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Remarks at a fundraising dinner in Houston, Texas. (President Bill Clinton speech)(Transcript)

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Well, Secretary Bentsen, that was such a wonderful introduction, I almost forgive you for leaving. [Laughter] The operative word is "almost." I thank Lloyd and B.A. for their friendship and the gifts they've given our country. And I tell you that when the history of the last 50 years of the 20th century is written in the United States, the work that Lloyd Bentsen did to not only help to get hold of this terrible out-of-control deficit but to do it in a way that would permit us to invest in our people and our future and to connect the United States to the rest of the world through NAFTA, through the GATT world trade agreement, and in so many other ways will mark him as one of the greatest Secretaries of the Treasury in the history of the United States of America.

I want to thank two other Texans who are here who made immeasurable contributions to our administration: the Secretary of Housing and Urban Development, Henry Cisneros. If you ask anybody who has followed the work of that Department in the few decades that it has existed, they. will tell you that without question he is the best Secretary of Housing and Urban Development ever to serve in that position. And we're very proud of him. And my good friend Bill White, who just came home to Houston after being Deputy Secretary of Energy, thank you, sir. I will say again that between Bill White and Hazel O'Leary and Ron Brown, the Secretary of Commerce, they did more to further the energy interest of the United States and to create jobs in the United States by getting investment abroad than any previous administration has ever done. Thank you, sir, for what you did in that, and I appreciate that very much.

My heart is fall of gratitude tonight and so many wonderful things have been said that if I had any sense I'd just sit down. [Laughter] I'm afraid if I talk on now I'll disqualify myself for reelection. But I m going to talk anyway. [Laughter]

I want to thank the statewide chairs of these galas we've had. I have had two wonderful days in Texas. I thank Arthur Schecter, who made a wonderful statement earlier, and Joyce; Lee and Sandra Godfrey and Stan McClellan; Lou Congillan; Sheldon and Sunny Smith; and George Bristol and Frank and Debbie Branson, who did such a wonderful job for us in Dallas yesterday. Thank you very much. Thank you, all of you.

My good friend of nearly 25 years who is only a year younger than me

and looks 15 years younger than me - I resent it bitterly, but I still love Garry Mauro. Thank you, my friend, and Judith, his wife.

I'm really glad to see Ann Richards and Mark White here. I used to be a Governor, you know, back when I had a real life. And we served together, and we enjoyed it immensely.

I appreciate Attorney General Morales and former Attorney General Mattox being here. I told somebody the other day - he said, "What's the best job you ever had?" And I said, "I was attorney general; that was the best job I ever had." And they said, "Why?" And I said, "Well, I didn't have to hire or fire or appoint or disappoint, raise taxes or cut spending. And every time I did something unpopular, I blamed it on the Constitution." [Laughter] So, remember that.

I want to say a special word of thanks to Congresswoman Sheila Jackson Lee and Congressman Jim Chapman for their work for our country and for your State in the Congress. And let me say a great word of thanks, too, to Bob Bullock for what he said and for the private things that he has said to me in the last 2 days. It's been a great inspiration to me. And I was sitting there thinking that I could play that talk he was giving in several States, and it would help us. I wish I could patent it and send it around like that Ozark water you talked about. [Laughter]

And finally, let me say a special word of thanks, too, to Mayor Bob Lanier and his wife, Elise. We came in and we got out of the car - I spend a lot of time with a lot of mayors and I have many, many very close friends who are mayors, but I'm not sure there is any mayor in America who has the particular combination of compassion and intellect and old-fashioned practical insight. It's really quite a genius, you know, to not just talk about problems but to actually do something about them. And in so many ways, Bob Lanier has done that. And I guess that's why he got 91 percent last time. He has promised that if you beat it this time, that he will give me a few that he has to spare in '96. [Laughter] So I hope that you will do that.

I want to thank Reverend Caldwell for praying over us tonight and for his mission and his ministry and for bringing his wonderful wife, who is a native of my State. His mother-in-law was a supporter and a woman I got to know, a remarkable woman. I'm delighted to see you here, sir. Thank you both for coming.

I'd like to thank Terry McAuliffe and Laura Hartigan and Meredith Jones, our Texas finance director, for the work they did and all those who helped them for this fine night. I thank you.

I also want to say a word on behalf of two people who are not here tonight. The Vice President had meant to come with me when we were going to do this last night, but I thanks to the sponsors here in Houston, we were able to defer this until this evening so that I could go out to

California last night and participate in a national benefit for the Center on Alcohol and Substance Abuse Prevention, something that is very important to me because I've dealt with both those issues in my family and because our administration is committed to making progress on that. And I thank you for your indulgence, but that kept the Vice President from coming.

I just want to say that even my severest detractors, when our administration's history is written, will say that Al Gore was the most influential Vice President in 219 years of the American Republic. And I thank him for his work on the environment, on reinventing Government, on technology, on helping us with Russia. But most of all, I thank him just for being there.

When we work together, I wonder what all of those other Presidents did and why they didn't do more with this incredibly flexible office. The only thing the Vice President really has to do is to sort of show up in the Senate when there is a tie vote, and hang around waiting for something to happen to me. [Laughter] Every day I think about that, I do a few more sit-ups and - [laughter] - you know, do what I can to avoid that. So, you know, you've got a fellow with a high IQ and a reasonable amount of energy, it seems like a shame just to let him hang around. [Laughter] And I really think he's done a magnificent job. I'm so proud of him, and we have a genuine partnership.

I'd also like to say that I know that the First Lady would like to be here with us tonight, but as some of you doubtless know, she has been on a very, very successful trip to Latin America. She went to Nicaragua, to Chile, to Brazil, and to Paraguay. And since the people of Texas understand better than any other people in the United States how important our partnership with Latin America is, I hope you will excuse her absence.

I've been trying to think of what I ought to talk about tonight. You saw a movie about the accomplishments of the administration, and then Secretary Bentsen was kind enough to get up and talk about it, and others did. What I'd like to do is to give you some arguments for the next year. I've heard all this talk about how the Democratic Party is dead because we don't have any new ideas or we're too liberal or we're slaves to Government. And I have concluded that since they keep winning elections with those arguments, we're better at doing and they're better at talking. So I want to give you some talking tonight, if I could.

I have learned a few things about the limits of liberalism. I heard a story the other day my - senior Senator, Dale Bumpers, called me and told me a story I want to share with you about the limits of liberalism, involving Huey Long, the famous populist Governor and Senator of Kentucky. One day, you know, when we were in the middle of the Depression and we had - I mean, Louisiana. [Laughter] I've got a Kentucky story I wanted to tell, but I decided, upon reflection, I shouldn't tell it. So my conscience is clicking in on me.

Anyway, when - do you remember, Huey Long - those of you who are old enough to remember when he was Governor and then later Senator, he campaigned around the State and then around the country on this "share the wealth" platform. He came up north to Arkansas, actually, and helped a woman named Hattie Caraway get elected to the Senate. The first woman in American history ever elected to the Senate in her own right was Hattie Caraway from Arkansas. And the only time anybody ever came into our State as an outsider and helped anybody win an election was Huey Long. He was a great politician. And unemployment was 25 percent in America, and the per capita income of Arkansas, Louisiana, and Mississippi was only about half the national average. So you could say whatever you want to about sharing the wealth, and you had a pretty willing audience.

And he was out on a country crossroads one day, talking about how we ought to share the wealth. And there were all these farmers standing around. He saw this old boy in overalls, and he said, "Farmer Jones," he said, "let me ask you something." He said, "Now, if you had three Cadillacs, wouldn't you give us one so we could go around here on these country roads and pick up these kids and take them to school during the week and take them to church on Sunday?" He said, "Of course, I would." He said, "If you had $3 million, wouldn't you give us a million dollars so we could put a roof over every family's head and give them a good meal at night and breakfast in the morning?" He said, "You bet I would." He said, "If you had three hogs -" and he said, "Now, wait a minute, Governor, I've got three hogs." [Laughter] So the Democrats, to be fair, have learned a few things about the limits of liberalism. [Laughter]

Here's what I think is going on. This is a time of extraordinary change but very great promise for this country. We're moving from an industrial age to an information and a technology age. We're moving out of the cold-war era into a global village, where we're all closer together than ever before and where there are vast new opportunities for cooperation existing alongside the new security threats of terrorism, biological and chemical warfare, organized crime, and global drug trafficking. What we have to do is to harness all this change to make America a better place.

I ran for President with a clear mission in my own mind to try to take good care of this country to achieve two objectives in the 21st century: One was to make sure that the American dream was alive and well for all people without regard to their race, their income, or their region. And the second was to make sure that America continued to be the strongest country in the world, so that someone could lead the world after the cold war toward greater freedom and greater democracy and greater security and greater prosperity. That's what I wanted to do.

I said at the time that I thought we would have to move beyond the old political debate that parties had been having for many years toward what I called a new democratic philosophy. And I'd just like to go over what those elements were that I told you I would try to bring to the Presidency.

I said I thought our economic policy ought to be based on growth, not dividing the pie but growing the economy more; that we ought to do whatever it took to maintain our world leadership but that we couldn't be involved in everybody's problem everywhere; that we needed a new form of Government that would be smaller and less bureaucratic, would be more entrepreneurial, would give more responsibility to State and local governments and to the private sector, would embrace all kinds of new ideas, but would still fulfill our fundamental obligations that can only be done by the National Government; and that all of this ought to be done based on a reassertion of old-fashioned mainstream values that I think got lost over the last 10 or 20 years: that we needed both responsibility and opportunity in our country, that people had to be able to succeed both at work and in their family lives, that we had to have both growth and fairness in our country, and that in the end we had to decide, as Mayor Lanier said, to be a community. We had to decide that we had certain obligations to one another. That's what people in a community feel.

If we have no obligations to one another, then we're not a community, we're just a crowd. We occupy the same piece of land, but we're just going to elbow each other until whoever is strongest winds up at the front of the line. And we never will turn over our shoulder to see what happened to the others. Being a community means you have obligations to our parents, to our children, to those who need help through no fault of their own. It also means that we revel in and cherish and build up our diversity, we don't use it as a cheap political trick to divide the American people. That's what it means.

Now, what I want to say to you tonight is that I believe I've been faithful to that and I believe this country is moving in the right direction, thanks mostly to the American people. But I believe that our administration has made its contributions.

You heard what was said about the economy, about the growth of the economy. The misery index that the other party used to talk about so much, the combined rates of unemployment and inflation, you never hear them mention it anymore because it's at the lowest level it's been in 25 years.

And beyond the new jobs, I'm really proud of the fact that we've had the largest number of new small businesses incorporated in the last 2 1/2 years of any comparable period in American history; that we've got, thanks in no small measure to the remarkable partnership Henry Cisneros has established with the housing industry in America, we have 2 1/2 million new homeowners, a record number for such a short time. And if he keeps going, we're going to have two-thirds of the American people in their own homes by the end of the decade, something that has never been done before.

Most of the credit goes to the American people, but the fact that we

drove down the deficit while increasing our investment in technology, in research, in the education of our people, and that we expanded trade dramatically - up 4 percent in '93, 10 percent in '94, 16 percent in '95 - those things have made a contribution to that economic picture because we broke the mold.

We brought down the deficit and invested in our people. We went for free trade with NAFTA and GATT in 80 agreements with other countries, including 15 with Japan. But we also went for fair trade that looked after labor standards and the environment and that finally, finally got an agreement with Japan that we can enforce on automobile related issues. These are important things that will make a difference over the long run. And I think they're worthy of support.

You heard what Mr. Schecter said about the role the United States has played in world peace; I won't belabor that. I will tell you that this is also a safer country than it was 2 1/2 years ago. There are no Russian missiles pointed at anyone in America for the first time since the dawn of the nuclear age. We are moving toward a comprehensive nuclear test ban treaty next year. We have extended indefinitely the agreement of over 170 nations not to be proliferators of nuclear weapons. We are making progress in working with other countries in fighting terrorism, in fighting the spread of biological and chemical weapons, in trying to make the American people safer. I am proud of that. And we have to continue to do it.

This Bosnia issue has been difficult, but we must lead here. And if we can get a peace agreement, as the leader of NATO, we have to help implement it. Otherwise, we will have a terrible problem in the middle of Europe that can engulf us in the future.

Do we have problems? Yes, of course, we do. We still have too much income inequality. You always have that when you change from one economic arrangement to another and everything gets shaken up. The people that are best positioned to do well, do very well. Those that aren't positioned to do well get hurt worse. And we have to do something about that. And I've put forward a program to do that, to offer more educational opportunities, to raise the minimum wage, to give middle income families a tax deduction for the cost of a college education so that more people can get that education.

We have to deal with that, but let's see it in the context of what's happening. This country is generating jobs and growth and opportunity. There will always be problems as long as the world exists. We need to focus on the problems but keep doing what is working in America.

If you look at the issue of Government - Lloyd Bentsen said the Government's 165,000 smaller than it was when I took office; let me tell you what that means. Next year, the Federal Government will be the smallest it's been since Kennedy was President. But more importantly, as a percentage of the work force, the Federal Government today is the

smallest it's been since 1933. I hardly think that qualifies us to be the party of big Government.

We've done more to give authority to States to get out from under Federal rules on welfare and health care experiments than the last two administrations combined did in 12 years. We have done more to get rid of thousands and thousands of pages of regulations. We are trying to make this Government work. Does it still do dumb things? Of course. Do we make mistakes? You bet we do. Is the answer to abolish the Federal Government? No. No. The answer is to have it be smaller but make it so it can still protect people.

This is a fundamental decision that's at issue in this election season, that's at issue in this budget fight. Do you really believe that the market will solve all problems and we'd be better off without any Government? Are you willing to tolerate the occasional mistake of a Government that is transforming itself radically in order to know that somebody is there looking out for the public interest and our obligations to one another as a community.

Do we need to do more? Of course, we do. I still want the line-item veto, lobby reform, campaign finance reform. There's lots of things we can do. But the point is, we're going in the right direction. The answer is to reform the National Government, not to dismantle it. That is the answer. That's what will work for America. That is the right approach.

If you look at whether we've furthered our values or not, let me tell you that I want to give you some statistics that will support what you saw yesterday in that march. Forget about all the speeches and all the politics about it and everything; just remember the faces of the people that were at that march yesterday. Listen to what they said. That march was about them and their desire to reassert responsibility for themselves, their families, their communities. Their understanding that until everybody in America is willing to do their part, then the Government can't fix the problems, no one else can - that is a beautiful and awesome thing, and no one should denigrate it and no one should underestimate it.

What I tried to do at the University of Texas yesterday was to give a clear voice to what I believe was in the hearts and minds of most of the people who showed up there yesterday. But I believe it's in the hearts and minds of most Americans. And I think it is a great tragedy that people who basically share the same values and, frankly, have a lot of the same problems often cannot reach across the divide at one another.

But what I want to tell you is, this country, even more than what you saw at the march yesterday, across racial and gender and age and regional lines, there is a reawakening in this country, a sort of a coming back to common sense and shared values and a determination to go into the future with greater strength and character and devotion to the things that make life worth living.

And I'll just give you a few examples of that. In the last 2 1/2 years, the crime rate is down, the murder rate is down, the welfare rolls are down, the food stamp rolls are down, the poverty rate is down, the teen pregnancy rate is down. A lot of people don't know that. Now, no Government program did that. That's the folks that live in this country getting themselves together and sort of - you know, we're a great big, complicated country, and we change slowly, but that's an awesome thing when you think about that.

Now, I think our policies helped. I think we helped when we cut taxes on 15 million working families who were making modest incomes, so that we'd be able to say, if you work 40 hours a week and you've got kids in your house, you won't be in poverty anymore. I think that was a good thing to do. I think that was an honorable thing to do.

I think the family and medical leave law helped. I don't think people ought to lose their jobs if their parents get sick or their baby's born and they need to be there.

I think the 35 States who we gave permission to experiment with welfare reform - I think that helped. I'll give you an example. One thing that they're doing in Texas that I agree with is they have asked for permission to get out from under Federal rules so that they can say if you want a welfare check and you've got a child, you have to prove your child has been immunized against serious diseases. We have one of the lowest immunization rates in the country. I think it's a great idea. It's a great idea.

And I hope - I think the crime bill helped. I appreciate what Mayor Lanier said. I was very moved by what I saw that he was trying to do in Houston when I ran for President. And that crime bill, by putting 100,000 police on the street and community policing is helping America to lower the crime rate, but also by emphasizing the prevention and giving these kids something to say yes to, that's also helping to lower the crime rate. And I want to say more about that in a minute.

I just want you to remember this little moment from yesterday's speech in Texas - at the University of Texas, I mean. I tried to say that a lot of what has to be done to bridge the racial divide requires first the assumption of personal responsibility by all Americans without regard to race. Second, the ability to talk honestly and listen carefully to one another - we don't do enough of that. We still haven't even scratched the surface of that. But thirdly, there are responsibilities of things we have to do. One of the big fights I'm in now with Congress is whether we ought to just get rid of all this money for prevention. Now, they say they like this, giving the States and localities the right to spend the money; that's what we did. We said, here's the prevention money. I don't know what works in Houston and whether it would work in Hartford, Connecticut. I know one thing, you get enough kids in these programs playing soccer after school or learning to play golf or doing whatever

else these kids are doing, you get all of them in there, and your crime rate is going to go down. You're going to save a lot of kids' lives. You won't have to spend all that money building jails and putting them in prison. You can spend less money and educate them and have them do well. I believe that.

I have always believed we should be very tough on crime. I have always believed that in some crimes you just have to give up and be unforgiving. But I am often reminded of one of my favorite lines of poetry that was written in the context of the turmoil in Ireland but applies to the children growing up alone on these mean streets today. William Butler Yeats once said, "Too long a sacrifice can make a stone of the heart." And we shouldn't forget that.

Our biggest problem today is, in spite of all those good numbers I told you, in spite of the fact - one thing I didn't say is that drug usage among young adults is down - in spite of all that, the violent crime rate among juveniles in most cities is up. Casual drug use, especially marijuana, among young teenagers - not young adults, among teenagers - is up. Why? Because there's too many of those kids out there raising themselves. And nobody's looking after them and making sure they have something to do, something to say yes to. The mayor told me that the juvenile crime rate is not going up in Houston because those kids are being engaged.

So I say to you, we're moving in the right direction. The answer is to do more of this, to do more things consistent with our basic values, not to do less, not to do less.

This is a great country. We are getting our act together culturally and socially. And our economy is going great. What we have to do is to figure out how to spread the benefits of the economy to people who don't have it and how to deal with the social and cultural problems that need some help from the outside, that can't be totally solved by individuals and families on their own. This is what I want you to think about: That means that a great deal of the rhetoric in Washington today is irrelevant to what we have to do, to the future, and that's what bothers me about it.

Now, you want to deal with yesterday's rhetoric - and the Republicans say, "Well, Clinton's liberal; the Democrats are liberal; they love big Government" - you got a few questions you can ask them. You say, "Well, if that's true, of the last three Presidents, who cut the deficit more? Who was the only one to present a balanced budget? Who reduced regulation more? Who gave more authority to State and local governments to get out from under the Federal Government more of the last three Presidents? Who cut the size of Government more? Who cut taxes more for small businesses?" Believe it or not, we did in 1993, thanks to Lloyd Bentsen. Those are all facts. Who had the most pro-family welfare and child support and tax policies? We did.

But that is not the argument we need to make. I want you to say that; maybe that will open some people's ears and eyes. But that's not what this is about. This is not about politics. This is about the people of the United States, about our future, about how we're going to get into the 21st century, remember, with the American dream alive for everybody, with America the strongest country in the world. That is the mission. The mission is what happens to the people - not what happens to the politicians, not what happens to the political parties - what happens to the people of the United States of America.

And I ask you to consider just two things as I move out of this and leave you here and go back to work. First is, in a time of change the President has to do what is right for the long run, which means inevitably he will do things that will be unpopular in the short run. Now, that is absolutely true. I'd bet everything I've got in the bank, which isn't all that much - [laughter] - that I've done four or five things that made everybody in this room mad in the last 2 1/2 years. And sometimes I've been wrong. But I show up every day. [Laughter] But the point I want to make here, what I want to say is, you have to understand that when things are changing so quickly and the moment is there, you cannot even imagine what will be popular in a month or a year in a time of change like this. You have to think about what it would look like in 10 or 20 years.

When Lloyd Bentsen and I - he didn't tell you the whole story - I'll tell you the whole story about that budget - probably people in this room still mad at me at that budget because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too. But you know why we did it? Because we had been in Washington - you ask - we had been in Washington one week when the then-minority leaders of the House and Senate, now the Senate majority leader and the Speaker of the House, informed us that we would not get not one single, solitary vote from the other party for our budget, no matter what we did, and were very candid. They said, "We want to be in a position to blame you if the economy continues to go down. And if it goes up, we want to be in a position to attack you forraising taxes, whether you raise taxes on people or not. You're going to raise taxes on some, and that's the attack we want, so we're not going to vote for it, not a one of us."

Well, needless to say, we had information, as you heard Secretary Bentsen say, that if we could get the deficit down $500 billion in 5 years, we could lower interest rates and boom the economy. And so we decided, even with only Democrats voting for it, we would have to make whatever decisions would be necessary to do that, even though it meant a little more tax and a little less spending cut than we wanted. And we reasoned - and I remember him telling me this, he said, "I'm going to pay more, but most people will make a whole lot more money if we get this economy going than they'll pay in extra taxes." And that's exactly what happened. It was the right thing for America for the long run, even though it was difficult politics in the short run. It was the right thing to do.

You know and I know they cut us a new one in Texas over the assault weapons ban and the Brady bill. [Laughter] But let me tell you something. Since we adopted the Brady bill, last year, 1994, there were 40,000 felons who did not get handguns and didn't have a chance to shoot innocent Americans because of it.

I know when we had to decide whether we should move the administration through the FDA to try to crack down on teenage smoking and restrain advertising directed at teenagers, all the political advice was, "Don't do that. Don't do that, because if you do that, everybody that's against you will vote against you, and everybody that's for you can find some other reason to vote against you."

That's why things often don't get done, by the way, in national politics. [Laughter] Because organized, intense, minority interests will all vote against you and will terrify whoever they can terrify if you do such and such a thing, and then everybody that agrees with you will find some other reason to be against you. So it paralyzes the political system.

But we studied this problem for 14 months. Three thousand kids a day start smoking; 1,000 of them are going to die earlier because of it. How much political hit is 1,000 lives a day worth? I think it's worth a whole lot. It's the right thing to do. Twenty years from now, there will be a lot more kids alive because of the initiatives of the administration. It is the right thing to do.

Most of you liked it when I helped Mexico, but the day I did it, there's a poll in - the Washington Post came out, the poll was 81-15 against what I did. I thought it just another day at the office. [Laughter]

But the American people could not possibly see ahead 10, 20 years to what would happen to the United States if the economy of Mexico failed and the financial markets in Argentina and Brazil collapsed. And our whole strategy for growing the American economy in the 21st century in a world economy, but starting in our backyard with Mexico and the rest of Latin America and then moving to Asia, Europe, and other places would be wrecked. And our ability to cooperate in fighting drugs and in dealing with illegal immigration and all these things would have been undermined.

So I said to myself, "Yes, it's unpopular, but this is a good country. People are fairminded. Maybe it will work out in the next year or two. But whether it does or not, 20 years from now, it will look like a very good decision." That is the way we all have to begin to think. And when we do, then we can begin to dismiss out of hand these trivial wedge issues that are designed to divide us and drive a stake in our hearts.

I applaud the mayor for not abandoning affirmative action. It's not

time yet. It's not time yet. It's not time yet. We had so many different programs in Washington, there were things wrong with them. We're trying to fix them. And any time you do anything, if you do it long enough, somebody will make a mistake, and then someone else can go find it, and they can blow it up in a 30-second ad and make it look like, you know, you can't find your way home at night. [Laughter] But it is not time yet.

If we haven't learned anything from the last few weeks, we should have learned that. We have still got work to do to make sure everybody has a chance to participate on fair and equal terms in the bounty of America.

So these are the things we have to do, and that's what I want you to see. Now, having said that, I want you to see this fight over the budget in these terms.

Let me tell you as you leave here, this is not about balancing the budget. For the first time since Lyndon Johnson was President, the President and the leaders of Congress are committed to balancing the budget. That is a very good thing. I applaud the Republican leadership for that. This is not about slowing the rate of medical inflation and securing the Medicare Trust Fund for the first time in a good while. We're both committed to that. The issue is, how are we going to do it, and are we going to do it in a way that is consistent with our values and with common sense and bringing us together?

Now, my budget is a good, credible, conservative budget. It gets rid of hundreds of programs. But it does not - it does not, in this age, gut education or research or technology. I want everybody to get on that information superhighway and ride straight into the 21st century, and it is nuts for us to cut education if we're going to do that. It is wrong. And it doesn't hurt families. I can't imagine my getting a deduction for Chelsea's college costs, which is what would happen under their bill, and turn around and raising taxes on families making $20,000 a year trying to support three children. But that's exactly what they do. That's wrong. That is wrong. It doesn't make sense, and it's wrong.

And on the health care issue, you may think there's a lot of demagoguery in it, but let me tell you - we have got to slow the rate of medical inflation, but that is happening. Health insurance premiums went up less than inflation this year for the first time in 10 years. We can fix this. But we do not want to cut Medicare so much.

Listen to this. This is their proposal: Cut Medicare so much that we stop paying the copay requirements for really poor elderly people. You've got a lot - a bunch of old folks out there living on $300 a month. And the way this budget, their budget, is written now, they get hit the hardest. We stopped - because right now, we pay their copays and their deductibles because they don't have enough money to live on. And it's estimated a million elderly people could drop out of the Medicare system if the budget passed. We don't have to do that. We don't have to

do that.

And we don't have to go back to the time where we say to an elderly couple, if they're lucky enough to both live and be happy, and they're way up in their seventies or eighties, and they're still together, but they don't have much money, and one of them needs to go into a nursing home, we don't have to go back to the time when you could tell the person that's not going into the nursing home, "You've got to sell your house. You've got to sell your car. You've got to clean out your bank account, or your spouse can't get any help." Do you really want to give those people that choice? I don't. We don't have to. It's in their budget, but we don't need it to balance the budget. And I'm going to fight it. It's not right. It's not right.

Do you really want to take thousands of kids out of the chance to be in the Head Start program or cut the number of college scholarships for poor kids at the time when we need more children going to college? What do you think it's going to do to the racial dialog in this country when you need more and more and more education? Look around here. If we'd had this dinner 20 years ago and charged us to get in, would there have been any black people here? Would there have been any Hispanic people here? No. How do you think they got here? They have good educations. What are we going to do - does that make any sense? No.

I could go on and on and on. This is - they want to get rid of the Commerce Department. Who do you think is opening all these doors for all these Texas energy companies in these countries that many people just learned existed a couple of years ago? [Laughter] The Commerce Department, the Energy Department, the United States of America, working in partnership with our business interests to create jobs here in America by building bridges of commerce around the world. Why should we do that? We don't have to, and it doesn't make any sense.

Let me tell you something about the Medicaid program. This is the last one I'll mention. This is big for Houston. The Medicaid program: Most people think that that's that program for health care for poor people on welfare. Well, that's sort of true. About 30 percent of the Medicaid program goes to pay for health care mostly for children of welfare families; 70 percent of it goes to help older people who don't have a lot of money in their nursing homes or home health care, or to help the disabled population in America.

And when that happens, it means that their middle class children, if you're talking about nursing homes, or their middle class brothers and sisters and parents, if you're talking about the disabled, are therefore able to save the money they have and educate their children and maintain a middle class lifestyle. And it holds us together. I don't know a single, solitary health care provider in the United States of America who believes we can maintain the quality of health care we've got now for all those people if we put these Medicaid cuts in.

Not only that, the Medicaid program helps cities like Houston big time. Why? Because the Medicaid program gives extra money to university teaching hospitals, gives extra money to children's hospitals, gives extra money to inner-city hospitals, gives extra money to rural hospitals in all those little towns in Texas that are 90 miles from nowhere and wouldn't be able to give health care if they didn't have country hospitals out there. What's going to happen to that? Is that what you want? I'm not for that. We don't have to do that.

And then there are all those little curlicues in the budget. You know how they're giving everything to the States, right? The States are the source of all wisdom now - [laughter] - all wisdom. They're never going to make a mistake. We're giving everything to the States except a few things. For example, they've decided that Texas, even though Texas just passed a tort reform law, you don't have enough sense to do your own laws. So they want to take away your right to decide what your malpractice laws are and what all your other laws are. They want to just take that away. All of a sudden, you can do everything but decide what your legal system is.

And last week - you know what they did last week? This is an amazing thing. One of their committees, last week they said, "We're going to give the Medicaid program back to the States in a block grant. Now, we're going to cut their money by 30 percent, but we're sure they'll do fine because they're so much more efficient than we are, they can get lower costs." And the next vote - I mean within the same hour they voted to stop States from being able to bargain with drug companies to get cheaper prescription drugs. [Laughter]

This is not about balancing the budget. This is about whether you believe America should be a winner-take-all society or a society where everybody has a chance to win. That's what this is about. It's about whether you believe that the market can solve every problem in the world, or that all human systems are imperfect and democracies are instituted to find fair ways to treat people fairly so we can go forward together.

I'm telling you, folks, this country is in better shape than it was 2 years ago. Part of it is because we have had a good economic policy. We've had good social policies. We've done the right things by the Government. We stood up for America around the world. But a big part of it is, the American people are changing the way they live and think, and they are moving into the future. And you deserve better than what is in that budget. And I'm going to do my best to see that you get it. It is the right thing for America. And I want you to help me. And I want you to fight for it because it's right for you.

Thank you, and God bless you all.

NOTE: The President spoke at 8:15 p.m. in the Westin Galleria Hotel. In his remarks, he referred to former Secretary of the Treasury Lloyd

Bentsen and his wife, B.A.; former Texas Governors Ann Richards and Mark White; Texas Attorney General Dan Morales and former Texas Attorney General Jim Mattox; Lt. Gov. Bob Bullock; Texas Land Commissioner Garry Mauro; and Terence McAuliffe, national finance chair, and Laura Hartigan, national finance director, Clinton-Gore '96.