fluency in other peoples' stories and perspectives. This is essential for a humane, multi cultural society. We come together in this society from different histories. Our histories would never result in the same perspective. This doesn't mean abandoning ones own perspective but as part of the process of being responsible, becoming fluent in the many narratives in our world.

There is a gap between cultural and racial groups in this country, but the gaps are not the problem. The problem is an ignorance of others, "not knowing that which is not me." A side problem comes to us from the media that, upon seeing the differences, asks what is wrong. From my perspective, sometimes seeing the difference with some support and historical information, is the beginning of what is right. Those who bring us the stories of our society have a responsibility to assist us in understanding, not simply what is happening in a very surface, dramatic, sound-bite, way, but the why and how things come to be as they are.

MEMORANDUM FOR The President
FROM Jonathan Sallet 
SUBJECT 1996 State of the Union
DATE December 19, 1995

When John Kennedy described the work of government in his opening statement of the first Presidential debate in 1960, he did not emphasize the names of governmental programs or the title of governmental units. Rather, he said:

"The people of the United States individually could not have developed the Tennessee Valley. Collectively, they could have.

"A cotton farmer in Georgia or a peanut farmer or a dairy farmer in Wisconsin or Minnesota -- he cannot protect himself against the forces of supply and demand in the marketplace, but working together in effective governmental programs, he can do so.

"Seventeen million Americans who live over 65 on an average social security check of about \$78 a month -- they're not able to sustain themselves individually, but they can sustain themselves through the social security system.

"I don't believe in big government, but I believe in effective governmental action...."

The simple power of President Kennedy's formulation should be remembered: **Our government is a means by which we work together to achieve what no one of us could accomplish alone.** The emphasis is on work: Nothing more -- but no less -- than neighbors working together for their common good, and for the common good of their community.

This memorandum will briefly note two of the areas in which this formulation -- working together to achieve what no one of us could accomplish alone -- can be used to demonstrate concretely the benefits of your national vision.

Working Together For a Strong, Optimistic and Prosperous America

Manufacturing plants that both export and use advanced technologies increase their employment more rapidly, pay higher wages, are less likely to fail, and are more productive than other plants. (forthcoming Commerce Department Report.)

At a time of great economic change and shifting international relations, a clear contrast has emerged. In foreign relations, the choice is whether to be an international leader or to retreat from the world stage. In domestic priorities, the choice is whether we can, as a nation, afford to

provide healthcare for poor children. In economic policy, the choice is whether to embrace the future or be halted by fear of the unknown.

But these are all manifestations of the same choice: Must we retreat to a dark, Hobbesian world in which there is no common interest to pursue or can we as a nation be stronger, more optimistic and more prosperous by working together to achieve what we could not accomplish on our own?

Americans do not want to believe that our nation must yield to a "Can't Do" spirit. At the same time, they must be assured that we are strong, not bureaucratic; optimistic, not naive; headed towards prosperity and expanded opportunity, not satisfied with past achievement.

Economic growth, more jobs and a higher standard of living in the coming years must come from the combined impact of:

Education/Training + Investment + Trade + Innovation

In each ingredient of growth, we can work together -- while we work on our own -- to build a stronger, more optimistic and more prosperous nation. Consider, for example, trade policy, in which:

-- The Administration is strong, because it takes tough action -- which as individuals we could not take alone -- against closed markets and unfair trade practices,

-- We are optimistic, because we know that American workers are the best in the world when they are given a fair chance to compete, and

-- We are -- and will become -- even more prosperous because increased U.S. exports will create more, higher-paying jobs.

A similar formulation can be repeated for each critical ingredient of growth.

Working Together to Educate Our Children With the Modern Tools of Technology

"[T]o watch the kindergartners at Public School 76 struggling to type C-A-T on their keyboards without removing their thumbs from their mouths is to imagine that city children are chasing the technological edge." (The New York Times, 12/19/95).

Working together to achieve what no one of us could accomplish alone will not only help to communicate the substance of established policies, it can also help define a new form of national mission -- one that can satisfy your goal of technological literacy for all students by the dawn of the 21st Century.

The greatest obstacle to accomplishment of the four principles underlying your goal (computers, connections, teacher development and educational software) is neither technological nor pedagogical. It comes from the need to answer one question that will be posed by taxpayers, parents, teachers and students in every community: "Why in a time of limited resources, should we make the special effort to ensure that our children are using computers to help them learn?"

The answer -- that our children will be stronger, more optimistic and more prosperous if they are equipped with the tools of technology -- should be phrased in terms you might use with a local school board, in a teachers' lounge, or in a classroom. Because, as you articulate the future in which children learn and earn more -- you will be symbolizing the federal government as leader, catalyst and guide.

You will establish a new form of national mission by uniting Americans to contribute their own efforts, not simply to rely on the government, in support of goals that could not otherwise be accomplished: More parents involved in their children's education; more teachers working together to improve their classroom skills and curriculum; and more students, particularly children in rural and urban schools, learning more by sharing new educational resources.

* * * * *

In the last sentence of "The Sound and the Fury", William Faulkner wrote, of Dilsey and other characters, "They endured." But some years later when he accepted the Nobel Prize for Literature Faulkner said, of all of us, we will not merely endure, we will prevail.

Your description of how we can -- and why we should -- work together will demonstrate that we need not merely endure, but that we will prevail.

Simon Schama
(excerpted)

"The emphasis in this State of the Union speech should surely be on *union*. The goal, politically should be to profit from public perception of the Republican Congress, especially its "revolutionaries" in the House, as an aggressively divisive force. The *implication* ought to be that there is another, broader Republican party (Powell, the centrist "coalition") that better represents the country's interests and values. Indirect reference to those kind of Republicans - Lincoln (on protecting the union), Teddy Roosevelt (on the environment); Eisenhower (on understanding America's commitment to peace through strength) will make the point.

The goal for the millennium is change without bitter division; to make for "a more perfect union." Accordingly, the President's emphasis should be on what connects us all as Americans: a thriving, robust and dynamic economy, yes, but (in the tradition of those Republicans of the past), a commitment to helping those who through no fault of their own (sickness, natural disaster; being born to, or raised in dysfunctional families) are not penalized or handicapped for the rest of their lives, or left on the social scrapheap.

In foreign policy, (where there is a great deal now to be proud of - what post Truman President has a *better* record?) - Haiti, Middle East, Ireland, Bosnia - the appeal ought to be to a long tradition, accepted and promoted by administrations of both parties - that our national interest may often be served by acts that also happen to be morally sound; that in the globally-connected world, we can't any longer retreat into a surly isolationism, any more than individual citizens, or states can survive solely by protecting their own narrowly defined interests. Remind the nation that in the 1930s and 1940s there were those who said "what business is it of ours?", "why should we protect Berlin?" etc. The theme to sound as strongly as possible is the connectedness of our American lives - across income groups and ethnic groups...

Stress the precious heritage of America's landscape: its staggering variety and richness; something recognized since the presidency of Lincoln who created the first wilderness park at Yosemite. What has been understood since then, is that the American landscape (like the Alaska Arctic Refuge or the Old Growth Forests) aren't just marginal concerns for a few of us. They speak to the essence of what it means to have the gift of America as our backyard; what being American is. And that goes not just for those who can manage (as millions do each year) to enjoy the wilderness parks, but for those less privileged in the inner cities who need parks and playgrounds....

This is the place to insist on the strength of America coming through a long inspiring process by which, generation after generation, immigrants and natives, have made the journey through education to a better, richer and freer life. We neglect this at our peril. Against the abrasiveness of the "me-first", culture, surrounded by security fences, loaded with weaponry; obsessed with protecting whatever patch we think we live on (our neighborhood, suburb, state) against "outsiders" we need, more than ever a truly inclusive

America. Education is our best hope, as important to us in the years ahead as our military arsenal has been in the past half-century. We neglect it at our peril - for we can be certain that our competitors in Europe and Asia do not. To price a college education out of reach for all but a rich minority, or to burden the young with a crushing debt, is every bit as short-sighted and unjust as to saddle them with our budgetary woes.

Education does not begin and end in the schools. And in the electronic age we need, more than ever, to ensure that all our citizens have access to the humanities and arts without which (as Jefferson knew) democracy itself withers on the vine. So very little of our resources go toward the great glories of our cultural life - art and orchestras, jazz and poetry - that these too are things that we should cherish as a common treasure...

Closing emphasis ought really to be on the coming millennium as a crossroads for American history. Draw a picture of the "ages" of America: revolutionary youth; it's mid-life crisis (!) in the Civil War; its maturity as a world power. Through all those times, the American people, masters of their own house and destiny have had the instinctive wisdom to balance the demands of the market (which have been uniquely brilliant at satisfying), with concern for those who need help to take advantage of the freedoms and opportunities that America offers. Sometimes, demonstrating that concern is painted as "un-American." The greatest and wisest of our leaders -- Franklin Roosevelt and Lincoln -- have been so described. But if America is about individual freedoms, it's also about shared responsibilities: the kind that is shared by families; by communities and churches. So it is with our Union."

Fred Siegel

STATE OF THE UNION SUGGESTIONS FOR THE PRESIDENT

> UNPRECEDENTED PERIOD OF CENTRIST FORMATIONS: Third parties and third party formations in the US usually occur on the left or the right. What makes our era unique is that today's breakaway activity is in the center: there is a) Ross Perot b) the Concord Coalition/Secret 7,6? and c) DLC/PPI Third Way. There are obviously important differences among all three. But what the President might point to is that today most of the intellectual ferment is in the center. He can use this unprecedented development as a way of a) suggesting that the Republicans, having had their chance to seize the issue agenda, have blown it and b) that he is again connected with the ideas that are shaping the future.

The Perot party could turn out to be something like the German Free Democrats, a party that has no chance to govern but serves as a balance wheel. More important for the President is the British example where the Labour resurgence can, in large measure, be attributed to the way that Tony Blair has reintegrated the ideas and (even some of the individuals) involved in creating the now defunct British centrist breakway, the Social Democrats.

> THE STATE OF RACE RELATIONS: the President ought to use the state of the union to draw the parallels between the Fort Bragg killings and the Harlem massacre. He could note that both draw on the same historical inspirations. The soldiers exulted in Nazi regalia. The mass murderer in Harlem and his key supporters were avowed followers of the 1920s and 30s Afro-Fascist Marcus Garvey. An admirer of Mussolini in the 20s and Hitler in the 30s, Garvey was an early hero of Louis Farrakhan. All of the arguments the president made so eloquently about the climate of hate that led to the killing of Prime Minister Rabin applies to the Harlem situation. There as in Israel murder was made respectable not only by the silence of respected leaders, but by the willingness of established politicians and journalists to fan the racial flames when it was in their interest.

The president also might note the parallels between racial extremism, white and black, and Marxism. All preach the doctrine of irreconcilable differences which make debate and discussion moot. He might note the tragedy of our having defeated one version of this kind of doctrine abroad only to see it rise at home.

Fred Siegel page 2 of 2

> DEVOLUTION: Speak to the vast majority of Americans who favor more localism by pointing out a) sending power back to the states is not the same thing as sending power back to the local city and county government people are closest to. In fact in the case of New York sending money to the fabulously inept and corrupt state legislature will have terrible impact on the state's big cities. Cite Savannah Mayor Susan Weiner who heads a group of 200 Republican mayors who say that "American city's are dying, and we want the revolution to happen in our cities. Right now all we're doing is replacing one form of tyranny with another."

A FEW BRIEF POINTS BY WAY OF PARTIALLY TACKLING THE ISSUE OF GROWING INEQUALITY

> The issues of NAFTA and growing inequality are meshed in many people's minds. The public is by now well aware of the Mexican debacle. And in many areas people know that their local economies have been, up until now, more hurt by NAFTA than helped. You might want to speak to those populist concerns by acknowledging the problems with NAFTA without repudiating free trade. You might even want to suggest that we might have better expanded free trade by beginning with Chile before Mexico.

> Welfare reform: here on the question of time limits, you might point to the fact that for many hard working low income workers, welfare is their form of unemployment insurance.

> Revitalizing the cities. a) the greatest inequality in America is now found not in rural America but the big cities. You might want to talk about the new "can do spirit" of some big city mayors including Milwaukee's Norquist and New York's Giuliani. Here you could talk up the need not for more social programs but for more minority entrepreneurs to take advantage, a la Michael Porter and Jan Rosenberg, of the economic opportunities offered by urban densities.

> Public order: you and Attorney General Reno have struck a powerful chord with your interest in maintaining public safety in the schools. You could talk about the way that uniforms and/ or dress codes contribute to a school atmosphere that gives the most disadvantaged students a better chance to enter the mainstream.

Terry, I hope this is helpful. If you need to talk I'm at home: 718 941 7352 or 718 693 0609

MEMORANDUM FOR THE PRESIDENT

From: John Silber, President, Boston University

Mr. President, the most urgent priority facing the people of the United States is the restoration of their public schools to the successful role they played in the development of America from the first settlements up to the Second World War. During that span, these schools met the high standard implicit in Jefferson's dictum that democracy requires an educated citizenry. But today they are failing even to impart basic literacy to millions of our children. This failure at the start of our children's schooling—unique in the English-speaking world—sets the stage for snowballing failures as they move through school. Illiterate students are condemned to devastating boredom in the classroom. It is no wonder that they drop out.

The education goals for the year 2000, first advanced under President Bush and made law in your administration, are admirable goals. But they are no more than good intentions unless we adopt means for their implementation. And no implementation will be possible without assuring literacy at the start of the school years. If the schools do not teach all our children to read and write, it will hardly matter what else they try to teach.

A hundred years ago, all American children of normal intelligence learned to read as a matter of routine. And then the schools began to teach English as if it were Chinese (that is, as if spelling were unrelated to sound) and literacy plummeted. This fact has been partially masked because the Census Bureau decided to define "literacy" not as "the ability to read and write" but as "the completion of five years of school." As a result, Americans read in their almanacs that their country is 97% literate. But the National Assessment of Educational Progress, which measures results rather than time served in the schools, tells a different story: two out of three Americans do not read and write well enough to do high school work.

Astonishingly, citizens have largely accepted the decline of literacy as if it were inevitable. I suggest that you use the bully pulpit to publicize this failure—the cause of so many other failures, in the schools and throughout our society. And more than that, you should work with the Congress to condition all federal aid to the schools on an acceptable performance in imparting literacy. The right to literacy ought to be treated as a civil right, and schools that abridge it should be denied federal support just as if they had abridged any other civil right.

The evidence suggests strongly that the phonetic methods that taught generations of Americans to read and write can end the scandal of illiteracy. Aid, however, should be withheld not on the basis of methodology, but of results. When the schools realize that they are being held accountable for basic literacy, they will choose methods that work.

John Silber, page 2 of 2

Such a proposal is not a panacea. The Education 2000 goals identify a number of other crucial problems. Nor is it an instant fix. Even if the nation were to set itself on the path of guaranteeing literacy, it would be decades until the terrible damage we now inflict could be undone. But such a guarantee is an essential first step if we are once again to have schools worthy of our children.

Over time, the benefits would be immense. Once all students left the early grades fully literate, the later grades would become genuinely educational. Dropout rates would plunge. High school graduates would be prepared not merely to earn a living but to pursue personal self-fulfillment. And the United States would have a workforce able to compete with the workers in other countries around the world where literacy is taken as *sine qua non*.

And there is no other solution to the problems of crime and welfare. In our technologically advanced society, illiterates have little opportunity to earn an honest living. They must choose between crime and welfare.

Americans have become cynical over the phrase "Education President." But you were a genuine Education Governor. And even those who do not agree with your dispatch of American troops to Bosnia recognize the political courage that informs your policy. Literacy is the domestic equivalent of Bosnia. Solve this problem and no other and yours will be judged an historically great administration.

Deborah Tannen

Contentiousness in Public Discourse

Politics is inherently oppositional, and our two-party system has served this country well. It's protected us from the factiousness of multi-party democracies, where elections can result in no one receiving a majority of the votes. But in recent years, the intensity of contentiousness has mounted, and the cry of opposition has risen to a screech. Disagreement has slipped into disrespect, and even to hatred, as some demonize those with whom they disagree. We all have a thirst for meaning in our lives, but meanness quenches no one's thirst; it only makes us thirstier. At times it seems that our country has turned on itself, rather than on the challenges that confront us. Hatred eats at the person who harbors it from the inside, and tolerance for hatred weakens a nation as surely as the crumbling infrastructure of our bridges and roads. We must learn to work together as strivers in a common pursuit, with differences, yes, but also with mutual respect. We must learn to talk to each other -- and also to listen.

[The refusal of the Republican Congress to pass a continuing resolution, as has always been done in the past, while we worked out our differences, is evidence of how dangerous this level of contentiousness can be. The assassination of the Israeli Prime minister following extremists' hate-filled rhetoric is a warning to us--the more tragic because Rabin's offense was that he sought peace for his people. We have our own examples: In New York City, store employees murdered following hate-filled demonstrations aimed at the race and religion of the store's owner. Extremists have turned their respect for life into a murderous rage at women who are forced to end pregnancies and doctors who help them. They target a doctor who performs legal medical procedures, then a lone gunman decides to murder that doctor. We can lower the number of abortions performed by lowering the number of unwanted pregnancies, not at the cost of the lives of women. There have been incidents where aimless anger has been turned on immigrants.]

Resist Scapegoating Immigrants

The greatness of the United States has always resided in our respect for difference: the early settlers came here to escape religious persecution. We must not fall into the spirit of intolerance that caused the founders of this country to leave their homelands for the new world. Most Americans are descendants of immigrants who came to this vast country to find a better life for themselves and their children. Though we clearly cannot open the doors to everyone who would like to come here, let us not turn the newest immigrants into enemies.

We face challenges enough without wasting our energy and spirit attacking each other. We must work together, Democrats and Republicans, men and women, Americans born here and Americans newly arrived, to strengthen our economy, create more jobs, bring down the deficit, and strengthen the middle class.

Support the Middle Class

The strength of this great nation is its middle class. We have been a country where workers could afford to own homes and automobiles, where everyone could live in sanitary and safe

Deborah Tannen page 2 of 2

conditions, where everyone could vote. Now we are in danger of becoming a nation of rich and poor, where owning a home or a car slips from the reach of those who work hard day after day. [A recent article in The New Yorker gave a very moving account of a working couple who were middle class 15 years ago and now are poor.] Let us not pull the rug out from under people who work hard at unskilled jobs, and the newly arrived, denying them health care and basic benefits. Let us not change America from the land of opportunity to the land of [impecunity? enmity?].

Redefining the Role of Government

The Hippocratic oath tells doctors, "First, do no harm." But we don't want doctors to stop there. We look to them to ease our suffering and lengthen our lives. Now many people are calling for government to do no harm, hoping it will not intervene unnecessarily in individual lives. This is a laudable effort. But with government, too, doing no harm is not enough. With no government action we would have no highways, no public transportation, no space program, no environmental protection, no military protection of our nation, no protection of the very individual rights that anti-government voices seek to protect.

We are at a crucial turning point, redefining what we want our government to be. There have been times in the past when America was isolationist in the world and did little for its citizens at home. At home, when the Great Depression struck in 1929, the government offered virtually no help to its people. With no unemployment insurance and no social security, people were tossed out into the street beside their furniture. People lost their homes, their life savings, their hopes for the future; some jumped out of windows rather than face the world with no safety net. Because of our isolationist foreign policy, when the surprise attack on Pearl Harbor occurred, we were a nation unprepared for war. Then we learned from these lessons and entered a phase of activism, when America saw itself as the protector of its citizens and of the world.

We understand now that we cannot continue in either of these roles exactly as before: We cannot keep trying to do everything for everyone at home and abroad. But neither can we return -- we do not want to return -- to the isolationist international and do-nothing domestic policies of the past. We must decide when we cannot intervene, but also when it is noble to do so -- indeed, when it is our moral obligation to act. We must limit government intervention in individuals' lives, yes, but we must not deny the government's responsibility to do good for its citizens and its land as well as in the world. (Reference to Haiti, Bosnia?)

Economy with a heart

This administration was the first to lower the deficit since (year or administration name). But we must balance the budget while preserving justice and compassion, and recognizing the government's responsibility to serve the citizens who support it with their taxes. We have made great strides toward balancing the budget, and we will reach our goal. But in this pursuit, let us not lose our souls. We must tighten our belts but not cut off circulation entirely. We will practice discipline and economy--with a heart.

The American people are concerned and sometimes confounded by developments in Washington, especially as this Administration and this Congress work to make the federal government smaller and as we grapple with complex developments on the international and domestic scenes. As President Kennedy said, "To govern is to choose," I believe that the choices we will make in the next year will determine much about who we are and what we can expect from ourselves and from others.

Domestically we face profound challenges and exciting opportunities. This Congress is determined, and rightly so, to cut down both the size and influence of the federal government. This Administration is the first actually to reduce the size of the federal government in the history of the Republic. So I believe that both goals are possible, but I believe equally that both are fraught with dangers if they are not done deliberately and judiciously.

Many Different Arenas in Our National Life

We must always remember that there is not one national arena, or one dominant theme in our public life. Just as there are many facets to an person's life – family, church, work, community – there are many facets to our national life. Among the three most prominent of these are: the arena of public morality, the arena of social opportunity and the arena of economic life. This Administration is committed to the proposition that the playing field in each of these arenas must be level for each player and open to all.

1. The Moral Role of Government

The founders of our country recognized that religion is too important to permit government intrusion. It is an attitude that has proven to be both wise and farsighted. The great religious traditions of the world have taught basic moral values that would be impossible for any government to improve upon. What government can do is to ensure that each religion has the opportunity to preach freely, and without fear, and to practice its beliefs. What government must never do is favor one creed above another. It must never decree belief or acquiesce in the mistaken notion that anyone has cornered the market on truth. With regard to questions of religious belief the government must remain neutral.

That does not mean that government should ignore moral issues — far from it. On a broad range of issues, all great religions and ethical systems are in agreement. Just as there is no doubt about what constitutes murder, there is general agreement on the importance of charity towards others, about what is proper adult responsibility for children, and about the role of violence in the settlement of disputes. But where there is not broad general agreement the government must tread lightly. It must lead by examples of fairness and caring for those who find themselves in need. We must remember the biblical injunction that "to whom much is given, much is asked." While firmness in faith is a virtue, we must also be firmly committed to the liberty that allows each to find his own way. There are many paths to God, intolerance is not one of them. In areas of religious belief this is especially important. Yet there are those who would force a particular time, place, and manner for prayer on all children no matter what their religious tradition. That attitude is an attitude of intolerance, and this Administration will oppose it. I believe that we ought to support the right to pray, but we ought not to impose the obligation to do so.

Our history has shown that where there are wide and responsible differences in moral judgment it would be a mistake for the Government to enforce a particular vision of morality on everyone. For government to begin to enforce debatable moral positions on the citizens of the republic would be to start down that slippery slope of intolerance that will eventually threaten all that we hold sacred. The government can act to encourage moral behavior, but it cannot impose it. We must oppose those immoral elements of our society through strict enforcement of our criminal laws and by not interfering with the moral actions of individuals.

2. Ensuring Social Opportunity and Inclusion of All in the Promise of American Life

Let me turn to another arena where we can learn from our successes and our mistakes. Our nation's history of ensuring equal opportunity for all reveals a record that should give us pause before turning control of affirmative action and equal access programs back to the states. There are members of this Congress who would have us believe that programs that have strengthened equality of opportunity have failed. I think that every African-American and woman legislator, judge, and politician at every level of American political life is a living refutation of that

claim. Before we made a concerted effort to open the doors of opportunity there were virtually no African-Americans involved in the political process at any level of American society. Since then the participation of women and those who had previously been excluded has become almost commonplace. That is a good thing. There is still a lot to be done and a long way to go before we reach a truly color-blind society, but we should be truly proud that we are the first nation on earth to attempt to reach that goal and to put the divisions of race, ethnicity and gender behind us.

This Administration is committed to that goal, and, while we may need to fine-tune such programs as affirmative action -- adjustments that recognize the strides that have already been made, but which also admit the need for continued work to achieve true equality of opportunity for all minorities -- the goal of true tolerance and equality will not be achieved by denying the positive legacy of the past. Our commitment to leveling the playing field of opportunity stands as a monument to the true humanitarian impulse, and it stands in stark contrast to the intolerance, segregation, Jim Crow laws, lynchings and repression of the states-rights era that preceded it. This Administration will not countenance a return to that era.

Naomi Wolf

'State of the Union' Notes

Between the last Presidential election and the next one, America will have undergone a profound paradigm shift. It will have made the belief system and language of the last election obsolete. The State of the Union will be delivered at the floodpoint of this transition. This paradigm shift must be understood completely because the national agenda that the speech will introduce must articulate this current shift which is still so new it has not yet been fully identified.

Let me explain the paradigm shift by describing the most powerful 'story' now becoming current in the culture. It is a story very much tied to the millennial fears and hopes that will accelerate as this century closes, and that will be increasingly focused on the men who contend for the Presidency in 1996 -- the administration of the millennium. It is a story tied closely to recent historical events, and it goes like this:

We are in a time of tremendous historical consequence. Material concerns become important not in themselves, but as tools to express this shift in the dominant belief system. There is a sudden urgency to the decisions that we make, every one of us, because, collectively, they will decide our fate. Increasingly, the American vocabulary will abandon the moral relativism of recent years and become more and more comfortable with the language not only of 'right and wrong' but even 'good and evil'; 'civilization and barbarism'; 'honor and dishonor'. Such distinctions become sharper because, in the Judaeo-Christian tale of the millennium, there are two unambiguous sides, and you'd better choose which side you'll be on. Depending upon our choices, the current 'story' goes, we are entering either a time of increased warfare, brutality and suffering or -- and this is the hopeful outcome that is predominating in this narrative -- we will have mastered a great, almost evolutionary, leap in human consciousness. We are learning at last what Einstein called 'a new way to think'. This successful evolution in consciousness -- this 'awakening', as it is often portrayed -- will usher in a new era, which has already begun, of global peace, cooperation across racial and ethnic lines, and a sophisticated recognition of our mutual connectedness that will allow us successfully to avert environmental, social and other forms of disaster.

Indicators of this 'story' range from poll data about recently increased belief in divine intercession, to a Marian movement of escalating popularity devoted to apparitions in Bosnia and Rwanda that, believers claim, foretold violence and warned of the need for global peace, to a bicoastal eco-millennarian movement, to recent shifts in elite media coverage, novels and movies that imagine the 'awakening' of a President in office, all the way to the Harvard Medical School conference on documenting the physiological effects of prayer. What we as a nation long for and are willing to believe in 1996 is very different, I gather from reading these straws in the mounting wind, from what we longed for and believed in 1992.

According to this paradigm shift, people believe that the momentousness of this point in history has less to do with economic issues in themselves -- or with any of the material concerns that dominated the last election as well as, traditionally, the lexicon of Democrats in general -- than with what can only be called the question of what constitutes the purpose of an individual life.

You can see how this paradigm shift is determining the reception of your

Presidency. The most compelling moments of your leadership, according to their popular reception, had to do not with technical achievements but with those moments when you acted within this millenarian drama of guiding this collective leap in consciousness toward greater tolerance and peaceableness: the Million Man March speech and, of course, the trip to Northern Ireland.

Understanding this paradigm shift should determine not only the agenda set forward in the State of Union (as well as its language -- very important); it should determine the shape of the very vision of what a millenarian Democratic administration does; how it is different from past, less enlightened Democratic administrations; and how it puts the Republican vision into the dead shade of history. Until now, the Republicans have had an easier time putting forth a vision than we have had; too often (even at its most effective, as with the budget fight) this administration is perceived as fighting a rearguard action in terms of a vision.

But with a clear sense of this shift in popular reality, our counter-vision becomes clear as well: Republicans believe in slashing government? Fine; we no longer believe in government as a 'doer of goodness' for others; that is morally inert, as well as ineffective. Rather, *we now believe in using government as a catalyst for individuals to achieve what they increasingly hunger for: the chance to do acts of goodness in their everyday lives.*

Two of the proposals I know of beautifully illustrate what should be this shift in your explanation of our vision: the proposed \$500 tax break for adopting abused and neglected children, and the incentive for corporations to hire welfare recipients. Other proposals should be re-explained: we need education to build our 'ethical empire' and to act effectively as peacemakers among ourselves: hence the tax credits for retraining, the free two years of community college. Other suggestions of my own: we need to let kids stand up as peacemakers in their schools; school uniforms help gang-racked inner-city schoolchildren say no to gang warfare. We need to speak together with one voice to build our precious American civilization: hence, an Israeli-'Ulpan'-style program -- 'Language Boot Camp' -- in which, within three months, any adult can become literate and any immigrant can master English. This turns the 'English-first' issue away from division and exclusion into an issue of unity.

Your theme is: The Ascent of American Civilization. Explain that 'civilization' includes the roots for 'citizen' (responsibility), 'civil' (decency), and 'community-dweller' (tolerance). Explain the lessons we should learn from other great civilizations in history that failed or thrived -- the lessons of Britain and of Rome: what good does it do us to be 'Number One' in terms of production and military might if our national soul is corroded? And, positively: we are poised to transform what it means to be an empire, a light unto the nations: the past year has seen us chisel a record of achievements that illustrate this new era's values: from the Oklahoma City bombing to the OJ Trial/Million Man March to Bosnia to the budget, we took moments that seemed to be about the darkest elements in the human spirit and did the hard work of turning darkness to light, division to unity. This new form of heroism is not as dramatic, perhaps, as the conquests and us-versus-them clarion calls of the past; but it is the new work of nations, and most particularly of this newly skillful, newly world-necessary American civilization, that once more, for a transformed and transformative time, can teach the world what illumination really means.

EXCERPTS FROM SUBMISSIONS

"If we do not learn to live with and genuinely respect our differences, we will be united in the loss of what has made us the great nation that we are."

-- *Johnnetta B. Cole*

"The Republicans suggest that we deal with this fear and anger through withdrawal and isolation. Fend for yourself. Draw inwards; curl up and protect yourself. We can literally move away from each other, and we can even use technology to further our isolation, replacing real community with virtual neighbors. Rather than addressing our problems, we can flee them, setting up our own individual lives, living and sharing only with people who are like-minded. Notions of community and national identity are replaced by self-interest and "devolution" to isolated clusters. We should abandon the concept of being one place and one people, substituting instead 50 states, hundreds of cities and thousands of towns. A world of boundaries, walls and gates. That is the Republican alternative.

The President's vision follows the pattern of success used to meet the challenges of the past. Not only is it wrong to separate ourselves one from each other -- it is self-defeating. When we faced world wars or great depressions, the formula was simple. We recognized that the challenge posed was a common threat and could be defeated only if we acted communally - not individually. This formula has worked repeatedly and has built the greatest country on Earth. Rather than building gates and walls, we built bridges: between people and places. The longest and strongest on the planet: binding, connecting, and weaving a fabric from one end of the country to the other.

That's what we have to do now that we are faced with challenges of globalization and international economic transition that affect us all together. We either face these challenges together or we fail alone."

-- *Andrew Cuomo*

"Tell government you *demand* to be proud of it again. Set your standards high. The results will astonish you."

-- *David Gelernter*

"For decades we have worshipped sameness; the rule must apply to everyone exactly the same everywhere. But people and places and times are all different. Life is too complicated. This false idea of sameness has led to law books so thick that almost nobody knows what's in them. It's frustrated Americans almost to death...

I know that, in the best traditions of America, Americans will understand that government must seek the balanced solution. The best allocation of the school budget may mean different things to parents of one child than to parents of another child. But this difference of view should not be approached like a battle in court where parties only think of their own selfish interest. It is the hallmark of a strong society that the citizens temper their demands, understanding that there's always another side to the issue."

-- Philip K. Howard

"You mustn't retreat on your support for protecting minorities from discrimination, including lesbians and gay men. Civil rights must be part of your agenda, and you mustn't be seen as apologizing or hemming this support in any way. When a beleaguered minority sees its civil rights as being set on a back burner it experiences the setback as a betrayal, a concession to bigots and theocrats. You must articulate an unswerving, unalloyed, uncompromising defense of pluralist, secular democracy. You must warn the American people of the unthinkable alternative to a passionate commitment to justice and liberty. The dangers presented by anti-democratic, anti-pluralist, theocrats cannot be overstated -- and you have to state them.

You must announce yourself a champion of an end to racism of all kinds in America; you must dedicate your presidency, and the country you lead, to the abolition of the effects of racism. Again, the Right has won a rhetorical war, making it difficult to speak about racism, setting the terms of the debate entirely in terms of "personal" morality and responsibility. You must recast the debate, return the country to an understanding of the gravity of racial and other forms of discrimination, forge a vital, dynamic link between individual responsibility and social, collective responsibility; you have to talk about creating the preconditions for personal morality by giving the poor the support they need to live. I believe you can do this. You have the eloquence and the authority. Words, of course, aren't enough. You must support affirmative action, poverty, education, child care and jobs creation programs, and anti-discrimination legislation which includes sexual orientation."

-- Tony Kushner

"A great American poet once wrote a poem that became a hymn.
'Once to ev'ry man and nation,' he wrote,

*Comes the moment to decide,
In the strife of truth with falsehood,
For the good or evil side.
Though the cause of evil prosper,
Yet 'tis truth alone is strong;
Though her portion be the scaffold,
And upon the throne be wrong,
Yet that scaffold sways the future,
And, behind the dim unknown,
Standeth God within the shadow
Keeping watch above his own.*

James Russell Lowell, 1845,
The Hymnal of the Protestant Episcopal Church, 1940

Washington is a place of dreary politics; and yet for all the dreariness, great questions are raised here, and, one way or another, they are answered. The question of whether America belongs to its people, all its people, or only to those who are wealthy enough to be called its owners is upon us again. I know which way I shall decide, and I call upon others who honor the America I honor to join me."

-- *Jack Miles*

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Divider Title: Foreign Policy Contributors

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

MEMORANDUM FOR: THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: STATE OF THE UNION

DECEMBER 22, 1995

I have asked a number of foreign policy experts and thoughtful commentators to provide a page or two of their thoughts in preparation for the State of the Union.

The four memos we have received so far from Bob Hormats; Ronald Steel; Adrian Karatnycky; and Jeremy Rosner, are enclosed. By early next week we expect additional memoranda including those from the following individuals:

Mort Abramowitz

Fouad Adjami

Michael Beschloss

Zbigniew Brzezinski

Hodding Carter

Al From

Les Gelb

Patrick Glynn

David Gergen

Brian Hehir

Max Kampelman

Penn Kemble

Richard Solomon

Will Taft

Bob Hormats

Below are a few thoughts for the State of the Union Address:

SUGGESTIONS FOR THE PRESIDENT'S STATE OF THE UNION ADDRESS

We are nearing the end of this century and the end of this millennium. As we approach the new millennium we need to be strong at home and strong abroad – to ensure that our society remains dynamic and cohesive. That is the legacy we must leave to the next generation of Americans. That will enable America to shape a world in which our interests and our values can thrive and, in turn, can reinforce our own prosperity and security.

1995 was the best year for the American economy in the last two decades. The US economy registered the fastest rate of growth of any major industrialized country. We created XXX millions of jobs. Our stock and bond markets have soared; that increased the value of the pension funds and mutual funds of millions of Americans. Once criticized for our large budget deficit, the US now has the lowest deficit among the large western economies. Our declining deficit has made lower interest rates possible and shifted more funds into productive private investment which, in turn, has led to declining inflation for American consumers. Continuing to cut deficits, increase productive investment and control inflation will leave a great legacy for the next generation of Americans.

American industry has undertaken a dramatic transformation resulting from extraordinary improvements in management and worker productivity, the rapid introduction of new technologies and significant measures to hold down costs. Once regarded as slipping behind in the global competitive race, American companies, American workers and the American economy are now powerful global competitors. Our currency has strengthened, along with investor confidence in our economy. We are leading in virtually all the new

technologies that will be critical to our growth and economic power in the 21st century. I intend to ensure that we continue to give our children the foundation to achieve new technological miracles in the decades ahead.

A strong economy is critical to America's global power as we approach the 21st century. In many parts of the world it gives our country even more influence than our preeminent military power. We are using this economic power to press for more open global markets, to support economic reform and free enterprise in countries moving from communism to capitalism, to rebuild areas ravaged by war and instability such as Bosnia, Gaza and Haiti, and to promote more stability on international financial markets. All of these efforts are critical to our future. At a time when American industry is at its most competitive in decades we need to continue to press for an open world economy – not succumb to pressures for trade restrictions at home or allow other countries to do so. Our economic strength enables us to approach the global economy with renewed confidence and purposefulness.

But American economic strength and dynamism – while enormously beneficial to most of our fellow citizens – has also required painful adjustments. The flexibility of our work force, its ability to adapt to the accelerating pace of technological and competitive changes, is a great strength. But it also means less economic security for many and a more unsettled work environment. We cannot ignore this. Job insecurity and wage stagnation are problems for large numbers of our fellow citizens. Our goal is to broaden the benefits of prosperity and to ensure that those who do not immediately benefit from our nation's growth and prosperity do not suffer the insecurity of the collapse of their incomes or of their health care and are assisted to obtain the tools to contribute to the country's economy.

If our less trained and less educated citizens fall further behind others our society will be increasingly divided. We will be a less compelling example to the many societies that seek to achieve the democratic and market reforms that we believe in.

To better utilize the productive potential of all Americans in this Information Age, we need to strengthen our system of education and training. If we do not improve the capabilities of our educational system, and better utilize the productive potential of all of our citizens, we will fall short of our potential at home and in the international competitive race. The single most critical factor in increasing our long-range competitive capability and our nation's economic and political strength as we enter the next century is the effectiveness of our educational system - from kindergarten through adult training and retraining.

From: Adrian Karatnycky
Re: The State of the Union
Date: 22 December 1995

I appreciate the opportunity to offer some suggestions and share a few thoughts about the President's State of the Union address. Let me make several points.

1. DEMOCRACY'S PROGRESS

I think the President has a strong case to make that democracy has continued its global advance in the years of his Administration. By Freedom House's reckoning-- when the President took office, there were 99 formal democracies (i.e. countries which have governments elected in reasonably free and fair multiparty elections). Today there are 117 such democracies. As significantly, 55 percent of the world's population lives under governments that are formal democracies.

Democracies are our strongest and most reliable allies. Democracies can be counted on not to war with each other. They offer the best opportunity for development based on economic freedom and respect for rule of law. Democracies-- with all their imperfection-- offer the best chance that basic human rights will be respected.

Yet many of the world's democracies are embattled and weak. They have earned and deserve our support. In supporting them--through democracy initiatives and foreign aid-- we are widening the number of our allies and so strengthening our national security interests.

2. STILL A DANGEROUS WORLD

While the President can and should justifiably point to significant foreign policy successes--Northern Ireland, the Middle East, Haiti, Bosnia, democratic transitions in Central and East Europe, South Africa-- he should also sound a cautionary note.

In particular, he should not oversell the progress of Russia. I am--at root-- deeply pessimistic about Russia's mid-term future and I am even more worried about the security implications of China's rapid industrial growth amid widening internal repression and an increasingly assertive nationalism. Thus, I would urge you to refrain from any triumphalism about China and Russia. The U.S. is likely to face big challenges from these countries in the years ahead.

I understand that you will not want to--nor should you-- raise the hackles of these great powers. However, I do believe the president ought to make the general point that much of the world remains a dangerous place in which American leadership is essential.

Adrian Karatnycky, page 2 of 2

3. THE BIG PICTURE

Perhaps the broadest point that the president could make is to restate the need for a "vital center" (pace Arthur Schlesinger) in American politics. He should note that this country is at its strongest, when its leaders can agree on the fundamental aims of policy.

The vital center is consistently attacked by the far extremes of both the right and left. These extremes share the view that America's promise has been betrayed and that something is terribly wrong with our country. Those who attack the vital center are pessimists who have lost faith in America and in America's institutions-- including the men and women in our government.

They obscure in their ideological and moral fervor the goodness of this society, of America's constructive role in the world, and of the great respect which America and its democracy and open society command among ordinary people, the world over.

(Here, the President might want to offer some anecdote from his travels abroad, where he has been greeted with enthusiasm and hope. At that point there may be growing evidence of the welcome U.S. peacekeepers are getting from citizens of Bosnia.)

The preservation of a vital center is what makes it possible for our country to move forward at home and abroad. That center sometimes shifts; but it is based always on a understanding that we are working to correct imperfections and occasional excesses in an extremely successful society.

The vigorous debate of ideas is welcome and essential in our democracy. But that vigorous debate should be framed in ways that allow not so much for compromise as for a coming together around a consensus that reflects the wisdom of the vast majority of Americans.

I hope this is helpful. All the best for the holidays.

December 22, 1995

To: Tony Blinken

cc: Don Baer
Tony Lake

From: Jeremy Rosner 

Re: Foreign policy ideas for State of the Union

There are five facts that should frame the strategy behind the foreign policy section of this year's State of the Union speech:

1. **We have troops on the ground in Bosnia (and Haiti).** All the budget/political wrangling pales in comparison to the sacrifices of those whose lives are on the line for us.
2. **The American public does not much care about foreign policy these days.** The President should seize this as another opportunity to tell them why it's still important.
3. **The public has mixed impressions of the Clinton foreign policy record.** The public likes the fact that we're at peace and are making progress on several key issues, but is anxious about Bosnia and the recent spate of humanitarian interventions.
4. **This is the first opportunity to sketch foreign policy priorities for a second term.** The foreign policy part should be more forward-looking than retrospective.
5. **We don't need to convince the *left*; we need to convince the *middle*.** The emphasis should be on language and arguments that will speak to the skeptics, not the true believers who are already on the President's side on his foreign policy.

With these points in mind, I'd suggest:

- **Start at least with a nod to the troops; perhaps with foreign policy generally.**

You will want to open the entire speech with a nod to the troops in Bosnia. Given that, you might even want to put the foreign policy section at the very top of the speech. It would flow nicely from Bosnia. It would defy expectations. It would send a signal that this is important. It would sound presidential. It would underscore that this guy is our Commander in Chief. It would enable the domestic section to have a more coherent flow.

Whether or not you do that, you should open with a long paragraph thanking the troops. This needs to be done carefully. It can't look like a cheap political trick.

It needs to acknowledge the mixed feelings within the Congress and among the public about this mission. You might think about something along the lines of: "Tonight we gather in this chamber and across America to talk about the state of our exceptional union. As we do, we must begin by noting that our nation today stands safe, secure, and confident in its role in the world because of the American men and women in uniform who stand sentry on our behalf. In this chamber and across America, we may debate many questions about how best ensure America's security; about how and when to deploy America's awesome might. But there is no debate on this point: our men and women in uniform embody the very best of America. So tonight let us begin by paying tribute to the men and women in our armed forces who are so ably protecting and serving our nation -- and particularly those who are helping to secure the peace in Bosnia. They are braving the cold, saving lives, but also facing risks, doing hard work, far away from their loved ones. I want them to know that all Americans acknowledge their contribution and will work together for their safe return."

- **In the review of the world, stress hard security challenges.** Next, you'll want to do a brief review of the world, noting the administration's accomplishments (Mideast, Ireland, no nukes targeted at us, NAFTA/GATT, readiness of our forces, trilateral nuke accord, START II?, etc.), and then cautioning that many challenges lie ahead. When you do the latter, get scary, not sentimental. That is: stress *hard* security challenges, which speak to the political center, far more than *humanitarian* issues, which raise anxieties in the political center. Some examples: stress the fact that there are over a hundred tons of weapons grade nuclear materials that remain inadequately safeguarded around the world today, and that all it would take is one Coke can full of this stuff to produce a bomb hundreds of times more powerful than the one that devastated Oklahoma City (and so fund Nunn-Lugar and pass the anti-terrorism bill!); or talk about the fact that the Sarin attack in Tokyo is just a minor preview of what may lie in store for our nation and others if we do not find better ways to keep chemicals and dangerous technologies out of the hands of fanatics and aggressors (and so ratify the CWC!); or stress the enormous difficulties of the states that are trying to repair the devastation of decades of communist rule, and how Europe could be plunged back into turmoil unless we do our part to support reformers and help stabilize the continent (and so expand NATO!). These are *core* issues that internationalists on both left and right can embrace.

- **Make a blunt appeal for public attention and support for foreign policy.** After the review section, the President should say something along the lines of: "The security America enjoys today is a great gift. It did not come free. It was purchased with the blood and sweat and sacrifice of generations of Americans. History will judge us by how we put this precious gift to use. When danger is not at the door, it is tempting to put it out of mind. There is a tendency to spend less attention and less money on the patient and unglamorous things we need to do to protect our country and maintain its leadership in the world. Tonight, I want to make a special appeal to each of you personally -- all of you who serve America in Congress, and all of you who serve America as citizens: let us err on the side of caution. Let us not take this pause of peace for granted. We need to

ensure the strength and readiness of our fighting forces, but there is even more. We must be willing to invest in the steady work of long-term diplomacy, in nuclear arms control, and, yes, in foreign aid, in order to leave a safer, sounder world for our children. These efforts are not cheap. Heaven knows they are not popular. But better to have our children chide us one day for having worried too much, than to have them curse us for having worried too little. So tonight and in the days ahead I will ask that even during this peaceful time, we rise above both apathy and partisanship to ensure that we never, never shortchange America's security."

- **Do bipartisanship.** You will undoubtedly want to do a longer section on Bosnia than the paragraph sketched above. That would be a good place to give a nod to bipartisanship. I would say: "I respect the differences of opinion we heard in Congress and across America about this complex conflict. But I also respect those who, at the end of the day, urged that we pull together as a nation behind our mission and our troops. And I would personally like to thank the distinguished and war-decorated congressional leaders in both parties who led that effort, especially Majority Leader Dole and Senator John McCain, and I would ask them to stand." It will be seen as magnanimous. It also reminds everyone of their support. If you don't do a dramatic nod to Republican internationalists here, then do it somewhere else.
- **Preview the Clinton foreign policy for his second term.** This is the perfect opportunity a) to lay out a compelling vision of what can be accomplished around the world in a second Clinton term and b) to quiet some concerns about his foreign policy, especially by implying that the future will revolve less around humanitarian interventions and more around hard-security priorities. Obviously, he can't say: "in my second term, I plan to" But he can say:

When I took office three years ago, our nation basked in end of the Cold War, but we also faced the challenge of continuing crises in Somalia, Haiti, Bosnia, and elsewhere. We encountered many obstacles and suffered many setbacks in trying to address those challenges. But we can proudly say that America did its best to help the afflicted and to protect the peace. And tonight we can note with satisfaction that we saved hundreds of thousands from starvation in Somalia; that democracy has returned to Haiti; and the fighting has stopped in Bosnia.

Now, as we look ahead to the turn of this century, we should not assume that our future will be filled with such missions. But we must recognize that challenges to our security do remain. And if we continue our energetic leadership abroad, together we can imagine how much more we can accomplish together by the turn of this century.

We could enter the next century with the nuclear stockpiles on this planet cut by another x percent.

We could enter the next century with tough new international agreements to control chemical and biological weapons.

We could enter the next century with stronger laws and international agreements to combat the scourge of organized crime and terrorism.

We could enter the next century with an even stronger and larger NATO so that it can anchor the stability and security of a democratic Europe.

We could enter the next century with a military whose fighting edge of training, equipment, flexibility, and technology is even sharper than it is today.

We could enter the next century ready to lower even more barriers against U.S. exports in Asia and elsewhere so that our products can compete and win.

Etc. [you'll want to work in Russia and China, too.]

- Use foreign policy as an *illustration* of the speech's larger political argument. If we try to justify an activist foreign policy simply on the merits, we will lose -- not because people don't agree, but because they don't care enough about it now, and because there's more political passion behind opposing arguments based on deficit cutting, government reduction, nationalism, nativism, etc. There is a way to create a mandate for active internationalism, however, which is to use foreign policy as an *illustration* of the President's broader political argument.

For example, if the speech's implicit strategy is triangulation and common ground (which it should be!), then by all means use some foreign policy examples: "today we hear extreme voices of fear and indifference in both parties, voices that urge our nation to retreat from its responsibilities around the world and to hide behind protectionist trade barriers. Instead we must draw together on the common ground which tells us that America must remain strong and engaged, that we must tackle the world's dangers rather than trying to hide from them" Etc.

If: a) the President runs on a strategy of triangulation; and b) he uses foreign policy as an example of how we must beware of extreme voices at both ends of the spectrum; and c) he wins, then he can legitimately claim he has *a mandate* for an activist foreign policy. Structurally, this is how the GOP created a mandate *against* internationalism -- not by arguing it on the merits, but by making it an illustration of deficit cutting, anti-Beltwayism, etc. This same structural approach can create a mandate in our direction.

Good luck. Obviously, I'm glad to go over ideas and drafts as your writing progresses.

Memo for President Clinton
from Ronald Steel

Nearly every president since Truman has had his Doctrine. Most have been forgotten. That is because either they were trivial, like Carter's, or never followed through, like Nixon's. Truman's is remembered because it came after a great war when Americans were trying to figure out their place in the world.

That was 50 years ago. Today we are now living in one of those times. A great war, the Cold War, has ended. The nation is victorious, but confused. Its leaders seem no less confused than the people.

Amidst such confusion foreign policy is little more than a set of hasty improvisations. Policymakers rush to respond to "crises," and are themselves tossed aimlessly about by events. They mutter about "interests" and "security" and "responsibility" without being able to describe what these terms mean, let alone what the response to them should be.

As in 1947 the US has emerged victorious from a war. But unlike in 1947, it has no threatening adversary and does not enjoy overwhelming economic preponderance. Instead of being an adolescent giant among pygmy schoolmates, it is an overweight gladiator stumbling through a mid-life crisis. It boasts of being the only remaining superpower, but fears that the years of its Century may be running out.

Yes, the country could use a vision. Most countries can. And some find them in hallucinations. But even more it needs a plan -- a plan for making its way among nations that, for the most part, mean no serious harm but nonetheless could, by the inexorable logic of the global trading system, do what Khrushchev once threatened. They could bury it.

A foreign policy of improvisation is not good enough. Neither is one that relies on a ritualistic incantation of hoary "lessons" from an earlier era. Such "lessons" are usually little more than buzz words designed to promote particular policies. It is as dangerous to draw rigid "lessons" from history as to ignore it.

This is particularly true at such a turning point in US relations with the world. A presidential initiative is necessary to create a new consensus on the nation's interests and how they can be furthered. Such an initiative must be more than mere bumper changes on the basic old model. This was the problem with the Bosnia speech, a collection of cliches that left the public indifferent at best, and for the most part incredulous.

There are essentially two ways of approaching US foreign policy today. One is to operate from the premise that the Cold War is not over. To be sure, the adversary has disappeared, but that is of relatively little consequence. The reason for this is that the Cold War was only partially about the US-Soviet competition. Beyond that was the deeper belief, earnestly promoted by those in command of foreign policy, that the US must assume the economic and political leadership of the world.

This belief has not been affected by the end of the Cold War -- nor even by the relative economic decline of the US vis a vis its competitors. This approach is evident in various documents emerging from within the government, and especially from the Pentagon (see, e.g., PPD 1992 and later variations).

The argument of these advocates is that the US must assume Britain's role in the 19th century: that of global balancer and stabilizer. The problems with this approach are self-evident and need not be spelled out here. They involve immense economic and military costs that the nation is ill able to assume.

Ronald Steel page 3 of 3

Beyond that, it will also create conflict with rising nations that see fewer benefits from a global American hegemony than do planners in Washington. Further, from a political perspective, such a grandiose role is almost certain to be repudiated by the American public and will likely stimulate, as an understandable reaction, the very "isolationism" that it is ostensibly designed to circumvent.

The alternative approach is to take a much narrower definition of interests. This would involve viewing regional conflicts as regional problems. Yes, the Europeans have not been effective in settling their regional problem in the Balkans. But this is in part because the US has, through NATO, insisted on being the dominant power within Europe. This has reinforced a European habit of passivity and dependency, which in turn is used to justify a continued Cold War role for the US within Europe.

Ultimately economic and political constraints will force the US to retreat from grandiose and inflated concepts of "interest" that have little popular support. We are returning to a more traditional world marked by interaction among several important states. This has already happened in the economic realm, and will soon be evidenced in military and political realms as well.

This administration has the opportunity to lay out a doctrine for a post-Cold War era that does not rest on Cold War nostalgia or on neo-Wilsonian fantasies. If it does not, ~~it will~~ the nation, will be buffeted by events, further weakened economically, and quite likely suffer the very serious consequences of a social reaction that could imperil the stability of the society.

If foreign policy is seen as the enemy, rather than the servant, of American interests it will be repudiated, along with those responsible for it.

Clinton Presidential Records Digital Records Marker

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Divider Title: **Selected State of the Union Addresses**

Jan. 27 / Administration of George Bush, 1992

Address Before a Joint Session of the Congress on the State of the Union

January 28, 1992

*Mr. Speaker and Mr. President,
distinguished Members of Congress,
honored guests, and fellow citizens:*

Thank you very much for that warm reception. You know, with the big buildup this address has had, I wanted to make sure it would be a big hit, but I couldn't convince Barbara to deliver it for me. [*Laughter*]

I see the Speaker and the Vice President are laughing. They saw what I did in Japan, and they're just happy they're sitting behind me. [*Laughter*]

I mean to speak tonight of big things, of big changes and the promises they hold, and of some big problems and how, together, we can solve them and move our country forward as the undisputed leader of the age.

We gather tonight at a dramatic and deeply promising time in our history and in the history of man on Earth. For in the past 12 months, the world has known changes of almost Biblical proportions. And even now, months after the failed coup that doomed a failed system, I'm not sure we've absorbed

the full impact, the full import of what happened. But communism died this year.

Even as President, with the most fascinating possible vantage point, there were times when I was so busy managing progress and helping to lead change that I didn't always show the joy that was in my heart. But the biggest thing that has happened in the world in my life, in our lives, is this: By the grace of God, America won the cold war.

I mean to speak this evening of the changes that can take place in our country, now that we can stop making the sacrifices we had to make when we had an avowed enemy that was a superpower. Now we can look homeward even more and move to set right what needs to be set right.

I will speak of those things. But let me tell you something I've been thinking these past few months. It's a kind of rollcall of honor. For the cold war didn't end; it was won. And I think of those who won it, in places like Korea and Vietnam. And some of them didn't come back. Back then they were heroes, but this year they were victors.

The long rollcall, all the G.I. Joes and Janes, all the ones who fought faithfully for freedom, who hit the ground and sucked the dust and knew their share of horror. This may seem frivolous, and I don't mean it so, but it's moving to me how the world saw them. The world saw not only their special valor but their special style: their rambunctious, optimistic bravery, their do-or-die unity unhampered by class or race or region. What a group we've put forth, for generations now, from the ones who wrote "Kilroy was here" on the walls of the German stalags to those who left signs in the Iraqi desert that said, "I saw Elvis." What a group of kids we've sent out into the world.

And there's another to be singled out, though it may seem inelegant, and I mean a mass of people called the American taxpayer. No one ever thinks to thank the people who pay a country's bill or an alliance's bill. But for half a century now, the American people have shouldered the burden and paid taxes that were higher than they would have been to support a defense that was bigger than it would have been if impe-

rial communism had never existed. But it did; doesn't anymore. And here's a fact I wouldn't mind the world acknowledging: The American taxpayer bore the brunt of the burden and deserves a hunk of the glory.

So now, for the first time in 35 years, our strategic bombers stand down. No longer are they on 'round-the-clock alert. Tomorrow our children will go to school and study history and how plants grow. And they won't have, as my children did, air raid drills in which they crawl under their desks and cover their heads in case of nuclear war. My grandchildren don't have to do that and won't have the bad dreams children had once, in decades past. There are still threats. But the long, drawn-out dread is over.

A year ago tonight, I spoke to you at a moment of high peril. American forces had just unleashed Operation Desert Storm. And after 40 days in the desert skies and 4 days on the ground, the men and women of America's Armed Forces and our allies accomplished the goals that I declared and that you endorsed: We liberated Kuwait. Soon after, the Arab world and Israel sat down to talk seriously and comprehensively about peace, an historic first. And soon after that, at Christmas, the last American hostages came home. Our policies were vindicated.

Much good can come from the prudent use of power. And much good can come of this: A world once divided into two armed camps now recognizes one sole and preeminent power, the United States of America. And they regard this with no dread. For the world trusts us with power, and the world is right. They trust us to be fair and restrained. They trust us to be on the side of decency. They trust us to do what's right.

I use those words advisedly. A few days after the war began, I received a telegram from Joanne Speicher, the wife of the first pilot killed in the Gulf, Lieutenant Commander Scott Speicher. Even in her grief, she wanted me to know that some day when her children were old enough, she would tell them "that their father went away to war because it was the right thing to do." And she said it all: It was the right

thing to do.

And we did it together. There were honest differences right here in this Chamber. But when the war began, you put partisanship aside, and we supported our troops. This is still a time for pride, but this is no time to boast. For problems face us, and we must stand together once again and solve them and not let our country down.

Two years ago, I began planning cuts in military spending that reflected the changes of the new era. But now, this year, with imperial communism gone, that process can be accelerated. Tonight I can tell you of dramatic changes in our strategic nuclear force. These are actions we are taking on our own because they are the right thing to do. After completing 20 planes for which we have begun procurement, we will shut down further production of the B-2 bombers. We will cancel the small ICBM program. We will cease production of new warheads for our sea-based ballistic missiles. We will stop all new production of the Peacekeeper missile. And we will not purchase any more advanced cruise missiles.

This weekend I will meet at Camp David with Boris Yeltsin of the Russian Federation. I've informed President Yeltsin that if the Commonwealth, the former Soviet Union, will eliminate all land-based multiple-warhead ballistic missiles, I will do the following: We will eliminate all Peacekeeper missiles. We will reduce the number of warheads on Minuteman missiles to one and reduce the number of warheads on our sea-based missiles by about one-third. And we will convert a substantial portion of our strategic bombers to primarily conventional use. President Yeltsin's early response has been very positive, and I expect our talks at Camp David to be fruitful.

I want you to know that for half a century, American Presidents have longed to make such decisions and say such words. But even in the midst of celebration, we must keep caution as a friend. For the world is still a dangerous place. Only the dead have seen the end of conflict. And though yesterday's challenges are behind us, tomorrow's are being born.

The Secretary of Defense recommended these cuts after consultation with the Joint Chiefs of Staff. And I make them with con-

fidence. But do not misunderstand me. The reductions I have approved will save us an additional \$50 billion over the next 5 years. By 1997, we will have cut defense by 30 percent since I took office. These cuts are deep, and you must know my resolve: This deep, and no deeper. To do less would be insensible to progress, but to do more would be ignorant of history. We must not go back to the days of "the hollow army." We cannot repeat the mistakes made twice in this century when armistice was followed by recklessness and defense was purged as if the world were permanently safe.

I remind you this evening that I have asked for your support in funding a program to protect our country from limited nuclear missile attack. We must have this protection because too many people in too many countries have access to nuclear arms. And I urge you again to pass the Strategic Defense Initiative, SDI.

There are those who say that now we can turn away from the world, that we have no special role, no special place. But we are the United States of America, the leader of the West that has become the leader of the world. And as long as I am President, I will continue to lead in support of freedom everywhere, not out of arrogance, not out of altruism, but for the safety and security of our children. This is a fact: Strength in the pursuit of peace is no vice; isolationism in the pursuit of security is no virtue.

And now to our troubles at home. They're not all economic; the primary problem is our economy. There are some good signs. Inflation, that thief, is down. And interest rates are down. But unemployment is too high, some industries are in trouble, and growth is not what it should be. Let me tell you right from the start and right from the heart, I know we're in hard times. But I know something else: This will not stand.

In this Chamber, in this Chamber we can bring the same courage and sense of common purpose to the economy that we brought to Desert Storm. And we can defeat hard times together. I believe you'll help. One reason is that you're patriots, and you want the best for your country. And I believe that in your hearts you want to put partisanship aside and get the job done be-

cause it's the right thing to do.

The power of America rests in a stirring but simple idea, that people will do great things if only you set them free. Well, we're going to set the economy free. For if this age of miracles and wonders has taught us anything, it's that if we can change the world we can change America. We must encourage investment. We must make it easier for people to invest money and create new products, new industries, and new jobs. We must clear away the obstacles to growth: high taxes, high regulation, red-tape, and yes, wasteful Government spending.

None of this will happen with a snap of the fingers, but it will happen. And the test of a plan isn't whether it's called new or dazzling. The American people aren't impressed by gimmicks; they're smarter on this score than all of us in this room. The only test of a plan is: Is it sound, and will it work?

We must have a short-term plan to address our immediate needs and heat up the economy. And then we need a longer term plan to keep combustion going and to guarantee our place in the world economy. There are certain things that a President can do without Congress, and I'm going to do them.

I have, this evening, asked major Cabinet departments and Federal agencies to institute a 90-day moratorium on any new Federal regulations that could hinder growth. In those 90 days, major departments and agencies will carry out a top-to-bottom review of all regulations, old and new, to stop the ones that will hurt growth and speed up those that will help growth.

Further, for the untold number of hard-working, responsible American workers and business men and women who've been forced to go without needed bank loans, the banking credit crunch must end. I won't neglect my responsibility for sound regulations that serve the public good, but regulatory overkill must be stopped. And I've instructed our Government regulators to stop it.

I have directed Cabinet departments and Federal agencies to speed up progrowth expenditures as quickly as possible. This should put an extra \$10 billion into the

economy in the next 6 months. And our new transportation bill provides more than \$150 billion for construction and maintenance projects that are vital to our growth and well-being. And that means jobs building roads, jobs building bridges, and jobs building railways.

And I have, this evening, directed the Secretary of the Treasury to change the Federal tax withholding tables. With this change, millions of Americans from whom the Government withholds more than necessary can now choose to have the Government withhold less from their paychecks. Something tells me a number of taxpayers may take us up on this one. This initiative could return about \$25 billion back into our economy over the next 12 months, money people can use to help pay for clothing, college, or to get a new car. Finally, working with the Federal Reserve, we will continue to support monetary policy that keeps both interest rates and inflation down.

Now, these are the things I can do. And now, Members of Congress, let me tell you what you can do for your country. You must pass the other elements of my plan to meet our economic needs. Everyone knows that investment spurs recovery. I am proposing this evening a change in the alternative minimum tax and the creation of a new 15-percent investment tax allowance. This will encourage businesses to accelerate investment and bring people back to work.

Real estate has led our economy out of almost all the tough times we've ever had. Once building starts, carpenters and plumbers work; people buy homes and take out mortgages. My plan would modify the passive loss rule for active real estate developers. And it would make it easier for pension plans to purchase real estate. For those Americans who dream of buying a first home but who can't quite afford it, my plan would allow first-time homebuyers to withdraw savings from IRA's without penalty and provide a \$5,000 tax credit for the first purchase of that home.

And finally, my immediate plan calls on Congress to give crucial help to people who own a home, to everyone who has a business or a farm or a single investment. This time, at this hour, I cannot take no for an

answer. You must cut the capital gains tax on the people of our country. Never has an issue been more demagogued by its opponents. But the demagogues are wrong. They are wrong, and they know it. Sixty percent of the people who benefit from lower capital gains have incomes under \$50,000. A cut in the capital gains tax increases jobs and helps just about everyone in our country. And so, I'm asking you to cut the capital gains tax to a maximum of 15.4 percent.

I'll tell you, those of you who say, "Oh, no, someone who's comfortable may benefit from that," you kind of remind me of the old definition of the Puritan who couldn't sleep at night, worrying that somehow, someone somewhere was out having a good time. *[Laughter]* The opponents of this measure and those who have authored various so-called soak-the-rich bills that are floating around this Chamber should be reminded of something: When they aim at the big guy, they usually hit the little guy. And maybe it's time that stopped.

This, then, is my short-term plan. Your part, Members of Congress, requires enactment of these commonsense proposals that will have a strong effect on the economy without breaking the budget agreement and without raising tax rates.

While my plan is being passed and kicking in, we've got to care for those in trouble today. I have provided for up to \$4.4 billion in my budget to extend Federal unemployment benefits. And I ask for congressional action right away. And I thank the committee. *[Applause]* Well, at last.

Let's be frank. Let's be frank. Let me level with you. I know and you know that my plan is unveiled in a political season. *[Laughter]* I know and you know that everything I propose will be viewed by some in merely partisan terms. But I ask you to know what is in my heart. And my aim is to increase our Nation's good. I'm doing what I think is right, and I am proposing what I know will help.

I pride myself that I'm a prudent man, and I believe that patience is a virtue. But I understand that politics is, for some, a game and that sometimes the game is to stop all progress and then decry the lack of improvement. *[Laughter]* But let me tell you: Far more important than my political

future and far more important than yours is the well-being of our country. Members of this Chamber are practical people, and I know you won't resent some practical advice. When people put their party's fortunes, whatever the party, whatever side of this aisle, before the public good, they court defeat not only for their country but for themselves. And they will certainly deserve it.

I submit my plan tomorrow, and I'm asking you to pass it by March 20th. And I ask the American people to let you know they want this action by March 20th. From the day after that, if it must be, the battle is joined. And you know, when principle is at stake I relish a good, fair fight.

I said my plan has two parts, and it does. And it's the second part that is the heart of the matter. For it's not enough to get an immediate burst. We need long-term improvement in our economic position. We all know that the key to our economic future is to ensure that America continues as an economic leader of the world. We have that in our power. Here, then, is my long-term plan to guarantee our future.

First, trade: We will work to break down the walls that stop world trade. We will work to open markets everywhere. And in our major trade negotiations, I will continue pushing to eliminate tariffs and subsidies that damage America's farmers and workers. And we'll get more good American jobs within our own hemisphere through the North American free trade agreement and through the Enterprise for the Americas Initiative.

But changes are here, and more are coming. The workplace of the future will demand more highly skilled workers than ever, more people who are computer-literate, highly educated. We must be the world's leader in education. And we must revolutionize America's schools. My America 2000 strategy will help us reach that goal. My plan will give parents more choice, give teachers more flexibility, and help communities create new American schools. Thirty States across the Nation have established America 2000 programs. Hundreds of cities and towns have joined in. Now Congress must join this great move-

ment: Pass my proposals for new American schools.

That was my second long-term proposal, and here's my third: We must make commonsense investments that will help us compete, long-term, in the marketplace. We must encourage research and development. My plan is to make the R&D tax credit permanent and to provide record levels of support, over \$76 billion this year alone, for people who will explore the promise of emerging technologies.

Fourth, we must do something about crime and drugs. It is time for a major, renewed investment in fighting violent street crime. It saps our strength and hurts our faith in our society and in our future together. Surely a tired woman on her way to work at 6 in the morning on a subway deserves the right to get there safely. And surely it's true that everyone who changes his or her life because of crime, from those afraid to go out at night to those afraid to walk in the parks they pay for, surely these people have been denied a basic civil right. It is time to restore it. Congress, pass my comprehensive crime bill. It is tough on criminals and supportive of police, and it has been languishing in these hallowed halls for years now. Pass it. Help your country.

Fifth, I ask you tonight to fund our HOPE housing proposal and to pass my enterprise zone legislation which will get businesses into the inner city. We must empower the poor with the pride that comes from owning a home, getting a job, becoming a part of things. My plan would encourage real estate construction by extending tax incentives for mortgage revenue bonds and low-income housing. And I ask tonight for record expenditures for the program that helps children born into want move into excellence, Head Start.

Step six, we must reform our health care system. For this, too, bears on whether or not we can compete in the world. American health costs have been exploding. This year America will spend over \$800 billion on health, and that is expected to grow to 1.6 trillion by the end of the decade. We simply cannot afford this. The cost of health care shows up not only in your family budget but in the price of everything we buy and everything we sell. When health coverage

for a fellow on an assembly line costs thousands of dollars, the cost goes into the products he makes, and you pay the bill.

We must make a choice. Now, some pretend we can have it both ways. They call it "play or pay," but that expensive approach is unstable. It will mean higher taxes, fewer jobs, and eventually a system under complete Government control.

Really, there are only two options. And we can move toward a nationalized system, a system which will restrict patient choice in picking a doctor and force the Government to ration services arbitrarily. And what we'll get is patients in long lines, indifferent service, and a huge new tax burden. Or we can reform our own private health care system, which still gives us, for all its flaws, the best quality health care in the world.

Well, let's build on our strengths. My plan provides insurance security for all Americans while preserving and increasing the idea of choice. We make basic health insurance affordable for all low-income people not now covered, and we do it by providing a health insurance tax credit of up to \$3,750 for each low-income family. And the middle class gets help, too. And by reforming the health insurance market, my plan assures that Americans will have access to basic health insurance even if they change jobs or develop serious health problems. We must bring costs under control, preserve quality, preserve choice, and reduce the people's nagging daily worry about health insurance. My plan, the details of which I'll announce very shortly, does just that.

Seventh, we must get the Federal deficit under control. We now have, in law, enforceable spending caps and a requirement that we pay for the programs we create. There are those in Congress who would ease that discipline now. But I cannot let them do it, and I won't.

My plan would freeze all domestic discretionary budget authority, which means no more next year than this year. I will not tamper with Social Security, but I would put real caps on the growth of uncontrolled spending. And I would also freeze Federal domestic Government employment. And with the help of Congress, my plan will get

rid of 246 programs that don't deserve Federal funding. Some of them have noble titles, but none of them is indispensable. We can get rid of each and every one of them.

You know, it's time we rediscovered a home truth the American people have never forgotten: This Government is too big and spends too much. And I call upon Congress to adopt a measure that will help put an end to the annual ritual of filling the budget with pork barrel appropriations. Every year, the press has a field day making fun of outrageous examples: a Lawrence Welk museum, research grants for Belgian endive. We all know how these things get into the budget, and maybe you need someone to help you say no. I know how to say it, and I know what I need to make it stick. Give me the same thing 43 Governors have, the line-item veto, and let me help you control spending.

We must put an end to unfunded Federal Government mandates. These are the requirements Congress puts on our cities, counties, and States without supplying the money. If Congress passes a mandate, it should be forced to pay for it and balance the cost with savings elsewhere. After all, a mandate just increases someone else's burden, and that means higher taxes at the State and local level.

Step eight, Congress should enact the bold reform proposals that are still awaiting congressional action: bank reform, civil justice reform, tort reform, and my national energy strategy.

And finally, we must strengthen the family because it is the family that has the greatest bearing on our future. When Barbara holds an AIDS baby in her arms and reads to children, she's saying to every person in this country: Family matters.

And I am announcing tonight a new Commission on America's Urban Families. I've asked Missouri's Governor John Ashcroft to be Chairman, former Dallas Mayor Annette Strauss to be Cochair. You know, I had mayors, the leading mayors from the League of Cities, in the other day at the White House, and they told me something striking. They said that every one of them, Republican or Democrat, agreed on one thing, that the major cause of the problems

of the cities is the dissolution of the family. They asked for this Commission, and they were right to ask because it's time to determine what we can do to keep families together, strong and sound.

There's one thing we can do right away: Ease the burden of rearing a child. I ask you tonight to raise the personal exemption by \$500 per child for every family. For a family with four kids, that's an increase of \$2,000. This is a good start in the right direction, and it's what we can afford.

It's time to allow families to deduct the interest they pay on student loans. I am asking you to do just that. And I'm asking you to allow people to use money from their IRA's to pay medical and education expenses, all without penalties.

And I'm asking for more. Ask American parents what they dislike about how things are going in our country, and chances are good that pretty soon they'll get to welfare. Americans are the most generous people on Earth. But we have to go back to the insight of Franklin Roosevelt who, when he spoke of what became the welfare program, warned that it must not become "a narcotic" and a "subtle destroyer" of the spirit. Welfare was never meant to be a lifestyle. It was never meant to be a habit. It was never supposed to be passed from generation to generation like a legacy. It's time to replace the assumptions of the welfare state and help reform the welfare system.

States throughout the country are beginning to operate with new assumptions that when able-bodied people receive Government assistance, they have responsibilities to the taxpayer: A responsibility to seek work, education, or job training; a responsibility to get their lives in order; a responsibility to hold their families together and refrain from having children out of wedlock; and a responsibility to obey the law. We are going to help this movement. Often, State reform requires waiving certain Federal regulations. I will act to make that process easier and quicker for every State that asks for our help.

I want to add, as we make these changes, we work together to improve this system, that our intention is not scapegoating or finger-pointing. If you read the papers and

watch TV, you know there's been a rise these days in a certain kind of ugliness: racist comments, anti-Semitism, an increased sense of division. Really, this is not us. This is not who we are. And this is not acceptable.

And so, you have my plan for America. And I'm asking for big things, but I believe in my heart you'll do what's right.

You know, it's kind of an American tradition to show a certain skepticism toward our democratic institutions. I myself have sometimes thought the aging process could be delayed if it had to make its way through Congress. *[Laughter]* You will deliberate, and you will discuss, and that is fine. But, my friends, the people cannot wait. They need help now.

There's a mood among us. People are worried. There's been talk of decline. Someone even said our workers are lazy and uninspired. And I thought: Really? You go tell Neil Armstrong standing on the moon. Tell the men and women who put him there. Tell the American farmer who feeds his country and the world. Tell the men and women of Desert Storm.

Moods come and go, but greatness endures. Ours does. And maybe for a moment it's good to remember what, in the dailiness of our lives, we forget: We are still and ever the freest nation on Earth, the kindest nation on Earth, the strongest nation on Earth. And we have always risen to the occasion. And we are going to lift this Nation out of hard times inch by inch and day by day, and those who would stop us had better step aside. Because I look at hard times, and I make this vow: This will not stand.

And so, we move on together, a rising nation, the once and future miracle that is still, this night, the hope of the world. Thank you. God bless you, and God bless our beloved country. Thank you very, very much.

Note: The President spoke at 9:07 p.m. in the House Chamber of the Capitol. The address was broadcast live on nationwide radio and television. The Executive order of March 12 establishing the National Commission on America's Urban Families is listed in Appendix E at the end of this volume.

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HEADLINE: STATE OF THE UNION;
BUSH VOWS ECONOMIC RELIEF AND PROPOSES MODEST STEPS IN STATE OF THE UNION TALK

BYLINE: By ANDREW ROSENTHAL, Special to The New York Times

DATELINE: WASHINGTON, Jan. 28

BODY:

Staking his political fortunes on advice that the economy will right itself by summer, President Bush delivered a State of the Union Message tonight that offered modest proposals to ease the immediate pain of middle-class taxpayers and erase any impression that he is insensitive to America's economic burdens.

Mr. Bush used his own powers to give some quick relief to taxpayers and inject about \$20 billion into the economy in the next six months. He directed that tax-withholding rules be changed immediately, meaning that some money normally given back later in refunds will be left in paychecks so it can be spent quickly. The change is expected to inject some \$2 billion a month into the economy when fully effective. Mr. Bush also ordered Federal spending on some programs accelerated.

Rewarding the Taxpayer

Challenging Congress to act within eight weeks and promising a "battle" if it does not, Mr. Bush proposed short-term relief measures like an increase in tax exemptions for children, tax breaks for first-time home buyers and the housing industry and tax credits for the purchase of health insurance by those earning low wages. [A transcript of the President's address is on page A16.]

In a televised address that at nearly an hour was longer than most State of the Union messages, the President declared that it was time to reward the American taxpayer for decades of paying for cold war arms programs. He proposed \$50 billion worth of Pentagon cuts over the next five years and outlined new arms-control measures, including a proposal that the United States and the republics of the former Soviet Union eliminate all multiple-warhead nuclear missiles based on land. Mr. Bush did not make clear whether the money saved from the Pentagon would be plowed into domestic programs.

Trying to Regain Stature

But the bulk of Mr. Bush's third State of the Union Message was dedicated to

stopping the President's slide in the public opinion polls and strengthening him for the re-election campaign. Mr. Bush's speech was immediately criticized by Democrats, some of whom said it was too little and too late.

Earlier today, to sidestep a bitter election-year issue, Mr. Bush and House leaders agreed to spend \$2.7 billion on another 13 weeks of unemployment benefits for about two million of the long-term unemployed. [Page A18.]

With his popularity at the lowest ebb of his three years in office, Mr. Bush sought to recapture the stature he enjoyed just one year ago as Commander in Chief in the war against Iraq and as the leader of the free world during the collapse of Communism. He even borrowed his own Persian Gulf war oratory in an effort to persuade voters that he could bring the leadership he demonstrated in battle to bear on the economy.

"We are going to lift this nation out of hard times inch by inch and day by day, and those who would stop us had better step aside," Mr. Bush declared in a line that drew loud applause in the packed chamber of the House of Representatives. "Because I look at hard times, and I make this vow: This will not stand." The pledge echoed his promise that Iraq's invasion of Kuwait would not stand.

The Speaker of the House, Thomas S. Foley, politely applauded Mr. Bush as the President spoke to the joint session of Congress. But afterward, he criticized the President's proposals as too little, too late. "For too long, we were told to wait, that things would get better on their own," he said in the Democrats' official response. "There was even an effort to talk us out of the recession, or to tell us that it wasn't really happening at all."

After hearing the address, some of the Democratic Presidential candidates said they were disappointed with the President's economic plans.

Senator Tom Harkin of Iowa, who was campaigning at a school in Franklin, N.H., offered this: "All I can say after watching his speech is the State of the Union is coming from someone who is totally out of touch with what is happening in America." Incongruously for a speech that had been billed as his moment to define not only his campaign agenda but the second term he hopes to win in November, Mr. Bush began his remarks in the chamber of the House of Representatives tonight with two jokes.

Poking Fun at Himself

"You know, with the big buildup this speech has had, I wanted to make sure it would be a big hit, but I couldn't convince Barbara to deliver it for me," he said, as the chamber erupted into laughter and applause.

He smiled again and said: "I see the Speaker and the Vice President are laughing. They saw what I did in Japan, and they're just happy they're sitting behind me."

The politicians in the House chamber interrupted Mr. Bush's speech dozens of times for applause. Sometimes the applause came from both sides of the aisle, as it did for politically popular themes like Head Start and the war in the Persian Gulf. At other times, the applause was Republican only, as when Mr. Bush spoke of cutting the capital gains tax on profits from investments.

Mr. Bush tried to paint himself as Presidential and Congress as partisan. Striking a compromise between aides who urged him to be conciliatory and those who wanted him to start battling the Democrats right away, Mr. Bush challenged lawmakers to pass his proposals by March 20.

"From the day after that, if it must be: the battle is joined," Mr. Bush said. "And you know, when principle is at stake, I relish a good fair fight."

Says He Shunned 'Gimmicks'

Mr. Bush portrayed his plan as a fiscally and politically responsible effort to speed the recession's end, although it came 18 months after the recession began and one year to the day after he promised America that it would soon end, and he asserted that he had resisted the temptation for "new and dazzling" proposals or "gimmicks."

But the President spoke against the backdrop of an extraordinary buildup for the annual speech, which the President has promoted in virtually every public utterance for the past six weeks. Concerned that the advance billing was too ambitious, and still caught up in disputes that kept a major proposal on health-care reform from being included tonight, the White House tried to lower expectations at the last minute.

Heeding the advice of moderate advisers who cautioned against too sharp a break with the past, Mr. Bush made no radical departure from the economic policies he has pursued for three years, nor did he remake the political philosophies that he inherited from Ronald Reagan into his own images.

Details of the President's programs will become clearer on Wednesday when he submits his budget to Congress. Then the White House and Congress begin the complicated process of negotiations and tradeoffs in incorporating the dozens of pieces of the package into legislation.

While economists suggested that Mr. Bush's short-term proposals could help the economy, the President offered no detailed vision of the future of the country tonight. Many of the proposals he outlined were programs that he offered in the past and that Congress rejected.

Among these was a call for a reduction in the rate of taxes on capital gains, which Mr. Bush has made the centerpiece of his economic policy, to as low as 15.4 percent on the profits from the sale of assets held more than three years. The current capital gains tax rate is 28 percent.

"This time, at this hour, I cannot take 'No' for an answer," he said.

Outlining his economic programs, many of which had found their way into news reports in recent weeks, Mr. Bush said he was issuing executive orders that would impose a 90-day moratorium on all new Federal regulations that could hinder growth, and he pledged to change banking regulations to stimulate lending.

To pump money into the economy, he said, the Federal Government will accelerate spending on existing programs, for a total of \$10 billion in the next

six months. He also proposed a budget "freeze" that would keep spending on discretionary programs in the budget for the 1993 fiscal year at the same level as the current budget. That proposal would produce less than \$5 billion in savings.

Money Back Sooner

Mr. Bush ordered the Treasury Department to revise the method by which taxes are withheld from paychecks. This would have no effect on Americans' tax burdens, but would simply give them back their own money sooner. Income taxes are now withheld at a rate higher than the actual tax rate in order to provide extra money to the Federal coffers during the year, and many taxpayers receive refunds.

Mr. Bush also proposed an increase of \$500 in the personal tax exemption for each child, tax credits and penalty-free withdrawals from individual retirement accounts for first-time home buyers, tax breaks for the real estate industry, tax credits and deductions for medical insurance.

Declaring that "by the grace of God, American won the cold war," Mr. Bush played to the strongly inward-looking trends that are evident in polls of American voters in this election year.

He said: "For half a century now, the American people have shouldered the burden and paid taxes that were higher than they would have been to support a defense that was bigger than it would have been if imperial Communism had never existed. But it did. Doesn't anymore."

Mr. Bush announced that the enormously expensive B-2 Stealth bomber program would be stopped after the 20 planes already being purchased.

Toward Fewer Warheads

Mr. Bush also said he was canceling production of the Midgetman nuclear missile and would halt manufacture of new warheads for sea-based nuclear missiles. No more multiple-warhead MX missiles will be built, and the military will not buy any more advanced cruise missiles, Mr. Bush said.

He said that on Saturday, when he meets with President Boris N. Yeltsin of Russia, he would propose that if Russia eliminates all land-based missiles with more than one warhead, he will eliminate the multiple-warhead MX missile and reduce the number of warheads on the Minuteman missile to one from three.

Often criticized for seeming deadpan in the face of astonishing events, Mr. Bush said, "Even as as President, with the most fascinating possible vantage point, there were times when I was so busy helping to manage progress and lead change that I didn't always show the joy that was in my heart."

GRAPHIC: Photos: President Bush being congratulated last night as he left the House chamber after delivering his State of the Union Message. (pg. 1); President Bush delivering his State of the Union message. At rear was Speaker Thomas S. Foley. (pg. A15) (Jose R. Lopez/The New York Times)

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HEADLINE: THE 1992 CAMPAIGN: The Campaign;
After Hoopla, a Repositioning, Not a Call to Arms

BYLINE: By ROBIN TONER, Special to The New York Times

DATELINE: WASHINGTON, Jan. 28

BODY:

Billed for weeks by the White House as the "kickoff to his re-election campaign, President Bush's State of the Union Message tonight was, by extension, also intended to begin his comeback from an astonishing tumble in the public opinion polls.

Despite the buildup though, there was little revolutionary in the speech. It was more a careful attempt at repositioning, with Mr. Bush reminding voters of past accomplishments while signaling his concern over the state of domestic affairs.

The unusually long speech was incremental in most of its domestic policy prescriptions and defensive in tone. It amounted to a Presidential acknowledgement of the sweeping changes on the political scene since Mr. Bush stood before Congress a year ago, the popular Commander in Chief of a nation consumed with the war in the Persian Gulf.

Were Mr. Bush facing a strong Democratic opponent, the speech would probably be considered far short of what he needed in the current political climate. But instead he faces a Democratic Party whose message may be gaining in the opinion polls but whose field of candidates is still sorting itself out. So for the moment he has some breathing space as he sets about repairing his Presidency.

In his 51-minute address, Mr. Bush acknowledged it was time for him to "look homeward," a bow to all the polls that show the American people angry and discontented with his record on domestic policy. He was also forced to acknowledge that in his three years as President he had seen the country move from prosperity to "hard times."

But even as he tried to address an electorate that has changed so dramatically from the 1980's, that appears increasingly eager for a more active Federal Government and for bold action on the economy, he seemed to cling to his earlier policy prescriptions. Democrats quickly denounced his plan for the economy as incremental and inadequate.

Capital Gains Tax, Again

While he called for tax cuts for a variety of groups, he also repeated his call for a cut in the tax on capital gains, asserting that "never has an issue been more demagogued by its opponents." He argued, once again, that the cut would spur investment and create jobs, an argument his critics dismiss more and more vocally as discredited "trickle-down economics."

On health care, an issue that has soared to the top of the public agenda, Mr. Bush called for action but offered few details. Instead, he said, "we can reform our own private health care system, which still gives us, for all its flaws, the best quality health care in the world."

Across the domestic policy front, from education to taxes to urban problems, Mr. Bush seemed intent on trying to defuse his critics on the left, much as he did during the 1988 campaign, when he promised to be the "education President" and the "environment President."

But now he faces an increasingly skeptical public, which gave the Democrats the edge on a variety of domestic issues in last week's New York Times/ CBS News Poll. And now he faces a Democratic opposition quick to denounce him as given to mere gestures when it comes to domestic policy.

Gibes From Democrats

Speaker Thomas S. Foley of Washington sounded the Democratic line tonight in his party's response to the President. Democrats, he said, are setting forth an agenda of "fundamental change" with tax cuts for the middle class, comprehensive national health care and new trade policies.

Former Senator Paul E. Tsongas of Massachusetts, a candidate for the Democratic Presidential nomination, asserted that Mr. Bush's speech was "voodoo economics continued."

"George Bush just offered promises, promises, promises," Mr. Tsongas said.

On Capitol Hill, Representative Robert G. Torricelli of New Jersey said: "It was like a Chinese meal. It took forever, you got a thousand courses, but at the end you were still hungry."

Still, Robert M. Teeter, Mr. Bush's campaign chairman, argued that the President's economic program would put him back on the political offensive "and the ball deep in the Democrats' court."

Mr. Bush, keenly aware of the public's discontent with Congress, urged lawmakers to act quickly and put aside partisan politics. If tonight's speech was a preview to his campaign, it will include some Congress-bashing.

There were also other themes for the campaign year: pledges to promote family values, to fight street crime and to change the welfare system. And, perhaps most important, there was the emphasis on the attributes of a tested Commander in Chief, expected to be an important line of attack against whomever the Democrats nominate.

Mr. Bush spoke of the triumph of America in the cold war, but also of the

challenges that remain. He warned of the dangers of isolationism, a slap both at many of the Democrats who are calling for a renewed emphasis on the home front and at the "America First" campaign of Patrick J. Buchanan, the conservative commentator who is challenging him in the New Hampshire primary.

And the President simply reminded the public of the extraordinary turmoil in the world over the last three years.

Mr. Teeter argued, "The President is unique in that national security and foreign policy are his responsibility." Down the road, it is a message that is likely to be heard, again and again, against a Democratic field that is short on foreign policy credentials.

Still, the electorate is focused on other matters at the moment. And it was telling that when Mr. Bush recalled one of his defining moments -- the flat declaration after the Iraqi invasion of Kuwait that "this will not stand" -- he felt compelled to apply the phrase to the lagging economy.

GRAPHIC: Photo: House Speaker Thomas S. Foley as he prepared yesterday for a speech he delivered in response to the President's State of the Union Message. (Reuters)

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LOAD-DATE: January 29, 1992

Address Before a Joint Session of the Congress on the State of the Union

January 25, 1984

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

Once again, in keeping with time-honored tradition, I have come to report to you on the state of the Union, and I'm pleased to report that America is much improved, and there's good reason to believe that improvement will continue through the days to come.

You and I have had some honest and open differences in the year past. But they didn't keep us from joining hands in bipartisan cooperation to stop a long decline that had drained this nation's spirit and eroded its health. There is renewed energy and optimism throughout the land. America is back, standing tall, looking to the eighties with courage, confidence, and hope.

The problems we're overcoming are not the heritage of one person, party, or even one generation. It's just the tendency of government to grow, for practices and programs to become the nearest thing to eternal life we'll ever see on this Earth. [Laughter] And there's always that well-intentioned chorus of voices saying, "With a little more power and a little more money, we could do so much for the people." For a time we forgot the American dream isn't one of making government bigger; it's keeping faith with the mighty spirit of free people under God.

As we came to the decade of the eighties, we faced the worst crisis in our postwar history. In the seventies were years of rising problems and falling confidence. There was a feeling government had grown beyond the consent of the governed. Families felt helpless in the face of mounting inflation and the indignity of taxes that reduced reward for hard work, thrift, and risk-taking. All this was overlaid by an ever-growing web of rules and regulations.

On the international scene, we had an uncomfortable feeling that we'd lost the respect of friend and foe. Some questioned whether we had the will to defend peace

and freedom. But America is too great for small dreams. There was a hunger in the land for a spiritual revival; if you will, a crusade for renewal. The American people said: Let us look to the future with confidence, both at home and abroad. Let us give freedom a chance.

Americans were ready to make a new beginning, and together we have done it. We're confronting our problems one by one. Hope is alive tonight for millions of young families and senior citizens set free from unfair tax increases and crushing inflation. Inflation has been beaten down from 12.4 to 3.2 percent, and that's a great victory for all the people. The prime rate has been cut almost in half, and we must work together to bring it down even more.

Together, we passed the first across-the-board tax reduction for everyone since the Kennedy tax cuts. Next year, tax rates will be indexed so inflation can't push people into higher brackets when they get cost-of-living pay raises. Government must never again use inflation to profit at the people's expense.

Today a working family earning \$25,000 has \$1,100 more in purchasing power than if tax and inflation rates were still at the 1980 levels. Real after-tax income increased 5 percent last year. And economic deregulation of key industries like transportation has offered more chances—or choices, I should say, to consumers and new changes—or chances for entrepreneurs and protecting safety. Tonight, we can report and be proud of one of the best recoveries in decades. Send away the handwringers and the doubting Thomases. Hope is reborn for couples dreaming of owning homes and for risktakers with vision to create tomorrow's opportunities.

The spirit of enterprise is sparked by the sunrise industries of high-tech and by small businesspeople with big ideas—people like Barbara Proctor, who rose from a ghetto to build a multimillion-dollar advertising agency in Chicago; Carlos Perez, a Cuban

refugee, who turned \$27 and a dream into a successful importing business in Coral Gables, Florida.

People like these are heroes for the eighties. They helped 4 million Americans find jobs in 1983. More people are drawing paychecks tonight than ever before. And Congress helps—or progress helps everyone—well, Congress does too—[laughter]—everyone. In 1983 women filled 73 percent of all the new jobs in managerial, professional, and technical fields.

But we know that many of our fellow countrymen are still out of work, wondering what will come of their hopes and dreams. Can we love America and not reach out to tell them: You are not forgotten; we will not rest until each of you can reach as high as your God-given talents will take you.

The heart of America is strong; it's good and true. The cynics were wrong; America never was a sick society. We're seeing re-dedication to bedrock values of faith, family, work, neighborhood, peace, and freedom—values that help bring us together as one people, from the youngest child to the most senior citizen.

The Congress deserves America's thanks for helping us restore pride and credibility to our military. And I hope that you're as proud as I am of the young men and women in uniform who have volunteered to man the ramparts in defense of freedom and whose dedication, valor, and skill increases so much our chance of living in a world at peace.

People everywhere hunger for peace and a better life. The tide of the future is a freedom tide, and our struggle for democracy cannot and will not be denied. This nation champions peace that enshrines liberty, democratic rights, and dignity for every individual. America's new strength, confidence, and purpose are carrying hope and opportunity far from our shores. A world economic recovery is underway. It began here.

We've journeyed far, but we have much farther to go. Franklin Roosevelt told us 50 years ago this month: "Civilization can not go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when

necessary, but in all cases to go forward."

It's time to move forward again, time for America to take freedom's next step. Let us unite tonight behind four great goals to keep America free, secure, and at peace in the eighties together.

We can ensure steady economic growth. We can develop America's next frontier. We can strengthen our traditional values. And we can build a meaningful peace to protect our loved ones and this shining star of faith that has guided millions from tyranny to the safe harbor of freedom, progress, and hope.

Doing these things will open wider the gates of opportunity, provide greater security for all, with no barriers of bigotry or discrimination.

The key to a dynamic decade is vigorous economic growth, our first great goal. We might well begin with common sense in Federal budgeting: government spending no more than government takes in.

We must bring Federal deficits down. But how we do that makes all the difference.

We can begin by limiting the size and scope of government. Under the leadership of Vice President Bush, we have reduced the growth of Federal regulations by more than 25 percent and cut well over 300 million hours of government-required paperwork each year. This will save the public more than \$150 billion over the next 10 years.

The Grace commission has given us some 2,500 recommendations for reducing wasteful spending, and they're being examined throughout the administration. Federal spending growth has been cut from 17.4 percent in 1980 to less than half of that today, and we have already achieved over \$300 billion in budget savings for the period of 1982 to '86. But that's only a little more than half of what we sought. Government is still spending too large a percentage of the total economy.

Now, some insist that any further budget savings must be obtained by reducing the portion spent on defense. This ignores the fact that national defense is solely the responsibility of the Federal Government; indeed, it is its prime responsibility. And yet defense spending is less than a third of

the total budget. During the years of President Kennedy and of the years before that, defense was almost half the total budget. And then came several years in which our military capability was allowed to deteriorate to a very dangerous degree. We are just now restoring, through the essential modernization of our conventional and strategic forces, our capability to meet our present and future security needs. We dare not shirk our responsibility to keep America free, secure, and at peace.

The last decade saw domestic spending surge literally out of control. But the basis for such spending had been laid in previous years. A pattern of overspending has been in place for half a century. As the national debt grew, we were told not to worry, that we owed it to ourselves.

Now we know that deficits are a cause for worry. But there's a difference of opinion as to whether taxes should be increased, spending cut, or some of both. Fear is expressed that government borrowing to fund the deficit could inhibit the economic recovery by taking capital needed for business and industrial expansion. Well, I think that debate is missing an important point. Whether government borrows or increases taxes, it will be taking the same amount of money from the private sector, and, either way, that's too much. Simple fairness dictates that government must not raise taxes on families struggling to pay their bills. The root of the problem is that government's share is more than we can afford if we're to have a sound economy.

We must bring down the deficits to ensure continued economic growth. In the budget that I will submit on February 1st, I will recommend measures that will reduce the deficit over the next 5 years. Many of these will be unfinished business from last year's budget.

Some could be enacted quickly if we could join in a serious effort to address this problem. I spoke today with Speaker of the House O'Neill, Senate Majority Leader Baker, Senate Minority Leader Byrd, and House Minority Leader Michel. I asked them if they would designate congressional representatives to meet with representatives of the administration to try to reach prompt agreement on a bipartisan deficit

reduction plan. I know it would take a long, hard struggle to agree on a full-scale plan. So, what I have proposed is that we first see if we can agree on a downpayment.

Now, I believe there is basis for such an agreement, one that could reduce the deficits by about a hundred billion dollars over the next 3 years. We could focus on some of the less contentious spending cuts that are still pending before the Congress. These could be combined with measures to close certain tax loopholes, measures that the Treasury Department has previously said to be worthy of support. In addition, we could examine the possibility of achieving further outlay savings based on the work of the Grace commission.

If the congressional leadership is willing, my representatives will be prepared to meet with theirs at the earliest possible time. I would hope the leadership might agree on an expedited timetable in which to develop and enact that downpayment.

But a downpayment alone is not enough to break us out of the deficit problem. It could help us start on the right path. Yet, we must do more. So, I propose that we begin exploring how together we can make structural reforms to curb the built-in growth of spending.

I also propose improvements in the budgeting process. Some 43 of our 50 States grant their Governors the right to veto individual items in appropriation bills without having to veto the entire bill. California is one of those 43 States. As Governor, I found this line-item veto was a powerful tool against wasteful or extravagant spending. It works in 43 States. Let's put it to work in Washington for all the people.

It would be most effective if done by constitutional amendment. The majority of Americans approve of such an amendment, just as they and I approve of an amendment mandating a balanced Federal budget. Many States also have this protection in their constitutions.

To talk of meeting the present situation by increasing taxes is a Band-Aid solution which does nothing to cure an illness that's been coming on for half a century—to say nothing of the fact that it poses a real threat to economic recovery. Let's remember that

a substantial amount of income tax is presently owed and not paid by people in the underground economy. It would be immoral to make those who are paying taxes pay more to compensate for those who aren't paying their share.

There's a better way. Let us go forward with an historic reform for fairness, simplicity, and incentives for growth. I am asking Secretary Don Regan for a plan for action to simplify the entire tax code, so all taxpayers, big and small, are treated more fairly. And I believe such a plan could result in that underground economy being brought into the sunlight of honest tax compliance. And it could make the tax base broader, so personal tax rates could come down, not go up. I've asked that specific recommendations, consistent with those objectives, be presented to me by December 1984.

Our second great goal is to build on America's pioneer spirit—[laughter]—I said something funny? [Laughter] I said America's next frontier—and that's to develop that frontier. A sparkling economy spurs initiatives, sunrise industries, and makes older ones more competitive.

Nowhere is this more important than our next frontier: space. Nowhere do we so effectively demonstrate our technological leadership and ability to make life better on Earth. The Space Age is barely a quarter of a century old. But already we've pushed civilization forward with our advances in science and technology. Opportunities and jobs will multiply as we cross new thresholds of knowledge and reach deeper into the unknown.

Our progress in space—taking giant steps for all mankind—is a tribute to American teamwork and excellence. Our finest minds in government, industry, and academia have all pulled together. And we can be proud to say: We are first; we are the best; and we are so because we're free.

America has always been greatest when we dared to be great. We can reach for greatness again. We can follow our dreams to distant stars, living and working in space for peaceful, economic, and scientific gain. Tonight, I am directing NASA to develop a permanently manned space station and to do it within a decade.

A space station will permit quantum leaps

in our research in science, communications, in metals, and in lifesaving medicines which could be manufactured only in space. We want our friends to help us meet these challenges and share in their benefits. NASA will invite other countries to participate so we can strengthen peace, build prosperity, and expand freedom for all who share our goals.

Just as the oceans opened up a new world for clipper ships and Yankee traders, space holds enormous potential for commerce today. The market for space transportation could surpass our capacity to develop it. Companies interested in putting payloads into space must have ready access to private sector launch services. The Department of Transportation will help an expendable launch services industry to get off the ground. We'll soon implement a number of executive initiatives, develop proposals to ease regulatory constraints, and, with NASA's help, promote private sector investment in space.

And as we develop the frontier of space, let us remember our responsibility to preserve our older resources here on Earth. Preservation of our environment is not a liberal or conservative challenge, it's common sense.

Though this is a time of budget constraints, I have requested for EPA one of the largest percentage budget increases of any agency. We will begin the long, necessary effort to clean up a productive recreational area and a special national resource—the Chesapeake Bay.

To reduce the threat posed by abandoned hazardous waste dumps, EPA will spend \$410 million. And I will request a supplemental increase of 50 million. And because the Superfund law expires in 1985, I've asked Bill Ruckelshaus to develop a proposal for its extension so there'll be additional time to complete this important task.

On the question of acid rain, which concerns people in many areas of the United States and Canada, I'm proposing a research program that doubles our current funding. And we'll take additional action to restore our lakes and develop new technology to reduce pollution that causes acid rain.

We have greatly improved the conditions

of our natural resources. We'll ask the Congress for \$157 million beginning in 1985 to acquire new park and conservation lands. The Department of the Interior will encourage careful, selective exploration and production on our vital resources in an Exclusive Economic Zone within the 200-mile limit off our coasts—but with strict adherence to environmental laws and with fuller State and public participation.

But our most precious resources, our greatest hope for the future, are the minds and hearts of our people, especially our children. We can help them build tomorrow by strengthening our community of shared values. This must be our third great goal. For us, faith, work, family, neighborhood, freedom, and peace are not just words; they're expressions of what America means, definitions of what makes us a good and loving people.

Families stand at the center of our society. And every family has a personal stake in promoting excellence in education. Excellence does not begin in Washington. A 600-percent increase in Federal spending on education between 1960 and 1980 was accompanied by a steady decline in Scholastic Aptitude Test scores. Excellence must begin in our homes and neighborhood schools, where it's the responsibility of every parent and teacher and the right of every child.

Our children come first, and that's why I established a bipartisan National Commission on Excellence in Education, to help us chart a commonsense course for better education. And already, communities are implementing the Commission's recommendations. Schools are reporting progress in math and reading skills. But we must do more to restore discipline to schools; and we must encourage the teaching of new basics, reward teachers of merit, enforce tougher standards, and put our parents back in charge.

I will continue to press for tuition tax credits to expand opportunities for families and to soften the double payment for those paying public school taxes and private school tuition. Our proposal would target assistance to low- and middle-income families. Just as more incentives are needed within our schools, greater competition is needed among our schools. Without stand-

ards and competition, there can be no champions, no records broken, no excellence in education or any other walk of life.

And while I'm on this subject, each day your Members observe a 200-year-old tradition meant to signify America is one nation under God. I must ask: If you can begin your day with a member of the clergy standing right here leading you in prayer, then why can't freedom to acknowledge God be enjoyed again by children in every schoolroom across this land?

America was founded by people who believed that God was their rock of safety. He is ours. I recognize we must be cautious in claiming that God is on our side, but I think it's all right to keep asking if we're on His side.

During our first 3 years, we have joined bipartisan efforts to restore protection of the law to unborn children. Now, I know this issue is very controversial. But unless and until it can be proven that an unborn child is not a living human being, can we justify assuming without proof that it isn't? No one has yet offered such proof; indeed, all the evidence is to the contrary. We should rise above bitterness and reproach, and if Americans could come together in a spirit of understanding and helping, then we could find positive solutions to the tragedy of abortion.

Economic recovery, better education, re-dedication to values, all show the spirit of renewal gaining the upper hand. And all will improve family life in the eighties. But families need more. They need assurance that they and their loved ones can walk the streets of America without being afraid. Parents need to know their children will not be victims of child pornography and abduction. This year we will intensify our drive against these and other horrible crimes like sexual abuse and family violence.

Already our efforts to crack down on career criminals, organized crime, drug-pushers, and to enforce tougher sentences and paroles are having effect. In 1982 the crime rate dropped by 4.3 percent, the biggest decline since 1972. Protecting victims is just as important as safeguarding the rights of defendants.

Opportunities for all Americans will increase if we move forward in fair housing and work to ensure women's rights, provide for equitable treatment in pension benefits and Individual Retirement Accounts, facilitate child care, and enforce delinquent parent support payments.

It's not just the home but the workplace and community that sustain our values and shape our future. So, I ask your help in assisting more communities to break the bondage of dependency. Help us to free enterprise by permitting debate and voting "yes" on our proposal for enterprise zones in America. This has been before you for 2 years. Its passage can help high-unemployment areas by creating jobs and restoring neighborhoods.

A society bursting with opportunities, reaching for its future with confidence, sustained by faith, fair play, and a conviction that good and courageous people will flourish when they're free—these are the secrets of a strong and prosperous America at peace with itself and the world.

A lasting and meaningful peace is our fourth great goal. It is our highest aspiration. And our record is clear: Americans resort to force only when we must. We have never been aggressors. We have always struggled to defend freedom and democracy.

We have no territorial ambitions. We occupy no countries. We build no walls to lock people in. Americans build the future. And our vision of a better life for farmers, merchants, and working people, from the Americas to Asia, begins with a simple premise: The future is best decided by ballots, not bullets.

Governments which rest upon the consent of the governed do not wage war on their neighbors. Only when people are given a personal stake in deciding their own destiny, benefiting from their own risks, do they create societies that are prosperous, progressive, and free. Tonight, it is democracies that offer hope by feeding the hungry, prolonging life, and eliminating drudgery.

When it comes to keeping America strong, free, and at peace, there should be no Republicans or Democrats, just patriotic Americans. We can decide the tough issues

not by who is right, but by what is right.

Together, we can continue to advance our agenda for peace. We can establish a more stable basis for peaceful relations with the Soviet Union; strengthen allied relations across the board; achieve real and equitable reductions in the levels of nuclear arms; reinforce our peacemaking efforts in the Middle East, Central America, and southern Africa; or assist developing countries, particularly our neighbors in the Western Hemisphere; and assist in the development of democratic institutions throughout the world.

The wisdom of our bipartisan cooperation was seen in the work of the Scowcroft commission, which strengthened our ability to deter war and protect peace. In that same spirit, I urge you to move forward with the Henry Jackson plan to implement the recommendations of the Bipartisan Commission on Central America.

Your joint resolution on the multinational peacekeeping force in Lebanon is also serving the cause of peace. We are making progress in Lebanon. For nearly 10 years, the Lebanese have lived from tragedy to tragedy with no hope for their future. Now the multinational peacekeeping force and our marines are helping them break their cycle of despair. There is hope for a free, independent, and sovereign Lebanon. We must have the courage to give peace a chance. And we must not be driven from our objectives for peace in Lebanon by state-sponsored terrorism. We have seen this ugly specter in Beirut, Kuwait, and Rangoon. It demands international attention. I will forward shortly legislative proposals to help combat terrorism. And I will be seeking support from our allies for concerted action.

Our NATO alliance is strong. 1983 was a banner year for political courage. And we have strengthened our partnerships and our friendships in the Far East. We're committed to dialog, deterrence, and promoting prosperity. We'll work with our trading partners for a new round of negotiations in support of freer world trade, greater competition, and more open markets.

A rebirth of bipartisan cooperation, of economic growth, and military deterrence,

and a growing spirit of unity among our people at home and our allies abroad underline a fundamental and far-reaching change: The United States is safer, stronger, and more secure in 1984 than before. We can now move with confidence to seize the opportunities for peace, and we will.

Tonight, I want to speak to the people of the Soviet Union, to tell them it's true that our governments have had serious differences, but our sons and daughters have never fought each other in war. And if we Americans have our way, they never will.

People of the Soviet Union, there is only one sane policy, for your country and mine, to preserve our civilization in this modern age: A nuclear war cannot be won and must never be fought. The only value in our two nations possessing nuclear weapons is to make sure they will never be used. But then would it not be better to do away with them entirely?

People of the Soviet, President Dwight Eisenhower, who fought by your side in World War II, said the essential struggle "is not merely man against man or nation against nation. It is man against war." Americans are people of peace. If your government wants peace, there will be peace. We can come together in faith and friendship to build a safer and far better world for our children and our children's children. And the whole world will rejoice. That is my message to you.

Some days when life seems hard and we reach out for values to sustain us or a friend to help us, we find a person who reminds us what it means to be Americans.

Sergeant Stephen Trujillo, a medic in the 2d Ranger Battalion, 75th Infantry, was in the first helicopter to land at the compound held by Cuban forces in Grenada. He saw three other helicopters crash. Despite the imminent explosion of the burning aircraft, he never hesitated. He ran across 25 yards of open terrain through enemy fire to rescue wounded soldiers. He directed two other medics, administered first aid, and returned again and again to the crash site to carry his wounded friends to safety.

Sergeant Trujillo, you and your fellow service men and women not only saved innocent lives; you set a nation free. You inspire us as a force for freedom, not for des-

kept the faith.

Thank you very much. God bless you, and God bless America.

Note: The President spoke at 9:02 p.m. in

potism; and, yes, for peace, not conquest. God bless you.

And then there are unsung heroes: single parents, couples, church and civic volunteers. Their hearts carry without complaint the pains of family and community problems. They soothe our sorrow, heal our wounds, calm our fears, and share our joy.

A person like Father Ritter is always there. His Covenant House programs in New York and Houston provide shelter and help to thousands of frightened and abused children each year. The same is true of Dr. Charles Carson. Paralyzed in a plane crash, he still believed nothing is impossible. Today in Minnesota, he works 80 hours a week without pay, helping pioneer the field of computer-controlled walking. He has given hope to 500,000 paralyzed Americans that some day they may walk again.

How can we not believe in the greatness of America? How can we not do what is right and needed to preserve this last best hope of man on Earth? After all our struggles to restore America, to revive confidence in our country, hope for our future, after all our hard-won victories earned through the patience and courage of every citizen, we cannot, must not, and will not turn back. We will finish our job. How could we do less? We're Americans.

Carl Sandburg said, "I see America not in the setting sun of a black night of despair . . . I see America in the crimson light of a rising sun fresh from the burning, creative hand of God . . . I see great days ahead for men and women of will and vision."

I've never felt more strongly that America's best days and democracy's best days lie ahead. We're a powerful force for good. With faith and courage, we can perform great deeds and take freedom's next step. And we will. We will carry on the tradition of a good and worthy people who have brought light where there was darkness, warmth where there was cold, medicine where there was disease, food where there was hunger, and peace where there was only bloodshed.

Let us be sure that those who come after will say of us in our time, that in our time we did everything that could be done. We finished the race; we kept them free; we

the House Chamber of the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

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HEADLINE: REAGAN ASKS 2-PARTY DRIVE TO CUT DEFICITS \$100 BILLION; DEMOCRATS
ASSAIL POLICIES

BYLINE: By STEVEN R. WEISMAN, Special to the New York Times

DATELINE: WASHINGTON, Jan. 25

BODY:

President Reagan, declaring that bipartisan cooperation in Congress had already helped arrest the nation's "long decline," appealed to Republicans and Democrats tonight to join in a new attempt to reduce the projected Federal deficit by \$100 billion in the next three years.

In his annual State of the Union Message, Mr. Reagan mixed his renewed appeal for bipartisan cooperation on

Transcript of message, page B8. taxes and spending with a nearly evangelical evocation of the progress and renewed hope he said the United States had achieved since he took office.

"There is renewed energy and optimism throughout the land," Mr. Reagan declared. "America is back - standing tall, looking to the 80's with courage, confidence and hope."

'We Will Finish Our Job'

In a sweeping summation that sounded almost like an appeal for another term in office, Mr. Reagan said:

"After all our struggles to restore America, to revive confidence in our country and hope for our future; after all our hard-won victories earned through the patience and courage of every citizen - we cannot, must not and will not turn back. We will finish our job."

Among the proposals Mr. Reagan made in his address were these:

- Declaring that the United States was "safer, stronger and more secure" than before, he said his Administration was ready to negotiate in earnest with the Russians on all issues. "I want to speak to the people of the Soviet

Union," he said, declaring that the "only sane policy" for the two countries was to assure that "a nuclear war cannot be won and must never be fought."
(Page B7.)

- On other foreign policy issues, he endorsed the idea of large increases in military and economic aid to Central America in the next several years and said the presence of the United States Marine Corps force was helping secure progress toward peace in Lebanon.

- Without providing details, Mr. Reagan said he would submit legislation "to help combat terrorism." White House officials said this legislation would provide money for the United States to improve cooperation with other governments on intelligence, step up protective measures at home and deal with "domestic terrorism."

- Reversing three years of policies criticized by environmentalists, Mr. Reagan said he would seek a substantial increase in the budget of the Environmental Protection Agency, particularly in the cleanup of toxic wastes and efforts to ease the effects of acid rain. Also announced was new money for acquisition of parklands and a cleanup of Chesapeake Bay.

- Urging that Americans work to develop "our next frontier," Mr. Reagan called for the construction of a permanently manned space station orbiting the earth within a decade. White House officials said this would cost \$8 billion, and that Mr. Reagan would seek \$150 million in the budget for next year.

- The President proposed that Treasury Secretary Donald T. Regan propose next December "a plan for action to simplify the entire tax code." He also said he would seek two Constitutional amendments, one to let the President veto individual items in bills, the other to require a balanced Federal budget.

- Under a section of the speech labeled "traditional values," Mr. Reagan renewed his appeals for restoration of discipline in schools, tax credits for parents sending children to private schools, and Government-sponsored school prayer. He also called again for outlawing abortion and for efforts to combat child pornography, sexual abuse, family violence, career criminals, organized crime and drug traffickers.

Thus the President's speech, which White House officials said would "set the tone" for the upcoming Presidential campaign, served to underscore Mr. Reagan's intention to speak this year to social issues as well as specific governmental reforms.

A Warm Reception

Mr. Reagan drew a warm reception at the beginning and end of his 43-minute address at the Capitol, where security outside was heavy. He spoke smoothly, with some stumbles. More than three dozen times, the audience interrupted him with applause, most notably when he called for school prayer and denounced nuclear war.

By far the biggest ovation came when the audience rose and cheered Sgt. Stephen Trujillo after Mr. Reagan cited the Army man's record of heroism in Grenada last October and said: "God bless you." Sergeant Trujillo, sitting with Mr. Reagan's family, rose to accept the greeting.

At other moments, the applause had a more partisan flavor. Democrats applauded lustily when Mr. Reagan said, "We must bring Federal deficits down." Then Republicans applauded when Mr. Reagan finished the sentence, "but how we do that makes all the difference."

The audience also found humor in the obvious political implications of Mr. Reagan's proposal for a study to "simplify" the tax code. After the President said he expected recommendations by December 1984, one month after the election, there was a ripple of laughter. "I said something funny?" Mr. Reagan responded, with a sheepish smile.

'Down Payment' on Deficit

The President described his proposal on the budget as an appeal to make a "down payment" on the Federal deficit, which is projected at nearly \$200 billion next year. White House officials said he had in mind a package of "relatively less controversial" spending cuts and tax increases that might amount to \$20 billion in the next fiscal year, but which would be worth \$100 over three years.

He announced that he had spoken earlier today with both Representative Thomas P. O'Neill Jr., the Speaker of the House, and Howard H. Baker Jr., the Senate majority leader, to secure their cooperation in setting up a working group that might negotiate modest deficit-reduction measures this year.

The tone of Mr. Reagan's address was conciliatory. There was a familiar casting of blame for the nation's problems on 50 years of government expansion, but there was little of Mr. Reagan's past denunciations of Democrats.

In keeping with this spirit, Mr. Reagan outlined his budget proposal but did not provide many details. White House officials, in a briefing before the speech, said the President deliberately did not call for a bipartisan commission to tackle the budget deficit, which was an idea he had considered in the last two weeks.

Ideological Issues Avoided

Instead, they said, Mr. Reagan wanted the Democratic and Republican leaders of both the Senate and the House to name representatives to a special group of negotiators. This group would then work out a modest package of spending cuts

and tax increases without addressing some of the larger, more ideological issues that have prevented compromise in the past.

Responding to the proposal, Speaker O'Neill referred to it as a "Presidential commission on deficit reduction" and said he was "determined" that it not become "a public relations ploy to take the heat off those properly responsible" for the deficit.

Mr. O'Neill said he would designate Representative Jim Wright of Texas, the House majority leader, to join with Senator Daniel K. Inouye of Hawaii to serve as the Democratic representatives to this bipartisan group.

But he said the group could not work if Mr. Reagan kept military spending off limits in the discussions.

No Repeal of Tax Cuts

At the official Administration briefing, a White House official said Mr. Reagan would be willing to discuss restraints on the growth of military spending as long as national security was not jeopardized. But he made it clear that Mr. Reagan would be unwilling to discuss repealing the core of his economic program, including the basic tax cuts that were enacted in 1981.

The official said Mr. Reagan would propose his own spending cuts and "loophole-closing" tax increases in the budget next week, amounting to \$50 billion in savings over three years.

Up for discussion with the Democrats, he said, would be such measures as curbs on tax breaks in leasing, curbs on the sale of tax-exempt industrial development bonds and changes in accounting rules governing the use of tax shelters.

On spending, the White House official mentioned that there could be discussion on placing a cap of 3.5 percent on Federal pay increases, and suspending the payment of cost-of-living adjustments for the veterans and civil service retirement programs. These proposals have won bipartisan support, he said.

Election Year Cited

The official noted that, in the past year, Democrats as well as Republicans in Congress have called for similar bipartisan efforts to tackle the deficit. These have taken the form of proposals for commissions, economic "summit meetings" and the like.

The Administration's proposal was acknowledged by aides to represent a recognition that the deficit of nearly \$200 billion could not be closed in one stroke, especially in an election year.

The idea of making a "down payment" came, in fact, from Congress. Senator Baker used the term Sunday in saying that the election year should not prevent some effort to reduce the deficit and insure that the current economic recovery is not thwarted.

Mr. Reagan said tonight that "we know deficits are a cause for worry," and

that "there is a difference of opinion as to whether taxes should be increased, spending cut, or some of both." He called for long-term "structural reforms to curb the built-in growth of spending," but seemed to suggest he would not propose these now.

\$100 Billion Deficit a Goal

He called for "prompt agreement" on the deficit-reduction plan. The White House official suggested it could come by mid-April. He said further that if the plan were put in place, the deficit could be reduced to below \$100 billion by 1989 - "a range that most people are comfortable with."

The Administration is now projecting deficits to stay in the \$200 billion range through 1987, but to dip significantly after that because of economic growth, projected lower interest rates on the national debt and the effect of new Social Security taxes.

Most of Mr. Reagan's address was focused not on the details of deficits or other programs but on broad themes, particularly on the concept of the 1980's being a period of change and growth for which the United States must prepare itself. The term "the 80's" was used again and again.

Officials who worked on the speech said this was an effort to capitalize on the fear among many voters that the future was a time of peril and uncertainty.

'Sunrise Industries' Cited

Mr. Reagan spoke of the future in specific terms by talking about improving schools, embarking on the space station and clearing the way for "private-sector investment" in space. In more general terms, he spoke of the need for continuing on the path of economic growth as the best way to meet the future's challenges.

He spoke also of the "sunrise industries of high tech" and mentioned two entrepreneurs who he said had risen from poverty and become "heroes for the 80's."

He made few comments about what he had in mind for "tax reform," but said it would be "immoral to make those who are paying taxes pay more to compensate for those who aren't paying their share."

This appeared to be a declaration that he would not countenance tax increases except in the context of achieving "simplicity" and "incentives for growth." His statement also made it clear that such improvements would not be considered until next year, a time when his advisers hope Mr. Reagan will still be in office.

GRAPHIC: photo of Sgt. Stephen Trujillo (page B7); photo of President Reagan

LANGUAGE: ENGLISH

Jan. 23

Administration of Jimmy Carter, 1980

The State of the Union

Address Delivered Before a Joint Session of the Congress. January 23, 1980

Mr. President, Mr. Speaker, Members of the 96th Congress, fellow citizens:

This last few months has not been an easy time for any of us. As we meet tonight, it has never been more clear that the state of our Union depends on the state of the world. And tonight, as throughout our own generation, freedom and peace in the world depend on the state of our Union.

The 1980's have been born in turmoil, strife, and change. This is a time of challenge to our interests and our values and it's a time that tests our wisdom and our skills.

At this time in Iran, 50 Americans are still held captive, innocent victims of terrorism and anarchy. Also at this moment, massive Soviet troops are attempting to

subjugate the fiercely independent and deeply religious people of Afghanistan. These two acts—one of international terrorism and one of military aggression—present a serious challenge to the United States of America and indeed to all the nations of the world. Together, we will meet these threats to peace.

I'm determined that the United States will remain the strongest of all nations, but our power will never be used to initiate a threat to the security of any nation or to the rights of any human being. We seek to be and to remain secure—a nation at peace in a stable world. But to be secure we must face the world as it is.

Three basic developments have helped to shape our challenges: the steady growth and increased projection of Soviet military power beyond its own borders; the overwhelming dependence of the Western democracies on oil supplies from the Middle East; and the press of social and religious and economic and political change in the many nations of the developing world, exemplified by the revolution in Iran.

Each of these factors is important in its own right. Each interacts with the others. All must be faced together, squarely and courageously. We will face these challenges, and we will meet them with the best that is in us. And we will not fail.

In response to the abhorrent act in Iran, our Nation has never been aroused and unified so greatly in peacetime. Our position is clear. The United States will not yield to blackmail.

We continue to pursue these specific goals: first, to protect the present and long-range interests of the United States; secondly, to preserve the lives of the American hostages and to secure, as quickly as possible, their safe release, if possible, to avoid bloodshed which might further endanger the lives of our fellow citizens; to

enlist the help of other nations in condemning this act of violence, which is shocking and violates the moral and the legal standards of a civilized world; and also to convince and to persuade the Iranian leaders that the real danger to their nation lies in the north, in the Soviet Union and from the Soviet troops now in Afghanistan, and that the unwarranted Iranian quarrel with the United States hampers their response to this far greater danger to them.

If the American hostages are harmed, a severe price will be paid. We will never rest until every one of the American hostages are released.

But now we face a broader and more fundamental challenge in this region because of the recent military action of the Soviet Union.

Now, as during the last 3½ decades, the relationship between our country, the United States of America, and the Soviet Union is the most critical factor in determining whether the world will live at peace or be engulfed in global conflict.

Since the end of the Second World War, America has led other nations in meeting the challenge of mounting Soviet power. This has not been a simple or a static relationship. Between us there has been cooperation, there has been competition, and at times there has been confrontation.

In the 1940's we took the lead in creating the Atlantic Alliance in response to the Soviet Union's suppression and then consolidation of its East European empire and the resulting threat of the Warsaw Pact to Western Europe.

In the 1950's we helped to contain further Soviet challenges in Korea and in the Middle East, and we rearmed to assure the continuation of that containment.

In the 1960's we met the Soviet challenges in Berlin, and we faced the Cuban

missile crisis. And we sought to engage the Soviet Union in the important task of moving beyond the cold war and away from confrontation.

And in the 1970's three American Presidents negotiated with the Soviet leaders in attempts to halt the growth of the nuclear arms race. We sought to establish rules of behavior that would reduce the risks of conflict, and we searched for areas of cooperation that could make our relations reciprocal and productive, not only for the sake of our two nations but for the security and peace of the entire world.

In all these actions, we have maintained two commitments: to be ready to meet any challenge by Soviet military power, and to develop ways to resolve disputes and to keep the peace.

Preventing nuclear war is the foremost responsibility of the two superpowers. That's why we've negotiated the strategic arms limitation treaties—SALT I and SALT II. Especially now, in a time of great tension, observing the mutual constraints imposed by the terms of these treaties will be in the best interest of both countries and will help to preserve world peace. I will consult very closely with the Congress on this matter as we strive to control nuclear weapons. That effort to control nuclear weapons will not be abandoned.

We superpowers also have the responsibility to exercise restraint in the use of our great military force. The integrity and the independence of weaker nations must not be threatened. They must know that in our presence they are secure.

But now the Soviet Union has taken a radical and an aggressive new step. It's using its great military power against a relatively defenseless nation. The implications of the Soviet invasion of Afghanistan could pose the most serious threat to the peace since the Second World War.

The vast majority of nations on Earth have condemned this latest Soviet attempt to extend its colonial domination of others and have demanded the immediate withdrawal of Soviet troops. The Moslem world is especially and justifiably outraged by this aggression against an Islamic people. No action of a world power has ever been so quickly and so overwhelmingly condemned. But verbal condemnation is not enough. The Soviet Union must pay a concrete price for their aggression.

While this invasion continues, we and the other nations of the world cannot conduct business as usual with the Soviet Union. That's why the United States has imposed stiff economic penalties on the Soviet Union. I will not issue any permits for Soviet ships to fish in the coastal waters of the United States. I've cut Soviet access to high-technology equipment and to agricultural products. I've limited other commerce with the Soviet Union, and I've asked our allies and friends to join with us in restraining their own trade with the Soviets and not to replace our own embargoed items. And I have notified the Olympic Committee that with Soviet invading forces in Afghanistan, neither the American people nor I will support sending an Olympic team to Moscow.

The Soviet Union is going to have to answer some basic questions: Will it help promote a more stable international environment in which its own legitimate, peaceful concerns can be pursued? Or will it continue to expand its military power far beyond its genuine security needs, and use that power for colonial conquest? The Soviet Union must realize that its decision to use military force in Afghanistan will be costly to every political and economic relationship it values.

The region which is now threatened by Soviet troops in Afghanistan is of great strategic importance: It contains more than two-thirds of the world's exportable oil. The Soviet effort to dominate Afghanistan has brought Soviet military forces to within 300 miles of the Indian Ocean and close to the Straits of Hormuz, a waterway through which most of the world's oil must flow. The Soviet Union is now attempting to consolidate a strategic position, therefore, that poses a grave threat to the free movement of Middle East oil.

This situation demands careful thought, steady nerves, and resolute action, not only for this year but for many years to come. It demands collective efforts to meet this new threat to security in the Persian Gulf and in Southwest Asia. It demands the participation of all those who rely on oil from the Middle East and who are concerned with global peace and stability. And it demands consultation and close cooperation with countries in the area which might be threatened.

Meeting this challenge will take national will, diplomatic and political wisdom, economic sacrifice, and, of course, military capability. We must call on the best that is in us to preserve the security of this crucial region.

Let our position be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.

During the past 3 years, you have joined with me to improve our own security and the prospects for peace, not only in the vital oil-producing area of the Persian Gulf region but around the world. We've increased annually our real commitment for defense, and we will sustain this increase of effort throughout the Five

Year Defense Program. It's imperative that Congress approve this strong defense budget for 1981, encompassing a 5-percent real growth in authorizations, without any reduction.

We are also improving our capability to deploy U.S. military forces rapidly to distant areas. We've helped to strengthen NATO and our other alliances, and recently we and other NATO members have decided to develop and to deploy modernized, intermediate-range nuclear forces to meet an unwarranted and increased threat from the nuclear weapons of the Soviet Union.

We are working with our allies to prevent conflict in the Middle East. The peace treaty between Egypt and Israel is a notable achievement which represents a strategic asset for America and which also enhances prospects for regional and world peace. We are now engaged in further negotiations to provide full autonomy for the people of the West Bank and Gaza, to resolve the Palestinian issue in all its aspects, and to preserve the peace and security of Israel. Let no one doubt our commitment to the security of Israel. In a few days we will observe an historic event when Israel makes another major withdrawal from the Sinai and when Ambassadors will be exchanged between Israel and Egypt.

We've also expanded our own sphere of friendship. Our deep commitment to human rights and to meeting human needs has improved our relationship with much of the Third World. Our decision to normalize relations with the People's Republic of China will help to preserve peace and stability in Asia and in the Western Pacific.

We've increased and strengthened our naval presence in the Indian Ocean, and we are now making arrangements for key naval and air facilities to be used by our

forces in the region of northeast Africa and the Persian Gulf.

We've reconfirmed our 1959 agreement to help Pakistan preserve its independence and its integrity. The United States will take action consistent with our own laws to assist Pakistan in resisting any outside aggression. And I'm asking the Congress specifically to reaffirm this agreement. I'm also working, along with the leaders of other nations, to provide additional military and economic aid for Pakistan. That request will come to you in just a few days.

In the weeks ahead, we will further strengthen political and military ties with other nations in the region. We believe that there are no irreconcilable differences between us and any Islamic nation. We respect the faith of Islam, and we are ready to cooperate with all Moslem countries.

Finally, we are prepared to work with other countries in the region to share a cooperative security framework that respects differing values and political beliefs, yet which enhances the independence, security, and prosperity of all.

All these efforts combined emphasize our dedication to defend and preserve the vital interests of the region and of the nation which we represent and those of our allies—in Europe and the Pacific, and also in the parts of the world which have such great strategic importance to us, stretching especially through the Middle East and Southwest Asia. With your help, I will pursue these efforts with vigor and with determination. You and I will act as necessary to protect and to preserve our Nation's security.

The men and women of America's Armed Forces are on duty tonight in many parts of the world. I'm proud of the job they are doing, and I know you share that pride. I believe that our volunteer forces

are adequate for current defense needs, and I hope that it will not become necessary to impose a draft. However, we must be prepared for that possibility. For this reason, I have determined that the Selective Service System must now be revitalized. I will send legislation and budget proposals to the Congress next month so that we can begin registration and then meet future mobilization needs rapidly if they arise.

We also need clear and quick passage of a new charter to define the legal authority and accountability of our intelligence agencies. We will guarantee that abuses do not recur, but we must tighten our controls on sensitive intelligence information, and we need to remove unwarranted restraints on America's ability to collect intelligence.

The decade ahead will be a time of rapid change, as nations everywhere seek to deal with new problems and age-old tensions. But America need have no fear. We can thrive in a world of change if we remain true to our values and actively engaged in promoting world peace. We will continue to work as we have for peace in the Middle East and southern Africa. We will continue to build our ties with developing nations, respecting and helping to strengthen their national independence which they have struggled so hard to achieve. And we will continue to support the growth of democracy and the protection of human rights.

In repressive regimes, popular frustrations often have no outlet except through violence. But when peoples and their governments can approach their problems together through open, democratic methods, the basis for stability and peace is far more solid and far more enduring. That is why our support for human rights in other countries is in our own national interest

as well as part of our own national character.

Peace—a peace that preserves freedom—remains America's first goal. In the coming years, as a mighty nation we will continue to pursue peace. But to be strong abroad we must be strong at home. And in order to be strong, we must continue to face up to the difficult issues that confront us as a nation today.

The crises in Iran and Afghanistan have dramatized a very important lesson: Our excessive dependence on foreign oil is a clear and present danger to our Nation's security. The need has never been more urgent. At long last, we must have a clear, comprehensive energy policy for the United States.

As you well know, I have been working with the Congress in a concentrated and persistent way over the past 3 years to meet this need. We have made progress together. But Congress must act promptly now to complete final action on this vital energy legislation. Our Nation will then have a major conservation effort, important initiatives to develop solar power, realistic pricing based on the true value of oil, strong incentives for the production of coal and other fossil fuels in the United States, and our Nation's most massive peacetime investment in the development of synthetic fuels.

The American people are making progress in energy conservation. Last year we reduced overall petroleum consumption by 8 percent and gasoline consumption by 5 percent below what it was the year before. Now we must do more.

After consultation with the Governors, we will set gasoline conservation goals for each of the 50 States, and I will make them mandatory if these goals are not met.

I've established an import ceiling for 1980 of 8.2 million barrels a day—well

below the level of foreign oil purchases in 1977. I expect our imports to be much lower than this, but the ceiling will be enforced by an oil import fee if necessary. I'm prepared to lower these imports still further if the other oil-consuming countries will join us in a fair and mutual reduction. If we have a serious shortage, I will not hesitate to impose mandatory gasoline rationing immediately.

The single biggest factor in the inflation rate last year, the increase in the inflation rate last year, was from one cause: the skyrocketing prices of OPEC oil. We must take whatever actions are necessary to reduce our dependence on foreign oil—and at the same time reduce inflation.

As individuals and as families, few of us can produce energy by ourselves. But all of us can conserve energy—every one of us, every day of our lives. Tonight I call on you—in fact, all the people of America—to help our Nation. Conserve energy. Eliminate waste. Make 1980 indeed a year of energy conservation.

Of course, we must take other actions to strengthen our Nation's economy.

First, we will continue to reduce the deficit and then to balance the Federal budget.

Second, as we continue to work with business to hold down prices, we'll build also on the historic national accord with organized labor to restrain pay increases in a fair fight against inflation.

Third, we will continue our successful efforts to cut paperwork and to dismantle unnecessary Government regulation.

Fourth, we will continue our progress in providing jobs for America, concentrating on a major new program to provide training and work for our young people, especially minority youth. It has been said that "a mind is a terrible thing to waste." We will give our young people

Administration of Jimmy Carter, 1980

new hope for jobs and a better life in the 1980's.

And fifth, we must use the decade of the 1980's to attack the basic structural weaknesses and problems in our economy through measures to increase productivity, savings, and investment.

With these energy and economic policies, we will make America even stronger at home in this decade—just as our foreign and defense policies will make us stronger and safer throughout the world. We will never abandon our struggle for a just and a decent society here at home. That's the heart of America—and it's the source of our ability to inspire other people to defend their own rights abroad.

Our material resources, great as they are, are limited. Our problems are too complex for simple slogans or for quick solutions. We cannot solve them without effort and sacrifice. Walter Lippmann once reminded us, "You took the good things for granted. Now you must earn them again. For every right that you cherish, you have a duty which you must fulfill. For every good which you wish to preserve, you will have to sacrifice your comfort and your ease. There is nothing for nothing any longer."

Our challenges are formidable. But there's a new spirit of unity and resolve in our country. We move into the 1980's with confidence and hope and a bright vision of the America we want: an America strong and free, an America at peace, an America with equal rights for all citizens—and for women, guaranteed in the United States Constitution—an America with jobs and good health and good education for every citizen, an America with a clean and bountiful life in our cities and on our farms, an America that helps to feed the world, an America secure in filling its own energy needs, an America of justice, tolerance, and compassion. For

this vision to come true, we must sacrifice, but this national commitment will be an exciting enterprise that will unify our people.

Together as one people, let us work to build our strength at home, and together as one indivisible union, let us seek peace and security throughout the world.

Together let us make of this time of challenge and danger a decade of national resolve and of brave achievement.

Thank you very much.

NOTE: The President spoke at 9 p.m. in the House Chamber at the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on radio and television.

The Carter Doctrine

Stern Warning on Gulf Area Is in Sharp Contrast To Nixon's Avoidance of Regional Confrontation

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, Jan. 23 — It was a serious warning that President Carter issued to the Soviet Union tonight, an echo of President Truman facing Soviet threats to Greece and Turkey in 1947 and President Eisenhower dealing with the instability of the Middle East a decade later.

News
Analysis

But what in time will undoubtedly come to be known as the Carter Doctrine marked a dramatic reversal from the strategy enunciated by President Nixon in July, 1969, that Washington would not be enticed into regional conflicts but would count on the regional powers to take the lead in protecting themselves and American interests. In those years, Iran was to be the policeman in the Persian Gulf.

Tonight, Mr. Carter put the world on

notice that while he hoped to promote a regional framework for cooperation, he regarded the Gulf area with its oil fields as one of vital interest to the United States and any outside attempt to gain control there would be "repelled by use of any means necessary, including military force."

The White House took pains tonight to emphasize that in spite of this very stern language, the President's message and his panoply of other actions were intended as "a long haul response" to the new Soviet threat and "not a bugle call" to the nation for some quick confrontation with Moscow. But one official characterized the President's words as an ultimatum to the Kremlin.

Call for Draft Registration

The tough tone of his State of the Union Address, far more ominous than his earlier two annual addresses, underscored the gravity of the message. And the warning, delivered in firm and measured cadence, drew the strongest applause from members of Congress.

Moreover, in this speech, Mr. Carter plunged immediately into the nation's foreign problems, for the first time in three years relegating domestic affairs to the second half of his agenda.

And if the nation needed concrete evidence of his seriousness, it came in his call for peacetime draft registration, possibly including women, although officials say that it is still an open question. For the moment, these officials say, the draft registration is a standby move. But it is certain to spur controversy in the 1980 campaign. Several Republican candidates, as well as Senator Edward M. Kennedy of Massachusetts, his chief Democratic rival, have opposed such a move.

Mr. Carter may run into controversy as well over his basic premise that Moscow's thrust into Afghanistan puts Soviet

Continued on Page A12, Column 4

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System must now be revitalized. I will send legislation and budget proposals to the Congress next month so that we can begin registration and then meet

ment of synthetic fuels.
The American people are making progress in energy conservation. Last year we reduced overall petroleum consumption by 8 percent and gasoline

Throughout the world.
Together let us make of this time of challenge and danger a decade of national resolve and of brave achievement. Thank you very much.

Carter Doctrine Is in Contrast With Strategy of '70s

Continued From Page A1

military force so close to the mouth of the Persian Gulf that it now "poses a grave threat to the free movement of Middle East oil." Some European countries, for example, have reacted with much less alarm to the Soviet move than has Washington, giving some private indications that they think Mr. Carter may be overreacting. Tonight, he prodded them by asserting that Moscow's thrust "demands the participation of those who rely on oil: in a collective effort to meet the radical and aggressive new Soviet threat."

Politically, the Administration has already found dividends in its new tough line. The diplomatic calculation is that a clear warning — though Mr. Carter deliberately did not state which countries were covered by his warning — may deter Moscow and make the actual use of force unnecessary in the Middle East.

More specifically than before, Mr. Carter threw the umbrella of American protection over Pakistan. But, officials said, he was deliberately vague about the kind of military links he had in mind with his proposal for a new "cooperative security framework" in the Middle East region.

Again, White House officials said that the Administration did not have in mind "mechanically repeating" the kind of

firm military arrangements that the United States has in Western Europe, but wanted to be flexible enough to work out relationships as situations develop.

The Administration is also sensitive to the likelihood that the President's latest moves may be interpreted as a return to a cold war attitude in the White House, and

thus it is eager to be sure that the American public and the nation's Western allies note Mr. Carter's reaffirmation of his commitment to arms control and East-West cooperation.

But his speech was studded with evidence of his disillusionment with past American efforts, including his own, to reduce the risks of conflict and "establish rules of behavior" for détente with Moscow. And it illustrated the enormous shift in thinking and policy that has marked this winter in Washington.

Indeed, the language of détente was largely replaced by the language of containment, as the President evoked memories of past American actions to face the Soviet threats of the 1940's, 1950's, and 1960's.

The address also seemed to mark Mr. Carter's gradual transformation from the optimism in his first two years of dealing with Moscow and the world, to the realism of power politics. Gone was candidate Jimmy Carter's talk of reduc-

ing military spending, withdrawing troops from South Korea, restraining American arms sales, demilitarizing the Indian Ocean or curbing the spread of nuclear technology.

And yet, in another election year and in a vastly changed election climate, the President spoke tonight with the fresh knowledge from the Iowa caucuses that the nation, or at least those who voted Monday night in the agricultural heartland, are prepared to answer his call for a firm response to the Kremlin, even at the price of personal sacrifice.

Soviet Ship Leaves Post At Entry to Persian Gulf

MUSCAT, Oman, Jan. 23 (Reuters) — A Soviet surveillance ship has left the Strait of Hormuz where it was monitoring all traffic into and out of the Persian Gulf, a British naval officer said today.

Lieut. Paddy Watson, on assignment to Oman, said another was expected to take its place. "It must have slipped away between 8 P.M. last night and 3 A.M.," he said. "Another Russian ship should replace it in the next 24 hours. They always do."

Aide Calls State of Union Address an Ultimatum on Area's Security

By **TERENCE SMITH**

Special to The New York Times

WASHINGTON, Jan. 23 — President Carter, asserting that the Soviet forces in Afghanistan pose a "grave threat" to the Middle East oilfields, declared tonight that the United States would use "any means necessary, including military force" to repel an attack on the Persian Gulf.

In a 31-minute State of the Union Message to a joint session of Congress that was interrupted 20 times with applause, Mr. Carter also announced that he would

Transcript of the speech, page A12.

shortly seek authority to resume Selective Service registration to insure that the nation can "meet future mobilization needs rapidly if they arise." The President added, however, that he hoped it would not become necessary to reimpose the draft itself.

Mr. Carter delivered his third State of the Union Address in firm but subdued tones to a packed House chamber. In addition to the Supreme Court Justices, Cabinet members and foreign ambassadors attending, Mr. Carter's chief rival for the Democratic Presidential nomination, Senator Edward M. Kennedy, followed a prepared text of the speech.

Reaction Split on Partisan Lines

The initial reaction to the speech split along partisan lines, with Democrats generally approving the President's remarks and Republicans finding them wanting. Representative John J. Rhodes of Arizona, the House Republican leader, contended that the speech contained "a lot of saber rattling, but not much in the saber." [Page A12.]

A White House official said that the President's statement about protecting

The House Foreign Affairs Committee supported President Carter's request that the U.S. Olympic Committee boycott the Olympic Games in Moscow unless the Soviet Union withdraws from Afghanistan within a month. Page A6.

the Persian Gulf oilfields amounted to an "unmistakable ultimatum" to the Soviet Union not to threaten the oil supplies of the Western world.

Implicit in the President's speech was concern that the Soviet military intervention in Afghanistan might lead to further Soviet moves in such countries as Pakistan and Iran.

The Russians have maintained that they intervened in Afghanistan at the request of the Soviet-backed regime there. They have said that once their mission is over the troops, now estimated at 85,000, will be withdrawn. Moscow has also said it has no designs on any of Afghanistan's

NO IMMEDIATE NEED FOR CALL-UP IS SEEN

Current Forces Termed Adequate — Preparedness Is Stressed

By **RICHARD HALLORAN**

Special to The New York Times

WASHINGTON, Jan. 23 — President Carter announced tonight that he would ask Congress for legislation and funds to begin registering the nation's youth for possible military conscription.

In his State of the Union Address, the President said, "I am determined that the Selective Service System must now be revitalized." The Senators and Representatives applauded that statement.

Underscoring a militant tone in his address, Mr. Carter said, "I will send legislation and budget proposals to the Congress next month so that we can begin registration and then meet future mobilization needs rapidly if they arise."

Forces Called Adequate for Now

The President said he believed "that our volunteer forces are adequate for our current defense needs" and added, "I hope that it will not become necessary to reimpose the draft. However, we must be prepared for that possibility."

Mr. Carter gave no details of his proposal, and did not say whether women would be subject to a draft. Administration officials said no decision had been made that question, which will surely generate a vigorous national debate.

The officials said that registration

Continued on Page A14, Column 2

Continued on Page A12, Column 1



The New York Times / Teresa Zabala

is State of the Union Message, President Carter was seated amid a standing ovation.

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ica, and the Soviet Union is the most critical factor in determining whether the world will live at peace or be engulfed in global conflict.

Times of Confrontation

Since the end of the Second World War, America has led other nations in meeting the challenge of mounting Soviet power. This has not been a simple or a static relationship. Between us there has been cooperation — there has been competition — and at times there has been confrontation.

In the 1940's, we took the lead in creating the Atlantic Alliance in re-

cal and economic relationship it values.

The region which is now threatened by Soviet troops in Afghanistan is of great strategic importance. It contains more than two-thirds of the world's exportable oil. The Soviet effort to dominate Afghanistan has brought Soviet military forces to within 300 miles of the Indian Ocean and close to the Straits of Hormuz — a waterway through which most of the world's oil must flow. The Soviet Union is now attempting to consolidate a strategic position therefore that poses a grave

We are working with our allies to prevent conflict in the Middle East. The peace treaty between Egypt and Israel is a notable achievement which represents a strategic asset for America and which also enhances prospects for regional and world peace. We are now engaged in further negotiations to provide full autonomy for the people of the West Bank and Gaza, to resolve the Palestinian issue in all its aspects, and to preserve the peace and security of Israel.

Let no one doubt our commitment to the security of Israel. In a few days we will observe an historic event when Is-

Carter Warns U.S. Would Act to Repel a Soviet Thrust

Continued From Page A1

neighbors, but this has not eased concern in Pakistan, a country with which the United States has a defense commitment dating from 1959.

The President announced in his speech that in providing requested military and economic aid to Pakistan, Congress would be asked to reaffirm the 1959 commitment.

Mr. Carter charged that the Soviet invasion of Afghanistan constituted an attempt "to consolidate a strategic position that poses a grave threat to the free movement of Middle East oil."

Soviet Forces Near Key Strait

Noting that the Soviet forces in Afghanistan were now within 300 miles of the strategic Strait of Hormuz, which guards the entrance to the Persian Gulf, Mr. Carter declared:

"Let our position be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America. And such an assault will be repelled by use of any means necessary, including military force."

With this declaration, Mr. Carter in effect extended the American security umbrella to the Persian Gulf. Heretofore, it has been explicitly committed only to Western Europe, the Far East and Israel.

American officials said that there had been "some consultations" with other governments about the American security guarantee in the Gulf, but they did not specify which governments had been involved.

Mr. Carter reminded his audience that American hostages were still being held in the United States Embassy in Teheran as he spoke and repeated earlier warnings that if they were harmed, "a severe price will be paid."

Conciliatory Note Sounded

But the President also struck a conciliatory note by repeating that the United States had no quarrel with Islamic nations, including Iran, and declared that "the real danger to their nation lies to the north in the Soviet Union and from the Soviet troops now in Afghanistan." Administration officials have adopted this approach in recent days in an effort to convince the Iranian authorities that it is in their interest to free the hostages.

A ranking Administration official, briefing reporters before the speech, stressed that the President's statements were not in response to an "acute crisis." Nor, he said, is there any threat of "an immediate confrontation." Mr. Carter's declaration is intended to signal "a long-term response" to potential Soviet actions, the official said.

The official, who could not be identified under the ground rules of the briefing, declined to specify the exact geographic limits of the Persian Gulf region. He explained that the President wanted to be flexible in responding to different situations that might arise.

'Some Basic Questions' Raised

In his address, Mr. Carter said that the Soviet Union must answer some "basic questions" in defining its relationship with the West in the 1980's.

"Will it help promote a more stable international environment in which its own

legitimate, peaceful concerns can be pursued? Or will it continue to expand its military power far beyond its genuine security needs, and use that power for colonial conquest?" he asked.

The President cited the recent economic sanctions and grain embargo imposed against the Soviet Union in response to the military intervention in Afghanistan and appealed to toughen his language regarding the previously imposed limits on Soviet fishing in American waters. "I will not issue any permits for Soviet ships to fish in the coastal waters of the United States," he declared.

Focus Is Almost Entirely Foreign

Mr. Carter's speech was remarkable for a State of the Union Address in that it focused almost exclusively on foreign affairs. He took note of this in his opening remarks when he observed: "It has never been more clear that the state of our union depends on the state of the world."

A central theme in the speech was the prospect of turmoil and challenge facing the United States in the coming decade. Mr. Carter described it as a "time that tests our wisdom and our skills."

He linked his warnings about the Soviet threat to Middle Eastern oil with a renewed appeal to Congress to adopt his energy program. "To be strong abroad, we must be strong at home," he said, adding that the nation's dependence on foreign oil was "a clear and present danger to our nation's security."

Mr. Carter also reiterated the need to continue the fight against inflation, reduce Federal spending and eventually balance the Federal budget in order to strengthen the economy.

JAN 24

14 Address on the State of the Union Delivered Before
a Joint Session of the Congress. *January 20, 1972*

*Mr. Speaker, Mr. President, my colleagues
in the Congress, our distinguished guests,
my fellow Americans:*

Twenty-five years ago I sat here as a freshman Congressman—along with Speaker Albert—and listened for the first time to the President address the State of the Union.

I shall never forget that moment. The Senate, the diplomatic corps, the Supreme Court, the Cabinet entered the Chamber, and then the President of the United States. As all of you are aware, I had some differences with President Truman. He had some with me. But I remember that on that day—the day he addressed that joint session of the newly elected Republican 80th Congress, he spoke not as a partisan, but as President of all the people—calling upon the Congress to put

aside partisan considerations in the national interest.

The Greek-Turkish aid program, the Marshall Plan, the great foreign policy initiatives which have been responsible for avoiding a world war for over 25 years were approved by the 80th Congress, by a bipartisan majority of which I was proud to be a part.

Nineteen hundred seventy-two is now before us. It holds precious time in which to accomplish good for the Nation. We must not waste it. I know the political pressures in this session of the Congress will be great. There are more candidates for the Presidency in this Chamber today than there probably have been at any one time in the whole history of the Republic. And there is an honest difference of opinion, not only between the parties, but

within each party, on some foreign policy issues and on some domestic policy issues.

However, there are great national problems that are so vital that they transcend partisanship. So let us have our debates. Let us have our honest differences. But let us join in keeping the national interest first. Let us join in making sure that legislation the Nation needs does not become hostage to the political interests of any party or any person.

There is ample precedent, in this election year, for me to present you with a huge list of new proposals, knowing full well that there would not be any possibility of your passing them if you worked night and day.

I shall not do that.

I have presented to the leaders of the Congress today a message of 15,000 words discussing in some detail where the Nation stands and setting forth specific legislative items on which I have asked the Congress to act. Much of this is legislation which I proposed in 1969, in 1970, and also in the first session of this 92d Congress and on which I feel it is essential that action be completed this year.

I am not presenting proposals which have attractive labels but no hope of passage. I am presenting only vital programs which are within the capacity of this Congress to enact, within the capacity of the budget to finance, and which I believe should be above partisanship—programs which deal with urgent priorities for the Nation, which should and must be the subject of bipartisan action by this Congress in the interests of the country in 1972.

When I took the oath of office on the steps of this building just 3 years ago today, the Nation was ending one of the most tortured decades in its history.

The 1960's were a time of great progress in many areas. But as we all know, they were also times of great agony—the agonies of war, of inflation, of rapidly rising crime, of deteriorating cities, of hopes raised and disappointed, and of anger and frustration that led finally to violence and to the worst civil disorder in a century.

I recall these troubles not to point any fingers of blame. The Nation was so torn in those final years of the sixties that many in both parties questioned whether America could be governed at all.

The Nation has made significant progress in these first years of the seventies:

Our cities are no longer engulfed by civil disorders.

Our colleges and universities have again become places of learning instead of battlegrounds.

A beginning has been made in preserving and protecting our environment.

The rate of increase in crime has been slowed—and here in the District of Columbia, the one city where the Federal Government has direct jurisdiction, serious crime in 1971 was actually reduced by 13 percent from the year before.

Most important, because of the beginnings that have been made, we can say today that this year 1972 can be the year in which America may make the greatest progress in 25 years toward achieving our goal of being at peace with all the nations of the world.

As our involvement in the war in Vietnam comes to an end, we must now go on to build a generation of peace.

To achieve that goal, we must first face realistically the need to maintain our defense.

In the past 3 years, we have reduced the burden of arms. For the first time in

20 years, spending on defense has been brought below spending on human resources.

As we look to the future, we find encouraging progress in our negotiations with the Soviet Union on limitation of strategic arms. And looking further into the future, we hope there can eventually be agreement on the mutual reduction of arms. But until there is such a mutual agreement, we must maintain the strength necessary to deter war.

And that is why, because of rising research and development costs, because of increases in military and civilian pay, because of the need to proceed with new weapons systems, my budget for the coming fiscal year will provide for an increase in defense spending.

Strong military defenses are not the enemy of peace; they are the guardians of peace.

There could be no more misguided set of priorities than one which would tempt others by weakening America, and thereby endanger the peace of the world.

In our foreign policy, we have entered a new era. The world has changed greatly in the 11 years since President John Kennedy said in his Inaugural Address, "... we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty."

Our policy has been carefully and deliberately adjusted to meet the new realities of the new world we live in. We make today only those commitments we are able and prepared to meet.

Our commitment to freedom remains strong and unshakable. But others must bear their share of the burden of defending freedom around the world.

And so this, then, is our policy:

—We will maintain a nuclear deterrent adequate to meet any threat to the security of the United States or of our allies.

—We will help other nations develop the capability of defending themselves.

—We will faithfully honor all of our treaty commitments.

—We will act to defend our interests, whenever and wherever they are threatened anywhere in the world.

—But where our interests or our treaty commitments are not involved, our role will be limited.

—We will not intervene militarily.

—But we will use our influence to prevent war.

—If war comes, we will use our influence to stop it.

—Once it is over, we will do our share in helping to bind up the wounds of those who have participated in it.

As you know, I will soon be visiting the People's Republic of China and the Soviet Union. I go there with no illusions. We have great differences with both powers. We shall continue to have great differences. But peace depends on the ability of great powers to live together on the same planet despite their differences.

We would not be true to our obligation to generations yet unborn if we failed to seize this moment to do everything in our power to insure that we will be able to talk about those differences, rather than to fight about them, in the future.

As we look back over this century, let us, in the highest spirit of bipartisanship, recognize that we can be proud of our Nation's record in foreign affairs.

America has given more generously of itself toward maintaining freedom, pre-

serving peace, alleviating human suffering around the globe, than any nation has ever done in the history of man.

We have fought four wars in this century, but our power has never been used to break the peace, only to keep it; never been used to destroy freedom, only to defend it. We now have within our reach the goal of insuring that the next generation can be the first generation in this century to be spared the scourges of war.

Turning to our problems at home, we are making progress toward our goal of a new prosperity without war.

Industrial production, consumer spending, retail sales, personal income all have been rising. Total employment, real income are the highest in history. New homebuilding starts this past year reached the highest level ever. Business and consumer confidence have both been rising. Interest rates are down. The rate of inflation is down. We can look with confidence to 1972 as the year when the back of inflation will be broken.

Now, this a good record, but it is not good enough—not when we still have an unemployment rate of 6 percent.

It is not enough to point out that this was the rate of the early peacetime years of the sixties, or that if the more than 2 million men released from the Armed Forces and defense-related industries were still in their wartime jobs, unemployment would be far lower.

Our goal in this country is full employment in peacetime. We intend to meet that goal, and we can.

The Congress has helped to meet that goal by passing our job-creating tax program last month.

The historic monetary agreements, agreements that we have reached with the major European nations, Canada, and

Japan, will help meet it by providing new markets for American products, new jobs for American workers.

Our budget will help meet it by being expansionary without being inflationary—a job-producing budget that will help take up the gap as the economy expands to full employment.

Our program to raise farm income will help meet it by helping to revitalize rural America, by giving to America's farmers their fair share of America's increasing productivity.

We also will help meet our goal of full employment in peacetime with a set of major initiatives to stimulate more imaginative use of America's great capacity for technological advance, and to direct it toward improving the quality of life for every American.

In reaching the moon, we demonstrated what miracles American technology is capable of achieving. Now the time has come to move more deliberately toward making full use of that technology here on earth, of harnessing the wonders of science to the service of man.

I shall soon send to the Congress a special message proposing a new program of Federal partnership in technological research and development—with Federal incentives to increase private research, federally supported research on projects designed to improve our everyday lives in ways that will range from improving mass transit to developing new systems of emergency health care that could save thousands of lives annually.

Historically, our superior technology and high productivity have made it possible for American workers to be the highest paid in the world by far, and yet for our goods still to compete in world markets.

Now we face a new situation. As other nations move rapidly forward in technology, the answer to the new competition is not to build a wall around America, but rather to remain competitive by improving our own technology still further and by increasing productivity in American industry.

Our new monetary and trade agreements will make it possible for American goods to compete fairly in the world's markets—but they still must compete. The new technology program will put to use the skills of many highly trained Americans, skills that might otherwise be wasted. It will also meet the growing technological challenge from abroad, and it will thus help to create new industries, as well as creating more jobs for America's workers in producing for the world's markets.

This second session of the 92d Congress already has before it more than 90 major Administration proposals which still await action.

I have discussed these in the extensive written message that I have presented to the Congress today.

They include, among others, our programs to improve life for the aging; to combat crime and drug abuse; to improve health services and to ensure that no one will be denied needed health care because of inability to pay; to protect workers' pension rights; to promote equal opportunity for members of minorities, and others who have been left behind; to expand consumer protection; to improve the environment; to revitalize rural America; to help the cities; to launch new initiatives in education; to improve transportation, and to put an end to costly labor tie-ups in transportation.

The west coast dock strike is a case in

point. This Nation cannot and will not tolerate that kind of irresponsible labor tie-up in the future.

The messages also include basic reforms which are essential if our structure of government is to be adequate in the decades ahead.

They include reform of our wasteful and outmoded welfare system—substitution of a new system that provides work requirements and work incentives for those who can help themselves, income support for those who cannot help themselves, and fairness to the working poor.

They include a \$17 billion program of Federal revenue sharing with the States and localities as an investment in their renewal, an investment also of faith in the American people.

They also include a sweeping reorganization of the executive branch of the Federal Government so that it will be more efficient, more responsive, and able to meet the challenges of the decades ahead.

One year ago, standing in this place, I laid before the opening session of this Congress six great goals. One of these was welfare reform. That proposal has been before the Congress now for nearly 2½ years.

My proposals on revenue sharing, government reorganization, health care, and the environment have now been before the Congress for nearly a year. Many of the other major proposals that I have referred to have been here that long or longer.

Now, 1971, we can say, was a year of consideration of these measures. Now let us join in making 1972 a year of action on them, action by the Congress, for the Nation and for the people of America.

Now, in addition, there is one pressing

need which I have not previously covered, but which must be placed on the national agenda.

We long have looked in this Nation to the local property tax as the main source of financing for public primary and secondary education.

As a result, soaring school costs, soaring property tax rates now threaten both our communities and our schools. They threaten communities because property taxes, which more than doubled in the 10 years from 1960 to '70, have become one of the most oppressive and discriminatory of all taxes, hitting most cruelly at the elderly and the retired; and they threaten schools, as hard-pressed voters understandably reject new bond issues at the polls.

The problem has been given even greater urgency by four recent court decisions, which have held that the conventional method of financing schools through local property taxes is discriminatory and unconstitutional.

Nearly 2 years ago, I named a special Presidential commission to study the problems of school finance, and I also directed the Federal departments to look into the same problems. We are developing comprehensive proposals to meet these problems.

This issue involves two complex and interrelated sets of problems: support of the schools and the basic relationships of Federal, State, and local governments in any tax reforms.

Under the leadership of the Secretary of the Treasury, we are carefully reviewing all of the tax aspects, and I have this week enlisted the Advisory Commission on Intergovernmental Relations in addressing the intergovernmental relations aspects.

I have asked this bipartisan Commission to review our proposals for Federal action to cope with the gathering crisis of school finance and property taxes. Later in the year, when both Commissions have completed their studies, I shall make my final recommendations for relieving the burden of property taxes and providing both fair and adequate financing for our children's education.

These recommendations will be revolutionary. But all these recommendations, however, will be rooted in one fundamental principle with which there can be no compromise: Local school boards must have control over local schools.

As we look ahead over the coming decades, vast new growth and change are not only certainties, they will be the dominant reality of this world, and particularly of our life in America.

Surveying the certainty of rapid change, we can be like a fallen rider caught in the stirrups—or we can sit high in the saddle, the masters of change, directing it on a course we choose.

The secret of mastering change in today's world is to reach back to old and proven principles, and to adapt them with imagination and intelligence to the new realities of a new age.

That is what we have done in the proposals that I have laid before the Congress. They are rooted in basic principles that are as enduring as human nature, as robust as the American experience; and they are responsive to new conditions. Thus they represent a spirit of change that is truly renewal.

As we look back at those old principles, we find them as timely as they are timeless.

We believe in independence, and self-reliance, and the creative value of the competitive spirit.

We believe in full and equal opportunity for all Americans and in the protection of individual rights and liberties.

We believe in the family as the keystone of the community, and in the community as the keystone of the Nation.

We believe in compassion toward those in need.

We believe in a system of law, justice, and order as the basis of a genuinely free society.

We believe that a person should get what he works for—and that those who can, should work for what they get.

We believe in the capacity of people to make their own decisions in their own lives, in their own communities—and we believe in their right to make those decisions.

In applying these principles, we have done so with the full understanding that what we seek in the seventies, what our quest is, is not merely for more, but for better—for a better quality of life for all Americans.

Thus, for example, we are giving a new measure of attention to cleaning up our air and water, making our surroundings more attractive. We are providing broader support for the arts, helping stimulate a deeper appreciation of what they can contribute to the Nation's activities and to our individual lives.

But nothing really matters more to the quality of our lives than the way we treat one another, than our capacity to live respectfully together as a unified society, with a full, generous regard for the rights of others and also for the feelings of others.

As we recover from the turmoil and violence of recent years, as we learn once again to speak with one another instead of shouting at one another, we are regaining that capacity.

As is customary here, on this occasion, I have been talking about programs. Programs are important. But even more important than programs is what we *are* as a Nation—what we mean as a Nation, to ourselves and to the world.

In New York Harbor stands one of the most famous statues in the world—the Statue of Liberty, the gift in 1886 of the people of France to the people of the United States. This statue is more than a landmark; it is a symbol—a symbol of what America has meant to the world.

It reminds us that what America has meant is not its wealth, and not its power, but its spirit and purpose—a land that enshrines liberty and opportunity, and that has held out a hand of welcome to millions in search of a better and a fuller and, above all, a freer life.

The world's hopes poured into America, along with its people. And those hopes, those dreams, that have been brought here from every corner of the world, have become a part of the hope that we now hold out to the world.

Four years from now, America will celebrate the 200th anniversary of its founding as a Nation. There are those who say that the old Spirit of '76 is dead—that we no longer have the strength of character, the idealism, the faith in our founding purposes that that spirit represents.

Those who say this do not know America.

We have been undergoing self-doubts and self-criticism. But these are only the other side of our growing sensitivity to the persistence of want in the midst of plenty, of our impatience with the slowness with which age-old ills are being overcome.

If we were indifferent to the shortcomings of our society, or complacent about our institutions, or blind to the lingering

inequities—then we would have lost our way.

But the fact that we have those concerns is evidence that our ideals, deep down, are still strong. Indeed, they remind us that what is really best about America is its compassion. They remind us that in the final analysis, America is great not because it is strong, not because it is rich, but because this is a good country.

Let us reject the narrow visions of those who would tell us that we are evil because we are not yet perfect, that we are corrupt because we are not yet pure, that all the sweat and toil and sacrifice that have gone into the building of America were for naught because the building is not yet done.

Let us see that the path we are traveling is wide, with room in it for all of us, and that its direction is toward a better Nation and a more peaceful world.

Never has it mattered more that we go forward together.

Look at this Chamber. The leadership of America is here today—the Supreme Court, the Cabinet, the Senate, the House of Representatives.

Together, we hold the future of the Nation, and the conscience of the Nation in our hands.

Because this year is an election year, it will be a time of great pressure.

If we yield to that pressure and fail to deal seriously with the historic challenges that we face, we will have failed the trust of millions of Americans and shaken the confidence they have a right to place in us, in their Government.

Never has a Congress had a greater opportunity to leave a legacy of a profound and constructive reform for the Nation than this Congress.

If we succeed in these tasks, there will be credit enough for all—not only for doing what is right, but doing it in the right way, by rising above partisan interest to serve the national interest.

And if we fail, more than any one of us, America will be the loser.

That is why my call upon the Congress today is for a high statesmanship, so that in the years to come Americans will look back and say because it withstood the intense pressures of a political year, and achieved such great good for the American people and for the future of this Nation, this was truly a great Congress.

NOTE: The President spoke at 12:34 p.m. in the House Chamber at the Capitol, after being introduced by Carl Albert, Speaker of the House of Representatives. The address was broadcast live on radio and television.

The President spoke from a prepared text. An advance text of his address was released on the same day.

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what they want to do as of
what they want to stop from
being done.
As explained by an authority



President Nixon delivering address to Congress yesterday. Seated behind Mr. Nixon is Vice President Agnew.

Wide Technological Drive Planned by Administration

By RICHARD WITKIN

Administration sources gave details yesterday of some of the several dozen specific research projects included in the program that President Nixon announced he would soon send to Congress for using technology "to improve our everyday lives." The projects include:

- Development of an automated high-capacity transit system using four- to six-passenger time vehicles that would travel on special guideways and provide fast, nonstop transportation from starting point to destination.
- Radical improvement of fire-fighting systems, with emphasis on use of helicopters, advanced protective clothing and masks, and automatic extinguishing systems. The aim would be an annual saving of 6,000 lives and between \$2-billion in property damage by the year 1980.
- Development and demonstration of an electronic mail system that would provide routine overnight delivery of letters from station to station and priority delivery in just one hour.
- Creation of five demonstration units—integrating special hospital facilities, fast ambulance

Continued on Page 19, Column 6

SCHOOL AID URGED

State of Union Report Calls for Alternative to Property Tax

By ROBERT B. SEMPLE Jr.

Special to The New York Times

WASHINGTON, Jan. 20 — President Nixon appealed to an election-year Congress today to set aside partisanship in the interests of "high statesmanship" and the swift enactment of programs "which deal with the urgent priorities for the nation."

On the third anniversary of his inauguration, Mr. Nixon stood in the House chamber and delivered a State of the Union Address that contained

The text of Nixon's address is printed on Page 18.

few new initiatives, a strong plea for the enactment of old initiatives and — despite his professed nonpartisan posture — more than a few hints of the agenda he intends to offer the electorate next fall.

Mr. Nixon said at the outset that he did not intend this year to present a "huge" list of new proposals. He confined his half-hour speech to a summary of the distance he thought he had brought the nation in three years and the directions he said it must take in the months ahead to become "a better nation in a more peaceful world."

Cooperative Mood Hinted

Mr. Nixon's speech drew outspoken criticism from Democratic Presidential candidates, but the response of Congress as a whole seemed cooperative.

The President reserved the specifics of his argument for a separate, 15,000-word written document presented separately to members of Congress. Taken together, the speech and the longer, written State of the Union Message offered the following major new proposals:

Higher defense spending in the 1973 fiscal year aimed largely at improving the nation's sea-based deterrent to "maintain the strength necessary to deter war."

A program, the details of which will be described later this year, to find alternate means of financing the public schools and thus relieve the burden of property taxes on property owners.

Another program, which he said he would explain in a later message to Congress, that would establish a joint partnership between the Federal Government and private industry to encourage technological research and development and "create new industries as well as creating more jobs."

In addition, in the written message, he offered a host of less ambitious proposals and

PRECINCT RESCINDS ITS TICKET QUOTAS

24th's Commander Asserts
Men 'Over-Responded' —
Residents Had Protested

By EDWARD HUDSON

Declaring that policemen had "over-responded," the commander of the 24th Precinct on the Upper West Side yesterday rescinded his controversial order setting minimum quotas for the issuance of summonses.

The week-old order, requiring each foot patrolman to issue 50 tickets a month and each radio car patrolman to issue 100 a month, had brought protests from many merchants and residents of the area who were caught in a police parking-ticket blitz.

The rescinding order was issued on the midnight-to-8 A.M. shift by Deputy Inspector Norman H. Andersson, the precinct commander. He said his men had "misunderstood" the order and had overreacted.

"When you're looking for 50 a month and they're giving you that much in a day, there's

Continued on Page 30, Column 1

Jersey to Add 6% to Settlements

serv-wing journalist who has presumably joined him on a crime spree that has seized and divided public opinion.

Police authorities attribute at least four deaths to the activities of the gang—two policemen shot down in the streets and two alleged members of the gang.

Officials also attribute six or more bank robberies to the Baader-Meinhof group with a total loot of more than half a million marks.

Search for Cars Fruitless

In the last week two dragnet operations have been carried out in search of stolen automobiles believed to have been used by the group, with no success.

Six members of the original group that gathered around Andreas Baader, 28 years old, and Ulrike Meinhof, 37, have been apprehended. One self-confessed member, Karl-Heinz Ruhland, 33, is on trial in Düsseldorf this week, and has told the court in considerable detail of his work with the gang.

He testified that the gang had found sanctuary with sympathetic journalists and university teachers during the last 12 months in various parts of the country.

This afternoon the government of Lower Saxony suspended Dr. Peter Brückner, a professor of psychology at the University of Hanover, who was one of those Ruhland said had hidden gang members in his home.

According to current police estimates, the Baader-Meinhof gang has been reduced to about six, all of them relatively young. They are said to have sworn an oath to "support the armed struggle" against West Germany's ruling establishment.

The furor over the gang and the

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trained Americans, skills that might otherwise be wasted.
It will also meet the growing technological challenge from abroad and it

to meet the challenges of the decades ahead.
One year ago standing in this place, I laid before the opening session of this Congress six great goals.

of a new age, and that's what we have done in the proposals that I've laid before the Congress.
They are rooted in basic principles that are as enduring as human nature, as robust as the American experience.

Nixon Asks Nonpartisan Support for His Programs

Continued From Page 1, Col. 8

promises: Lower draft calls, more Federal aid for predominantly black colleges, new authority for the Civil Rights Commission to monitor discrimination against women, heavier Federal purchases of farm surpluses, extra job training for workers, expanded programs for the aged and an "allied services act" offering more efficient delivery of Federal programs to the poor.

But his essential purpose today was not to offer a new agenda but to ask Congress's help to redeem the pledges he made a year ago. He said that Congress had failed to pass more than 90 "major" pieces of legislation that he had offered since his inauguration.

He said that these included most of the major items of the "new American revolution" he proposed in his State of the Union message last year—welfare reform, government reorganization, environmental protection laws and health care.

"Now 1971 we can say, was a year of consideration of these messages," he said. "Now let

us join in making 1972 a year of action on them, action by the Congress, for the nation, and for the people of America."

"There are great national problems that are so vital that they transcend partisanship," Mr. Nixon said. "And so let us have our debates, let us have our honest differences but let us join in keeping the national interest first."

"Let us join," he continued, "in making sure that legislation the nation needs does not become hostage to the political interests of any party or any person."

Despite these and similar exhortations to statesmanship, the political flavor of the day—and of Mr. Nixon's performance—was inescapable. Three possible Democratic challengers for the White House—Senators Edmund S. Muskie, Hubert H. Humphrey and Edward M. Kennedy—sat in a tight little cluster to Mr. Nixon's right.

Two others—Senators Henry M. Jackson and George McGovern—were not on hand to hear Mr. Nixon. They were out campaigning.

Hewing to partisan lines, and

following the practices of past State of the Union Messages, Republicans applauded lustily—Mr. Nixon was interrupted 13 times during the speech—while the Democrats were at best polite.

Meanwhile, from the galleries above, Mrs. Nixon and her two daughters beamed approval at the speaker. Mrs. Nixon wore red, Mrs. Edward F. Cox, wore white, Mrs. David Eisenhower wore blue—colors to match the speaker's rhetorical affirmations of the essential strengths of the nation.

"There are those who say that the old spirit of '76 is dead, that we no longer have the strength of character, the idealism, the faith in our founding purposes, that spirit represents," Mr. Nixon declared in part.

"Those who say this do not know America," he added.

The country has, he conceded, undergone a difficult period of self-doubt and self-criticism. But these doubts and criticisms, he said, "are only the other side of our growing sensitivity to the persistence of want in the midst of plenty, of

our impatience with the slowness with which age-old ills are being overcome."

Mr. Nixon's challenge to his Democratic opponents—those who were there as well as those who were not—lay not so much in his effort to goad the Democratic Congress into action but in his claims of progress during his term.

Asserting that he had inherited a nation tortured by domestic discord, war, soaring prices and rising crime, Mr. Nixon said that in the last three years tranquility had returned to the campuses and order to the cities. The rate of crime has gone down, he said, and so has the rate of inflation.

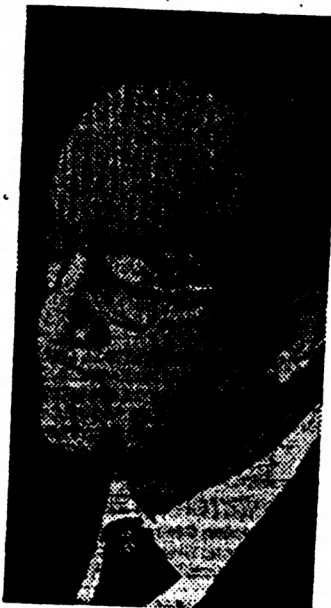
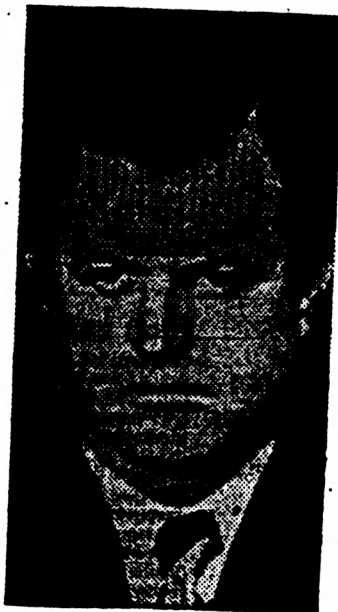
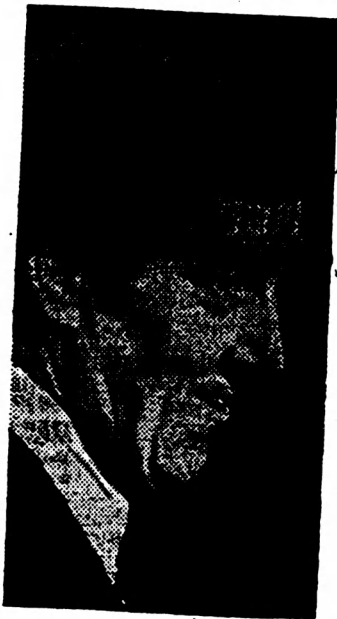
He touched on the broader aspects of his foreign policy only briefly, but he claimed significant gains. He said the Administration had adopted a more modest and realistic view of the country's capacities to defend freedom around the world, adding that the defense budget—even with the increases he will propose next year—was less than the budget for "human resources." Significantly, he mentioned Vietnam only once.

"Because of the beginnings that have been made," he said, "we can say today that this year 1972 can be the year in which America may make the greatest progress in 25 years toward achieving our goal of being at peace with all the nations of the world."

In this context, Mr. Nixon spoke briefly about his forthcoming trips to China and the Soviet Union. He said there were and would be great differences between the United States and the Communist world, but added:

"We would not be true to our obligation to generations yet unborn if we failed to seize this moment to do everything in our power to insure that we will be able to talk about those differences rather than to fight about them."

When Mr. Nixon spoke of the economy, he conceded some shortcomings and said the nation could do better than it had.



IN THE AUDIENCE: Three leading Democratic critics of President Nixon listening as he delivered State of the Union address. From left are Senators Edmund S. Muskie of Maine, Edward M. Kennedy of Massachusetts and Hubert H. Humphrey of Minnesota.

Associated Press

...the President's speech had been delivered. The President set "the proper time to remind the Congress of its responsibilities to all Americans," said Senator Hugh Scott, the Senate Republican leader.

'Monkey on Back'

"He put the monkey right where it belongs—on the back of Congress, which has a long agenda of unfinished business left over from the President's State of the Union Message one year ago," said Representative John B. Anderson of Illinois, chairman of the House Republican Conference.

Among such Democratic Presidential contenders as Senators Hubert H. Humphrey of Minnesota, Edmund S. Muskie of Maine and Henry M. Jackson of Washington there was the common criticism that the President's speech was full of lofty rhetoric but lacking in substance.

The more detailed, written State of the Union Message had not been delivered to members of Congress by the time the President delivered his speech. Some Democrats, such as the Senate majority leader, Mike Mansfield, thought the President had made a mistake in presenting his program to the American people by dividing his message into two parts.

"The people are hungry, but there were no meat and potatoes," said Mr. Mansfield, who at the same time complimented the President on the "fine tone" of his speech.

Senator Muskie, who sat impassively beside an equally unimpressed Senator Humphrey on the House floor to hear the speech and then raced his rival to the Senate television gallery to give his reaction, said, "About all the speech contained was an appeal for a constructive, positive attitude, but substantially it was empty."

Problems Seen Ignored

The speech, he charged, ignored or glossed over such problems as unemployment, the cities, the Federal deficit, and an end to the Vietnam war and property taxes.

"Essentially, a recycling of past State of the Union messages," said Mr. Humphrey, who beat Mr. Muskie to the television cameras, leaving his Maine rival to cool his heels outside the studio. "The President's message was long on lofty goals," he said, "but regrettably short on a program for realization of these goals."

Senator Jackson, who was campaigning in Florida, said in a statement issued by his Washington office that the President's message had "given us a political platform instead of a program that will help those in distress all across America." With national unemployment running over 6 percent, he said, "it is hard to believe that a serious State of the Union Message could gloss over this problem with optimistic rhetoric."

Such criticism from the Presidential contenders, however, did not reflect the attitude of Congress as a whole, nor did it necessarily pretend that the President's legislative program would become bogged down in partisan squabbling in a Democratic-controlled Congress.

Significantly, Democratic leaders and committee chairmen who will be instrumental in steering the President's program through to passage expressed either muted criticism or none.

Senator Russell B. Long of Louisiana, chairman of the Finance Committee, which will handle much of the Administration's legislative program, praised the President for making "a good, balanced speech which avoided needless partisanship."

While expressing reservations about the directions of the Administration's spending policies, the two chairmen of the Appro-

...A Message in Traditional Mold

A Message in Traditional Mold

By MAX FRANKEL
Special to The New York Times

WASHINGTON, Jan. 20—The annual State of the Union Message is not normally more than an upbeat rendering of the state of the President—except in election years, when it also becomes an index of the President's sense of the mood of the voters. President Nixon has honored the tradition on both counts. Con-

tending that there is a "national interest" that transcends all partisan considerations, Mr. Nixon was faithful also to the tradition that a President campaigns best by showing himself to be too busy for politics. That is all part of the game, as it is understood and played by both parties, presumably because the voters like it that way.

But the President has announced for re-election, and today's reports to Congress were the first full expression of the record and arguments he must carry into the campaign. Gone were the bloated promises of last year's "new American revolution." Gone also were the belligerent attacks on Congress and demonstrators of the year before. Mr. Nixon reverted today to his inaugural theme of "forward to-gether" and to the moderate generalities that helped him to seize the center on most issues in 1968.

His bid for the middle ground was evident at the very beginning of his television and written reports, as he emphasized a special pride in foreign policy moves. He stressed the huge withdrawal from South Vietnam while insisting that nothing vital would be yielded

Nixon Says 'National Interest' Rules Out 'a Partisan Role'

to North Vietnam. He cited progress toward arms control with the Russians while proposing new military spending to guard against weakness. And he pointed hopefully to his journeys to Peking and Moscow while cautioning that no major breakthroughs are likely there.

Mr. Nixon obviously recognized uneasiness in the country on each of these counts—among Republicans as well as Democrats—but he served notice that he intended to press the doves and hawks to the outer edges of the political limb.

On domestic issues, the President showed himself to be a little more defensive, but by no means unprepared to address the dominant concerns of the electorate.

He admitted underestimating the strength of inflationary pressures, but he blamed his predecessor for economic mismanagement and sought credit for finally applying the distasteful remedy of controls. He bewailed a sense of vulnerability for the high rate of unemployment, but insisted that his gradual remedies would prove more lasting than those of the Democrats.

He claimed credit for the relative calm in the cities and on the campuses, without again directly blaming the Democrats for the violence. He embraced his own achievements in the work of Congress on such moving target.

things as lowering the voting age and increasing food programs. And he chided Congress for taking too long in the enactment of his principal domestic reforms, for welfare, for revenue sharing, for added health benefits and for reorganization of the Federal Government.

Yet all of this was offered as the thought of a leader who stands above the battle, with hardly any intimation of the conflicts and debates that surround these issues, in both parties.

Moreover, Mr. Nixon reached out to meet the anxieties of large voter groups even where he did not yet know what he proposed to do about them. High on this list of subjects under active consideration, he said, are Federal relief from real estate taxes, new methods of financing the public schools, new ways of better training the young and the unskilled for vocations, new ways of cutting through red tape in social programs and generally providing more jobs by making American industry more competitive in the world.

The President will get plenty of argument from his still chosen opponent about the state of the cities and the campuses and the crime rate everywhere, as well as the war and the economy. But he has tried to anticipate every vulnerability and for six months more he will stand alone at center stage.

Long known for his skill in exploiting dissatisfactions against incumbents, Mr. Nixon began today the year-long effort to play to the cheerful side of the country, leaving his critics to aim at only a very fast-moving target.

...about the specific aims of the trips, and he was silent on American policy toward China.

Arms Talks — The President was less than enthusiastic about the results so far, merely asserting that the negotiations had "advanced the prospects" for an accord.

Defense — An increase will be requested in military spending, with more than \$900-million to be asked to speed development of a longer-range submarine-based missile and a larger, quieter new missile submarine. The purpose stated by the President is to improve the nation's power to deter war.

Other reasons, unstated by the President, are reportedly to increase pressure on the Soviet Union to negotiate a mutual halt in missile submarine construction, to assure allies who felt that the United States was doing little in the face of a mounting Soviet strategic build-up and to counter expected domestic criticism that the Administration was allowing a new missile gap to develop.

A \$2-billion increase in Navy appropriations, probably including funds for a new nuclear aircraft carrier, will also be asked. An additional \$838-million for defense research and development will also be in the new budget.

Selective Service — Draft calls will be "significantly lower" than last year. The President again expressed confidence that an all-volunteer armed force can be achieved by mid-1973. Some Pentagon planners, however, are less than confident privately, saying that unless big increases in pay and other benefits attract many more volunteers, or unless the Army is cut well below present planning levels, the goal could prove elusive.

Domestic Affairs

The Economy — The President pledged that "when we achieve an end to the inflationary psychology which developed in the 1960's, we will return to our traditional policy of relying on free market forces to determine wages and prices." He said that the program of controls "is working" and that inflationary psychology "is on the ebb," and he cited various statistics indicating improvement in the economy.

He said his new budget would be "expansionary" and stressed that he was determined to reduce the present unemployment rate of 6 percent of the labor force. He made no specific forecasts for the economy or the unemployment rate this year.

Trade and Monetary Affairs — The President gave no hint that he would propose a trade bill this year. He said the world, as a result of recent events such as the re-alignment of currency exchange rates, was moving into "a new period of negotiation on the international economic front," dealing with both an improved world monetary system and "a new system of international trade."

Welfare Reform — Mr. Nixon expressed impatience with Congress for making his welfare reform plan in a third consecutive State of the Union Message. Since he first proposed his Family Assistance Plan, he observed, the "antiquated welfare system" has grown by four million people. He urged immediate action.

Social Services — Expressing impatience with present fragmented and rigid service programs, the President called for a solution that has been one of the chief goals of Elliot L. Richardson, his

...legislation to strengthen delivery of health and create a national insurance program said Federal to keep doctors' fee charges do continue.

Nutrition — Mr. Ford briefly to crosses since 1969 anti-hunger open specified gains in stamp and school grams. These new Congressional pre which the Administration ceded.

Aging — The President's remarks, made month's White House on Aging, that substantial increase for programs to elderly, as well as down on substantial homes.

Civil Rights — Mr. offered no legal or tics initiatives in rights field. He said for example, about promote movement into white suburbs dressed only one ber rectly to the issue busing and deseg. This sentence, how peared to moderate position to busing. O he said he has cor opposed busing "to a racial balance" in Today he said he ob: "unnecessary busing undertaken for the purpose of achiev "arbitrary racial bal: The President's c today was on substa.

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Nixon Pl.

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lances, new commu nets and highly traine nel — to provide e medical service for fi Each demonstration ur serve about 500,000 p President Nixon said posals, taken together mean an increase of ilion in civilian resee development spending next fiscal year, 15 more than the current

The fiscal requests projects would be through the budgets oous Government agen all would be subject normal Congressional . In addition to the civilian projects, the tration plans to increas requests for several programs that it contr bring long-term no benefits. These progr clude:

• Stepped-up work or takeoff and landing (S plane that is expected its first flight late next

• Initiation of develop a new 20,000-pound-th bo-fan engine for the plane. The engine would most advanced technol ticularly to minimize i would be ready for flights, replacing existi gines on the STOL p about 1976.

• Acceleration of v heavy-lift helicopters, called flying cranes, th eventually be used in struction and logging in

Deficit Is Close to \$40-Billion, Connally Tells Business Group

Continued From Page 1, Col. 5

as "not any great banner year." Noting that the Administration had defended profits and had obtained the investment credit "on a permanent basis," he continued: "You asked for it. You got it. What have you done with it? Nothing."

Mr. Connally criticized the businessmen for constantly complaining about "uncertainty" over the tax bill, over controls, over the international value of the dollar. He noted that the tax bill had passed and the world's currency-exchange rates had been successfully realigned, but he said businessmen now complained over "uncertainty about other things."

On controls, Mr. Connally said that "we are going out of business when the job is done" — the same theme struck by Mr. Grayson. He stated that it would depend on results, adding that decontrol may come next summer or next fall "or maybe it will be four years from now—I don't know."

A budget deficit of \$35-billion to \$40-billion for the cur-

rent fiscal year would be by far the highest ever except for three years during World War II. The previous "peace-time" record was the deficit of \$25.2-billion under President Lyndon B. Johnson in the 1968 fiscal year.

However, the economy is bigger now than then, as well as the general flow of funds in the financial markets. Most of the deficit has already been financed by the Treasury.

The prospective huge deficit clearly worried the Chamber of Commerce, however. Commenting on the President's State of the Union Message, Arch N. Booth, the chamber's executive vice president, said in a statement:

"How do we pay for it all? The President mentioned many costly new programs. Yet the Government can't pay for today's programs. The budget deficit for this fiscal year may hit \$40-billion."

"Americans deserve to be told what proposed programs will cost them—in higher taxes or increased inflation. The biggest credibility gap in government today is the annual estimate of next year's budget deficit."

Nixon Bids Congress Drop Medicare Coverage Charge

WASHINGTON, Jan. 20 (AP)—President Nixon renewed today his recommendation that Congress eliminate the charge to the elderly for doctor fees and similar coverage under Medicare.

While hospital coverage under Medicare is free, the op-

tional Part B costs \$5.60 a month and the charge will go to \$5.80 July 1. The increase would have been greater except for the Price Commission's insistence that its guidelines should apply.

In a single sentence of his State of the Union Message, Mr. Nixon said he hoped Congress would eliminate the charge, saving beneficiaries an estimated \$1.5-billion annually.

Annual Message to the Congress

1 ¶ Annual Message to the Congress. January 3,
1936

*Mr. President, Mr. Speaker, Members of the Senate and of the House
of Representatives:*

WE ARE about to enter upon another year of the responsibility which the electorate of the United States has placed in our hands. Having come so far, it is fitting that we should pause to survey the ground which we have covered and the path which lies ahead.

On the fourth day of March, 1933, on the occasion of taking the oath of office as President of the United States, I addressed the people of our country. Need I recall either the scene or the national circumstances attending the occasion? The crisis of that moment was almost exclusively a national one. In recognition of that fact, so obvious to the millions in the streets and in the homes of America, I devoted by far the greater part of that address to what I called, and the Nation called, critical days within our own borders.

You will remember that on that fourth of March, 1933, the world picture was an image of substantial peace. International consultation and widespread hope for the bettering of relations between the Nations gave to all of us a reasonable expectation that the barriers to mutual confidence, to increased trade, and to the peaceful settlement of disputes could be progressively removed. In fact, my only reference to the field of world policy in that address was in these words: "I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—a neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

In the years that have followed, that sentiment has remained the dedication of this Nation. Among the Nations of the great Western Hemisphere the policy of the good neighbor has happily prevailed. At no time in the four and a half centuries of modern

Annual Message to the Congress

civilization in the Americas has there existed—in any year, in any decade, in any generation in all that time—a greater spirit of mutual understanding, of common helpfulness, and of devotion to the ideals of self-government than exists today in the twenty-one American Republics and their neighbor, the Dominion of Canada. This policy of the good neighbor among the Americas is no longer a hope, no longer an objective remaining to be accomplished. It is a fact, active, present, pertinent and effective. In this achievement, every American Nation takes an understanding part. There is neither war, nor rumor of war, nor desire for war. The inhabitants of this vast area, two hundred and fifty million strong, spreading more than eight thousand miles from the Arctic to the Antarctic, believe in, and propose to follow, the policy of the good neighbor. They wish with all their heart that the rest of the world might do likewise.

The rest of the world—Ah! there is the rub.

Were I today to deliver an Inaugural Address to the people of the United States, I could not limit my comments on world affairs to one paragraph. With much regret I should be compelled to devote the greater part to world affairs. Since the summer of that same year of 1933, the temper and the purposes of the rulers of many of the great populations in Europe and in Asia have not pointed the way either to peace or to good-will among men. Not only have peace and good-will among men grown more remote in those areas of the earth during this period, but a point has been reached where the people of the Americas must take cognizance of growing ill-will, of marked trends toward aggression, of increasing armaments, of shortening tempers—a situation which has in it many of the elements that lead to the tragedy of general war.

On those other continents many Nations, principally the smaller peoples, if left to themselves, would be content with their boundaries and willing to solve within themselves and in cooperation with their neighbors their individual problems, both economic and social. The rulers of those Nations, deep in their hearts, follow these peaceful and reasonable aspirations of their

Annual Message to the Congress

peoples. These rulers must remain ever vigilant against the possibility today or tomorrow of invasion or attack by the rulers of other peoples who fail to subscribe to the principles of bettering the human race by peaceful means.

Within those other Nations — those which today must bear the primary, definite responsibility for jeopardizing world peace — what hope lies? To say the least, there are grounds for pessimism. It is idle for us or for others to preach that the masses of the people who constitute those Nations which are dominated by the twin spirits of autocracy and aggression, are out of sympathy with their rulers, that they are allowed no opportunity to express themselves, that they would change things if they could.

That, unfortunately, is not so clear. It might be true that the masses of the people in those Nations would change the policies of their Governments if they could be allowed full freedom and full access to the processes of democratic government as we understand them. But they do not have that access; lacking it they follow blindly and fervently the lead of those who seek autocratic power.

Nations seeking expansion, seeking the rectification of injustices springing from former wars, or seeking outlets for trade, for population or even for their own peaceful contributions to the progress of civilization, fail to demonstrate that patience necessary to attain reasonable and legitimate objectives by peaceful negotiation or by an appeal to the finer instincts of world justice.

They have therefore impatiently reverted to the old belief in the law of the sword, or to the fantastic conception that they, and they alone, are chosen to fulfill a mission and that all the others among the billion and a half of human beings in the world must and shall learn from and be subject to them.

I recognize and you will recognize that these words which I have chosen with deliberation will not prove popular in any Nation that chooses to fit this shoe to its foot. Such sentiments, however, will find sympathy and understanding in those Nations where the people themselves are honestly desirous of peace but must constantly align themselves on one side or the other in the

Annual Message to the Congress

kaleidoscopic jockeying for position which is characteristic of European and Asiatic relations today. For the peace-loving Nations, and there are many of them, find that their very identity depends on their moving and moving again on the chess board of international politics.

I suggested in the spring of 1933 that 85 or 90 percent of all the people in the world were content with the territorial limits of their respective Nations and were willing further to reduce their armed forces if every other Nation in the world would agree to do likewise.

That is equally true today, and it is even more true today that world peace and world good-will are blocked by only 10 or 15 percent of the world's population. That is why efforts to reduce armies have thus far not only failed, but have been met by vastly increased armaments on land and in the air. That is why even efforts to continue the existing limits on naval armaments into the years to come show such little current success.

But the policy of the United States has been clear and consistent. We have sought with earnestness in every possible way to limit world armaments and to attain the peaceful solution of disputes among all Nations.

We have sought by every legitimate means to exert our moral influence against repression, against intolerance, against autocracy and in favor of freedom of expression, equality before the law, religious tolerance and popular rule.

In the field of commerce we have undertaken to encourage a more reasonable interchange of the world's goods. In the field of international finance we have, so far as we are concerned, put an end to dollar diplomacy, to money grabbing, to speculation for the benefit of the powerful and the rich, at the expense of the small and the poor.

As a consistent part of a clear policy, the United States is following a twofold neutrality toward any and all Nations which engage in wars that are not of immediate concern to the Americas. First, we decline to encourage the prosecution of war by permitting belligerents to obtain arms, ammunition or imple-

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ments of war from the United States. Second, we seek to discourage the use by belligerent Nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports of them in time of peace.

I trust that these objectives thus clearly and unequivocally stated will be carried forward by cooperation between this Congress and the President.

I realize that I have emphasized to you the gravity of the situation which confronts the people of the world. This emphasis is justified because of its importance to civilization and therefore to the United States. Peace is jeopardized by the few and not by the many. Peace is threatened by those who seek selfish power. The world has witnessed similar eras—as in the days when petty kings and feudal barons were changing the map of Europe every fortnight, or when great emperors and great kings were engaged in a mad scramble for colonial empire.

We hope that we are not again at the threshold of such an era. But if face it we must, then the United States and the rest of the Americas can play but one role: through a well-ordered neutrality to do naught to encourage the contest, through adequate defense to save ourselves from embroilment and attack, and through example and all legitimate encouragement and assistance to persuade other Nations to return to the ways of peace and good-will.

The evidence before us clearly proves that autocracy in world affairs endangers peace and that such threats do not spring from those Nations devoted to the democratic ideal. If this be true in world affairs, it should have the greatest weight in the determination of domestic policies.

Within democratic Nations the chief concern of the people is to prevent the continuance or the rise of autocratic institutions that beget slavery at home and aggression abroad. Within our borders, as in the world at large, popular opinion is at war with a power-seeking minority.

That is no new thing. It was fought out in the Constitutional Convention of 1787. From time to time since then, the battle has

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been continued, under Thomas Jefferson, Andrew Jackson, Theodore Roosevelt and Woodrow Wilson.

In these latter years we have witnessed the domination of government by financial and industrial groups, numerically small but politically dominant in the twelve years that succeeded the World War. The present group of which I speak is indeed numerically small and, while it exercises a large influence and has much to say in the world of business, it does not, I am confident, speak the true sentiments of the less articulate but more important elements that constitute real American business.

In March, 1933, I appealed to the Congress of the United States and to the people of the United States in a new effort to restore power to those to whom it rightfully belonged. The response to that appeal resulted in the writing of a new chapter in the history of popular government. You, the members of the Legislative branch, and I, the Executive, contended for and established a new relationship between Government and people.

What were the terms of that new relationship? They were an appeal from the clamor of many private and selfish interests, yes, an appeal from the clamor of partisan interest, to the ideal of the public interest. Government became the representative and the trustee of the public interest. Our aim was to build upon essentially democratic institutions, seeking all the while the adjustment of burdens, the help of the needy, the protection of the weak, the liberation of the exploited and the genuine protection of the people's property.

It goes without saying that to create such an economic constitutional order, more than a single legislative enactment was called for. We, you in the Congress and I as the Executive, had to build upon a broad base. Now, after thirty-four months of work, we contemplate a fairly rounded whole. We have returned the control of the Federal Government to the City of Washington.

To be sure, in so doing, we have invited battle. We have earned the hatred of entrenched greed. The very nature of the problem that we faced made it necessary to drive some people from power

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and strictly to regulate others. I made that plain when I took the oath of office in March, 1933. I spoke of the practices of the unscrupulous money-changers who stood indicted in the court of public opinion. I spoke of the rulers of the exchanges of mankind's goods, who failed through their own stubbornness and their own incompetence. I said that they had admitted their failure and had abdicated.

Abdicated? Yes, in 1933, but now with the passing of danger they forget their damaging admissions and withdraw their abdication.

They seek the restoration of their selfish power. They offer to lead us back round the same old corner into the same old dreary street.

Yes, there are still determined groups that are intent upon that very thing. Rigorously held up to popular examination, their true character presents itself. They steal the livery of great national constitutional ideals to serve discredited special interests. As guardians and trustees for great groups of individual stockholders they wrongfully seek to carry the property and the interests entrusted to them into the arena of partisan politics. They seek—this minority in business and industry—to control and often do control and use for their own purposes legitimate and highly honored business associations; they engage in vast propaganda to spread fear and discord among the people—they would “gang up” against the people's liberties.

The principle that they would instill into government if they succeed in seizing power is well shown by the principles which many of them have instilled into their own affairs: autocracy toward labor, toward stockholders, toward consumers, toward public sentiment. Autocrats in smaller things, they seek autocracy in bigger things. “By their fruits ye shall know them.”

If these gentlemen believe, as they say they believe, that the measures adopted by this Congress and its predecessor, and carried out by this Administration, have hindered rather than promoted recovery, let them be consistent. Let them propose to this

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Congress the complete repeal of these measures. The way is open to such a proposal.

Let action be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays. Shall we say that values are restored and that the Congress will, therefore, repeal the laws under which we have been bringing them back? Shall we say that because national income has grown with rising prosperity, we shall repeal existing taxes and thereby put off the day of approaching a balanced budget and of starting to reduce the national debt? Shall we abandon the reasonable support and regulation of banking? Shall we restore the dollar to its former gold content?

Shall we say to the farmer, "The prices for your products are in part restored. Now go and hoe your own row?"

Shall we say to the home owners, "We have reduced your rates of interest. We have no further concern with how you keep your home or what you pay for your money. That is your affair?"

Shall we say to the several millions of unemployed citizens who face the very problem of existence, of getting enough to eat, "We will withdraw from giving you work. We will turn you back to the charity of your communities and those men of selfish power who tell you that perhaps they will employ you if the Government leaves them strictly alone?"

Shall we say to the needy unemployed, "Your problem is a local one except that perhaps the Federal Government, as an act of mere generosity, will be willing to pay to your city or to your county a few grudging dollars to help maintain your soup kitchens?"

Shall we say to the children who have worked all day in the factories, "Child labor is a local issue and so are your starvation wages; something to be solved or left unsolved by the jurisdiction of forty-eight States?"

Shall we say to the laborer, "Your right to organize, your relations with your employer have nothing to do with the public interest; if your employer will not even meet with you to discuss your problems and his, that is none of our affair?"

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Shall we say to the unemployed and the aged, "Social security lies not within the province of the Federal Government; you must seek relief elsewhere?"

Shall we say to the men and women who live in conditions of squalor in country and in city, "The health and the happiness of you and your children are no concern of ours?"

Shall we expose our population once more by the repeal of laws which protect them against the loss of their honest investments and against the manipulations of dishonest speculators? Shall we abandon the splendid efforts of the Federal Government to raise the health standards of the Nation and to give youth a decent opportunity through such means as the Civilian Conservation Corps?

Members of the Congress, let these challenges be met. If this is what these gentlemen want, let them say so to the Congress of the United States. Let them no longer hide their dissent in a cowardly cloak of generality. Let them define the issue. We have been specific in our affirmative action. Let them be specific in their negative attack.

But the challenge faced by this Congress is more menacing than merely a return to the past—bad as that would be. Our resplendent economic autocracy does not want to return to that individualism of which they prate, even though the advantages under that system went to the ruthless and the strong. They realize that in thirty-four months we have built up new instruments of public power. In the hands of a people's Government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people. Give them their way and they will take the course of every autocracy of the past—power for themselves, enslavement for the public.

Their weapon is the weapon of fear. I have said, "The only thing we have to fear is fear itself." That is as true today as it was in 1933. But such fear as they instill today is not a natural fear, a normal fear; it is a synthetic, manufactured, poisonous

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fear that is being spread subtly, expensively and cleverly by the same people who cried in those other days, "Save us, save us, lest we perish."

I am confident that the Congress of the United States well understands the facts and is ready to wage unceasing warfare against those who seek a continuation of that spirit of fear. The carrying out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal of the land. The Congress has the right and can find the means to protect its own prerogatives.

We are justified in our present confidence. Restoration of national income, which shows continuing gains for the third successive year, supports the normal and logical policies under which agriculture and industry are returning to full activity. Under these policies we approach a balance of the national budget. National income increases; tax receipts, based on that income, increase without the levying of new taxes. That is why I am able to say to this, the Second Session of the 74th Congress, that it is my belief based on existing laws that no new taxes, over and above the present taxes, are either advisable or necessary.

National income increases; employment increases. Therefore, we can look forward to a reduction in the number of those citizens who are in need. Therefore, also, we can anticipate a reduction in our appropriations for relief.

In the light of our substantial material progress, in the light of the increasing effectiveness of the restoration of popular rule, I recommend to the Congress that we advance; that we do not retreat. I have confidence that you will not fail the people of the Nation whose mandate you have already so faithfully fulfilled.

I repeat, with the same faith and the same determination, my words of March 4, 1933: "We face the arduous days that lie before us in the warm courage of national unity; with a clear consciousness of seeking old and precious moral values; with a clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and

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permanent national life. We do not distrust the future of essential democracy."

I cannot better end this message on the state of the Union than by repeating the words of a wise philosopher at whose feet I sat many, many years ago.

"What great crises teach all men whom the example and counsel of the brave inspire is the lesson: Fear not, view all the tasks of life as sacred, have faith in the triumph of the ideal, give daily all that you have to give, be loyal and rejoice whenever you find yourselves part of a great ideal enterprise. You, at this moment, have the honor to belong to a generation whose lips are touched by fire. You live in a land that now enjoys the blessings of peace. But let nothing human be wholly alien to you. The human race now passes through one of its great crises. New ideas, new issues—a new call for men to carry on the work of righteousness, of charity, of courage, of patience, and of loyalty. . . . However memory bring back this moment to your minds, let it be able to say to you: That was a great moment. It was the beginning of a new era. . . . This world in its crisis called for volunteers, for men of faith in life, of patience in service, of charity and of insight. I responded to the call however I could. I volunteered to give myself to my Master—the cause of humane and brave living. I studied, I loved, I labored, unsparingly and hopefully, to be worthy of my generation."