January 25, 1994

Thank you very much. Mr. Speaker, Mr. President, Members of the 103d Congress, my fellow Americans:

I'm not at all sure what speech is in the TelePrompter tonight—[*laughter*]—but I hope we can talk about the state of the Union.

I ask you to begin by recalling the memory of the giant who presided over this Chamber with such force and grace. Tip O'Neill liked to call himself "a man of the House." And he surely was that. But even more, he was a man of the people, a bricklayer's son who helped to build the great American middle class. Tip O'Neill never forgot who he was, where he came from, or who sent him here. Tonight he's smiling down on us for the first time from the Lord's gallery. But in his honor, may we, too, always remember who we are, where we come from, and who sent us here. If we do that we will return over and over again to the principle that if we simply give ordinary people equal opportunity, quality education, and a fair shot at the American dream, they will do extraordinary things.

We gather tonight in a world of changes so profound and rapid that all nations are tested. Our American heritage has always been to master such change, to use it to expand opportunity at home and our leadership abroad. But for too long and in too many ways, that heritage was abandoned, and our country drifted.

For 30 years, family life in America has been breaking down. For 20 years, the wages of working people have been stagnant or declining. For the 12 years of trickle-down economics, we built a false prosperity on a hollow base as our national debt quadrupled. From 1989 to 1992, we experienced the slowest growth in a half century. For too many families, even when both parents were working, the American dream has been slipping away.

In 1992, the American people demanded that we change. A year ago I asked all of you to join me in accepting responsibility for the future of our country. Well, we did. We replaced drift and deadlock with renewal and reform. And I want to thank every one of you here who heard the American people, who broke gridlock, who gave them the most successful teamwork between a President and a Congress in 30 years.

This Congress produced a budget that cut the deficit by half a trillion dollars, cut spending, and raised income taxes on only the wealthiest Americans. This Congress produced tax relief for millions of low-income workers to reward work over welfare. It produced NAFTA. It produced the Brady bill, now the Brady law. And thank you, Jim Brady, for being here, and God bless you, sir.

This Congress produced tax cuts to reduce the taxes of 9 out of 10 small businesses who use the money to invest more and create more jobs. It produced more research and treatment for AIDS, more childhood immunizations, more support for women's health research, more affordable college loans for the middle class, a new national service program for those who want to give something back to their country and their communities for higher education, a dramatic increase in high-tech investments to move us from a defense to a domestic high-tech economy. This Congress produced a new law, the motor voter bill, to help millions of people register to vote. It produced family and medical leave. All passed; all signed into law with not one single veto.

These accomplishments were all commitments I made when I sought this office. And in fairness, they all had to be passed by you in this Congress. But I am persuaded that the real credit belongs to the people who sent us here, who pay our salaries, who hold our feet to the fire.

But what we do here is really beginning to change lives. Let me just give you one example. I will never forget what the family and medical leave law meant to just one father I met early one Sunday morning in the White House. It was unusual to see a family there touring early Sunday morning, but he had his wife and his three children there, one of them in a wheelchair. I came up, and after we had our picture taken and had a little visit, I was walking off and that man grabbed me by the arm and he said, "Mr. President, let me tell you something. My little girl here is desperately ill. She's probably not going to make it. But because of the family leave law, I was able to take time off to spend with her, the most important time I ever spent in my life, without losing my job and hurting the rest of my family. It means more to me than I will ever be able to say. Don't you people up here ever think what you do doesn't make a difference. It does."

Though we are making a difference, our work has just begun. Many Americans still haven't felt the impact of what we've done. The recovery still hasn't touched every community or created enough jobs. Incomes are still stagnant. There's still too much violence and not enough hope in too many places. Abroad, the young democracies we are strongly supporting still face very difficult times and look to us for leadership. And so tonight, let us resolve to continue the journey of renewal, to create more and better jobs, to guarantee health security for all, to reward work over welfare, to promote democracy abroad, and to begin to reclaim our streets from violent crime and drugs and gangs, to renew our own American community.

Last year we began to put our house in order by tackling the budget deficit that was driving us toward bankruptcy. We cut $255 billion in spending, including entitlements, and over 340 separate budget items. We froze domestic spending and used honest budget numbers.

Led by the Vice President, we launched a campaign to reinvent Government. We cut staff, cut perks, even trimmed the fleet of Federal limousines. After years of leaders whose rhetoric attacked bureaucracy but whose action expanded it, we will actually reduce it by 252,000 people over the next 5 years. By the time we have finished, the Federal bureaucracy will be at its lowest point in 30 years.

Because the deficit was so large and because they benefited from tax cuts in the 1980's, we did ask the wealthiest Americans to pay more to reduce the deficit. So on April 15th, the American people will discover the truth about what we did last year on taxes. Only the top 1—[*applause*]—yes, listen, the top 1.2 percent of Americans, as I said all along, will pay higher income tax rates. Let me repeat: Only the wealthiest 1.2 percent of Americans will face higher income tax rates, and no one else will. And that is the truth.

Of course, there were, as there always are in politics, naysayers who said this plan wouldn't work. But they were wrong. When I became President, the experts predicted that next year's deficit would be $300 billion. But because we acted, those same people now say the deficit is going to be under $180 billion, 40 percent lower than was previously predicted.

Our economic program has helped to produce the lowest core inflation rate and the lowest interest rates in 20 years. And because those interest rates are down, business investment and equipment is growing at 7 times the rate of the previous 4 years. Auto sales are way up. Home sales are at a record high. Millions of Americans have refinanced their homes. And our economy has produced 1.6 million private sector jobs in 1993, more than were created in the previous 4 years combined.

The people who supported this economic plan should be proud of its early results, proud. But everyone in this Chamber should know and acknowledge that there is more to do.

Next month I will send you one of the toughest budgets ever presented to Congress. It will cut spending in more than 300 programs, eliminate 100 domestic programs, and reform the ways in which governments buy goods and services. This year we must again make the hard choices to live within the hard spending ceilings we have set. We must do it. We have proved we can bring the deficit down without choking off recovery, without punishing seniors or the middle class, and without putting our national security at risk. If you will stick with this plan, we will post 3 consecutive years of declining deficits for the first time since Harry Truman lived in the White House. And once again, the buck stops here.

Our economic plan also bolsters our strength and our credibility around the world. Once we reduced the deficit and put the steel back into our competitive edge, the world echoed with the sound of falling trade barriers. In one year, with NAFTA, with GATT, with our efforts in Asia and the national export strategy, we did more to open world markets to American products than at any time in the last two generations. That means more jobs and rising living standards for the American people, low deficits, low inflation, low interest rates, low trade barriers, and high investments. These are the building blocks of our recovery. But if we want to take full advantage of the opportunities before us in the global economy, you all know we must do more.

As we reduce defense spending, I ask Congress to invest more in the technologies of tomorrow. Defense conversion will keep us strong militarily and create jobs for our people here at home. As we protect our environment, we must invest in the environmental technologies of the future which will create jobs. This year we will fight for a revitalized Clean Water Act and a Safe Drinking Water Act and a reformed Superfund program. And the Vice President is right, we must also work with the private sector to connect every classroom, every clinic, every library, every hospital in America into a national information superhighway by the year 2000. Think of it: Instant access to information will increase productivity, will help to educate our children. It will provide better medical care. It will create jobs. And I call on the Congress to pass legislation to establish that information superhighway this year.

As we expand opportunity and create jobs, no one can be left out. We must continue to enforce fair lending and fair housing and all civil rights laws, because America will never be complete in its renewal until everyone shares in its bounty.

But we all know, too, we can do all these things—put our economic house in order, expand world trade, target the jobs of the future, guarantee equal opportunity—but if we're honest we'll all admit that this strategy still cannot work unless we also give our people the education, training, and skills they need to seize the opportunities of tomorrow.

We must set tough, world-class academic and occupational standards for all our children and give our teachers and students the tools they need to meet them. Our Goals 2000 proposal will empower individual school districts to experiment with ideas like chartering their schools to be run by private corporations or having more public school choice, to do whatever they wish to do as long as we measure every school by one high standard: Are our children learning what they need to know to compete and win in the global economy? Goals 2000 links world-class standards to grassroots reforms. And I hope Congress will pass it without delay.

Our school-to-work initiative will for the first time link school to the world of work, providing at least one year of apprenticeship beyond high school. After all, most of the people we're counting on to build our economic future won't graduate from college. It's time to stop ignoring them and start empowering them.

We must literally transform our outdated unemployment system into a new reemployment system. The old unemployment system just sort of kept you going while you waited for your old job to come back. We've got to have a new system to move people into new and better jobs, because most of those old jobs just don't come back. And we know that the only way to have real job security in the future, to get a good job with a growing income, is to have real skills and the ability to learn new ones. So we've got to streamline today's patchwork of training programs and make them a source of new skills for our people who lose their jobs. Reemployment, not unemployment, must become the centerpiece of our economic renewal. I urge you to pass it in this session of Congress.

And just as we must transform our unemployment system, so must we also revolutionize our welfare system. It doesn't work. It defies our values as a nation. If we value work, we can't justify a system that makes welfare more attractive than work if people are worried about losing their health care. If we value responsibility, we can't ignore the $34 billion in child support absent parents ought to be paying to millions of parents who are taking care of their children. If we value strong families, we can't perpetuate a system that actually penalizes those who stay together. Can you believe that a child who has a child gets more money from the Government for leaving home than for staying home with a parent or a grandparent? That's not just bad policy, it's wrong. And we ought to change it.

I worked on this problem for years before I became President, with other Governors and with Members of Congress of both parties and with the previous administration of another party. I worked on it with people who were on welfare, lots of them. And I want to say something to everybody here who cares about this issue. The people who most want to change this system are the people who are dependent on it. They want to get off welfare. They want to go back to work. They want to do right by their kids.

I once had a hearing when I was a Governor, and I brought in people on welfare from all over America who had found their way to work. The woman from my State who testified was asked this question: What's the best thing about being off welfare and in a job? And without blinking an eye, she looked at 40 Governors, and she said, "When my boy goes to school and they say, ‘What does your mother do for a living?' he can give an answer." These people want a better system, and we ought to give it to them.

Last year we began this. We gave the States more power to innovate because we know that a lot of great ideas come from outside Washington, and many States are already using it. Then this Congress took a dramatic step. Instead of taxing people with modest incomes into poverty, we helped them to work their way out of poverty by dramatically increasing the earned-income tax credit. It will lift 15 million working families out of poverty, rewarding work over welfare, making it possible for people to be successful workers and successful parents. Now that's real welfare reform.

But there is more to be done. This spring I will send you a comprehensive welfare reform bill that builds on the Family Support Act of 1988 and restores the basic values of work and responsibility. We'll say to teenagers, "If you have a child out of wedlock, we will no longer give you a check to set up a separate household. We want families to stay together"; say to absent parents who aren't paying their child support, "If you're not providing for your children, we'll garnish your wages, suspend your license, track you across State lines, and if necessary, make some of you work off what you owe." People who bring children into this world cannot and must not walk away from them. But to all those who depend on welfare, we should offer ultimately a simple compact. We'll provide the support, the job training, the child care you need for up to 2 years. But after that, anyone who can work, must, in the private sector wherever possible, in community service if necessary. That's the only way we'll ever make welfare what it ought to be, a second chance, not a way of life.

I know it will be difficult to tackle welfare reform in 1994 at the same time we tackle health care. But let me point out, I think it is inevitable and imperative. It is estimated that one million people are on welfare today because it's the only way they can get health care coverage for their children. Those who choose to leave welfare for jobs without health benefits, and many entry-level jobs don't have health benefits, find themselves in the incredible position of paying taxes that help to pay for health care coverage for those who made the other choice, to stay on welfare. No wonder people leave work and go back to welfare to get health care coverage. We've got to solve the health care problem to have real welfare reform.

So this year, we will make history by reforming the health care system. And I would say to you, all of you, my fellow public servants, this is another issue where the people are way ahead of the politicians. That may not be popular with either party, but it happens to be the truth.

You know, the First Lady has received now almost a million letters from people all across America and from all walks of life. I'd like to share just one of them with you. Richard Anderson of Reno, Nevada, lost his job and with it, his health insurance. Two weeks later his wife, Judy, suffered a cerebral aneurysm. He rushed her to the hospital, where she stayed in intensive care for 21 days. The Andersons' bills were over $120,000. Although Judy recovered and Richard went back to work at $8 an hour, the bills were too much for them, and they were literally forced into bankruptcy. "Mrs. Clinton," he wrote to Hillary, "no one in the United States of America should have to lose everything they've worked for all their lives because they were unfortunate enough to become ill." It was to help the Richard and Judy Andersons of America that the First Lady and so many others have worked so hard and so long on this health care reform issue. We owe them our thanks and our action.

I know there are people here who say there's no health care crisis. Tell it to Richard and Judy Anderson. Tell it to the 58 million Americans who have no coverage at all for some time each year. Tell it to the 81 million Americans with those preexisting conditions. Those folks are paying more, or they can't get insurance at all, or they can't ever change their jobs because they or someone in their family has one of those preexisting conditions. Tell it to the small businesses burdened by the skyrocketing cost of insurance. Most small businesses cover their employees, and they pay on average 35 percent more in premiums than big businesses or Government. Or tell it to the 76 percent of insured Americans, three out of four, whose policies have lifetime limits, and that means they can find themselves without any coverage at all just when they need it the most. So if any of you believe there's no crisis, you tell it to those people, because I can't.

There are some people who literally do not understand the impact of this problem on people's lives. And all you have to do is go out and listen to them. Just go talk to them anywhere in any congressional district in this country. They're Republicans and Democrats and independents; it doesn't have a lick to do with party. They think we don't get it. And it's time we show them that we do get it.

From the day we began, our health care initiative has been designed to strengthen what is good about our health care system: the world's best health care professionals, cutting-edge research and wonderful research institutions, Medicare for older Americans. None of this, none of it should be put at risk.

But we're paying more and more money for less and less care. Every year fewer and fewer Americans even get to choose their doctors. Every year doctors and nurses spend more time on paperwork and less time with patients because of the absolute bureaucratic nightmare the present system has become. This system is riddled with inefficiency, with abuse, with fraud, and everybody knows it. In today's health care system, insurance companies call the shots. They pick whom they cover and how they cover them. They can cut off your benefits when you need your coverage the most. They are in charge.

What does it mean? It means every night millions of well-insured Americans go to bed just an illness, an accident, or a pink slip away from having no coverage or financial ruin. It means every morning millions of Americans go to work without any health insurance at all, something the workers in no other advanced country in the world do. It means that every year more and more hard-working people are told to pick a new doctor because their boss has had to pick a new plan. And countless others turn down better jobs because they know if they take the better job, they will lose their health insurance. If we just let the health care system continue to drift, our country will have people with less care, fewer choices, and higher bills.

Now, our approach protects the quality of care and people's choices. It builds on what works today in the private sector, to expand employer-based coverage, to guarantee private insurance for every American. And I might say, employer-based private insurance for every American was proposed 20 years ago by President Richard Nixon to the United States Congress. It was a good idea then, and it's a better idea today.

Why do we want guaranteed private insurance? Because right now 9 out of 10 people who have insurance get it through their employers. And that should continue. And if your employer is providing good benefits at reasonable prices, that should continue, too. That ought to make the Congress and the President feel better.

Our goal is health insurance everybody can depend on: comprehensive benefits that cover preventive care and prescription drugs; health premiums that don't just explode when you get sick or you get older; the power, no matter how small your business is, to choose dependable insurance at the same competitive rates governments and big business get today; one simple form for people who are sick; and most of all, the freedom to choose a plan and the right to choose your own doctor.

Our approach protects older Americans. Every plan before the Congress proposes to slow the growth of Medicare. The difference is this: We believe those savings should be used to improve health care for senior citizens. Medicare must be protected, and it should cover prescription drugs, and we should take the first steps in covering long-term care. To those who would cut Medicare without protecting seniors, I say the solution to today's squeeze on middle class working people's health care is not to put the squeeze on middle class retired people's health care. We can do better than that.

When it's all said and done, it's pretty simple to me. Insurance ought to mean what it used to mean: You pay a fair price for security, and when you get sick, health care's always there, no matter what.

Along with the guarantee of health security, we all have to admit, too, there must be more responsibility on the part of all of us in how we use this system. People have to take their kids to get immunized. We should all take advantage of preventive care. We must all work together to stop the violence that explodes our emergency rooms. We have to practice better health habits, and we can't abuse the system. And those who don't have insurance under our approach will get coverage, but they'll have to pay something for it, too. The minority of businesses that provide no insurance at all, and in so doing shift the cost of the care of their employees to others, should contribute something. People who smoke should pay more for a pack of cigarettes. Everybody can contribute something if we want to solve the health care crisis. There can't be any more something for nothing. It will not be easy but it can be done.

Now, in the coming months I hope very much to work with both Democrats and Republicans to reform a health care system by using the market to bring down costs and to achieve lasting health security. But if you look at history we see that for 60 years this country has tried to reform health care. President Roosevelt tried. President Truman tried. President Nixon tried. President Carter tried. Every time the special interests were powerful enough to defeat them. But not this time.

I know that facing up to these interests will require courage. It will raise critical questions about the way we finance our campaigns and how lobbyists yield their influence. The work of change, frankly, will never get any easier until we limit the influence of well-financed interests who profit from this current system. So I also must now call on you to finish the job both Houses began last year by passing tough and meaningful campaign finance reform and lobby reform legislation this year.

You know, my fellow Americans, this is really a test for all of us. The American people provide those of us in Government service with terrific health care benefits at reasonable costs. We have health care that's always there. I think we need to give every hard-working, tax-paying American the same health care security they have already given to us.

I want to make this very clear. I am open, as I have said repeatedly, to the best ideas of concerned Members of both parties. I have no special brief for any specific approach, even in our own bill, except this: If you send me legislation that does not guarantee every American private health insurance that can never be taken away, you will force me to take this pen, veto the legislation, and we'll come right back here and start all over again.

But I don't think that's going to happen. I think we're ready to act now. I believe that you're ready to act now. And if you're ready to guarantee every American the same health care that you have, health care that can never be taken away, now—not next year or the year after—now is the time to stand with the people who sent us here, now.

As we take these steps together to renew our strength at home, we cannot turn away from our obligation to renew our leadership abroad. This is a promising moment. Because of the agreements we have reached this year, last year, Russia's strategic nuclear missiles soon will no longer be pointed at the United States, nor will we point ours at them. Instead of building weapons in space, Russian scientists will help us to build the international space station.

Of course, there are still dangers in the world: rampant arms proliferation, bitter regional conflicts, ethnic and nationalist tensions in many new democracies, severe environmental degradation the world over, and fanatics who seek to cripple the world's cities with terror. As the world's greatest power, we must, therefore, maintain our defenses and our responsibilities.

This year, we secured indictments against terrorists and sanctions against those who harbor them. We worked to promote environmentally sustainable economic growth. We achieved agreements with Ukraine, with Belarus, with Kazahkstan to eliminate completely their nuclear arsenal. We are working to achieve a Korean Peninsula free of nuclear weapons. We will seek early ratification of a treaty to ban chemical weapons worldwide. And earlier today, we joined with over 30 nations to begin negotiations on a comprehensive ban to stop all nuclear testing.

But nothing, nothing is more important to our security than our Nation's Armed Forces. We honor their contributions, including those who are carrying out the longest humanitarian air lift in history in Bosnia, those who will complete their mission in Somalia this year and their brave comrades who gave their lives there. Our forces are the finest military our Nation has ever had. And I have pledged that as long as I am President, they will remain the best equipped, the best trained, and the best prepared fighting force on the face of the Earth.

Last year I proposed a defense plan that maintains our post-cold-war security at a lower cost. This year many people urged me to cut our defense spending further to pay for other Government programs. I said no. The budget I send to Congress draws the line against further defense cuts. It protects the readiness and quality of our forces. Ultimately, the best strategy is to do that. We must not cut defense further. I hope the Congress, without regard to party, will support that position.

Ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere. Democracies don't attack each other. They make better trading partners and partners in diplomacy. That is why we have supported, you and I, the democratic reformers in Russia and in the other states of the former Soviet bloc. I applaud the bipartisan support this Congress provided last year for our initiatives to help Russia, Ukraine, and the other states through their epic transformations.

Our support of reform must combine patience for the enormity of the task and vigilance for our fundamental interest and values. We will continue to urge Russia and the other states to press ahead with economic reforms. And we will seek to cooperate with Russia to solve regional problems, while insisting that if Russian troops operate in neighboring states, they do so only when those states agree to their presence and in strict accord with international standards.

But we must also remember as these nations chart their own futures—and they must chart their own futures—how much more secure and more prosperous our own people will be if democratic and market reforms succeed all across the former Communist bloc. Our policy has been to support that move, and that has been the policy of the Congress. We should continue it.

That is why I went to Europe earlier this month, to work with our European partners, to help to integrate all the former Communist countries into a Europe that has a possibility of becoming unified for the first time in its entire history, its entire history, based on the simple commitments of all nations in Europe to democracy, to free markets, and to respect for existing borders.

With our allies we have created a Partnership For Peace that invites states from the former Soviet bloc and other non-NATO members to work with NATO in military cooperation. When I met with Central Europe's leaders, including Lech Walesa and Vaclav Havel, men who put their lives on the line for freedom, I told them that the security of their region is important to our country's security.

This year we must also do more to support democratic renewal and human rights and sustainable development all around the world. We will ask Congress to ratify the new GATT accord. We will continue standing by South Africa as it works its way through its bold and hopeful and difficult transition to democracy. We will convene a summit of the Western Hemisphere's democratic leaders from Canada to the tip of South America. And we will continue to press for the restoration of true democracy in Haiti. And as we build a more constructive relationship with China, we must continue to insist on clear signs of improvement in that nation's human rights record.

We will also work for new progress toward the Middle East peace. Last year the world watched Yitzhak Rabin and Yasser Arafat at the White House when they had their historic handshake of reconciliation. But there is a long, hard road ahead. And on that road I am determined that I and our administration will do all we can to achieve a comprehensive and lasting peace for all the peoples of the region.

Now, there are some in our country who argue that with the cold war, America should turn its back on the rest of the world. Many around the world were afraid we would do just that. But I took this office on a pledge that had no partisan tinge, to keep our Nation secure by remaining engaged in the rest of the world. And this year, because of our work together, enacting NAFTA, keeping our military strong and prepared, supporting democracy abroad, we have reaffirmed America's leadership, America's engagement. And as a result, the American people are more secure than they were before.

But while Americans are more secure from threats abroad, I think we all know that in many ways we are less secure from threats here at home. Every day the national peace is shattered by crime. In Petaluma, California, an innocent slumber party gives way to agonizing tragedy for the family of Polly Klaas. An ordinary train ride on Long Island ends in a hail of 9-millimeter rounds. A tourist in Florida is nearly burned alive by bigots simply because he is black. Right here in our Nation's Capital, a brave young man named Jason White, a policeman, the son and grandson of policemen, is ruthlessly gunned down. Violent crime and the fear it provokes are crippling our society, limiting personal freedom, and fraying the ties that bind us.

The crime bill before Congress gives you a chance to do something about it, a chance to be tough and smart. What does that mean? Let me begin by saying I care a lot about this issue. Many years ago, when I started out in public life, I was the attorney general of my State. I served as a Governor for a dozen years. I know what it's like to sign laws increasing penalties, to build more prison cells, to carry out the death penalty. I understand this issue. And it is not a simple thing.

First, we must recognize that most violent crimes are committed by a small percentage of criminals who too often break the laws even when they are on parole. Now those who commit crimes should be punished. And those who commit repeated violent crimes should be told, "When you commit a third violent crime, you will be put away, and put away for good; three strikes and you are out."

Second, we must take serious steps to reduce violence and prevent crime, beginning with more police officers and more community policing. We know right now that police who work the streets, know the folks, have the respect of the neighborhood kids, focus on high crime areas, we know that they are more likely to prevent crime as well as catch criminals. Look at the experience of Houston, where the crime rate dropped 17 percent in one year when that approach was taken.

Here tonight is one of those community policemen, a brave, young detective, Kevin Jett, whose beat is eight square blocks in one of the toughest neighborhoods in New York. Every day he restores some sanity and safety and a sense of values and connections to the people whose lives he protects. I'd like to ask him to stand up and be recognized tonight. Thank you, sir. [*Applause*]

You will be given a chance to give the children of this country, the law-abiding working people of this country—and don't forget, in the toughest neighborhoods in this country, in the highest crime neighborhoods in this country, the vast majority of people get up every day and obey the law, pay their taxes, do their best to raise their kids. They deserve people like Kevin Jett. And you're going to be given a chance to give the American people another 100,000 of them, well trained. And I urge you to do it.

You have before you crime legislation which also establishes a police corps to encourage young people to get an education and pay it off by serving as police officers; which encourages retiring military personnel to move into police forces, an inordinate resource for our country; one which has a safe schools provision which will give our young people the chance to walk to school in safety and to be in school in safety instead of dodging bullets. These are important things.

The third thing we have to do is to build on the Brady bill, the Brady law, to take further steps to keep guns out of the hands of criminals. I want to say something about this issue. Hunters must always be free to hunt. Law-abiding adults should always be free to own guns and protect their homes. I respect that part of our culture; I grew up in it. But I want to ask the sportsmen and others who lawfully own guns to join us in this campaign to reduce gun violence. I say to you, I know you didn't create this problem, but we need your help to solve it. There is no sporting purpose on Earth that should stop the United States Congress from banishing assault weapons that out-gun police and cut down children.

Fourth, we must remember that drugs are a factor in an enormous percentage of crimes. Recent studies indicate, sadly, that drug use is on the rise again among our young people. The crime bill contains—all the crime bills contain— more money for drug treatment for criminal addicts and boot camps for youthful offenders that include incentives to get off drugs and to stay off drugs. Our administration's budget, with all its cuts, contains a large increase in funding for drug treatment and drug education. You must pass them both. We need them desperately.

My fellow Americans, the problem of violence is an American problem. It has no partisan or philosophical element. Therefore, I urge you to find ways as quickly as possible to set aside partisan differences and pass a strong, smart, tough crime bill. But further, I urge you to consider this: As you demand tougher penalties for those who choose violence, let us also remember how we came to this sad point. In our toughest neighborhoods, on our meanest streets, in our poorest rural areas, we have seen a stunning and simultaneous breakdown of community, family, and work, the heart and soul of civilized society. This has created a vast vacuum which has been filled by violence and drugs and gangs. So I ask you to remember that even as we say no to crime, we must give people, especially our young people, something to say yes to.

Many of our initiatives, from job training to welfare reform to health care to national service, will help to rebuild distressed communities, to strengthen families, to provide work. But more needs to be done. That's what our community empowerment agenda is all about, challenging businesses to provide more investment through empowerment zones, ensuring banks will make loans in the same communities their deposits come from, passing legislation to unleash the power of capital through community development banks to create jobs, opportunity, and hope where they're needed most.

I think you know that to really solve this problem, we'll all have to put our heads together, leave our ideological armor aside, and find some new ideas to do even more. And let's be honest, we all know something else too: Our problems go way beyond the reach of Government. They're rooted in the loss of values, in the disappearance of work, and the breakdown of our families and our communities.

My fellow Americans, we can cut the deficit, create jobs, promote democracy around the world, pass welfare reform and health care, pass the toughest crime bill in history, but still leave too many of our people behind. The American people have got to want to change from within if we're going to bring back work and family and community. We cannot renew our country when within a decade more than half of the children will be born into families where there has been no marriage. We cannot renew this country when 13-year-old boys get semiautomatic weapons to shoot 9-year-olds for kicks. We can't renew our country when children are having children and the fathers walk away as if the kids don't amount to anything. We can't renew the country when our businesses eagerly look for new investments and new customers abroad but ignore those people right here at home who would give anything to have their jobs and would gladly buy their products if they had the money to do it. We can't renew our country unless more of us—I mean, all of us— are willing to join the churches and the other good citizens, people like all the—like ministers I've worked with over the years or the priests and the nuns I met at Our Lady of Help in east Los Angeles or my good friend Tony Campollo in Philadelphia, unless we're willing to work with people like that, people who are saving kids, adopting schools, making streets safer. All of us can do that. We can't renew our country until we realize that governments don't raise children, parents do.

Parents who know their children's teachers and turn off the television and help with the homework and teach their kids right from wrong, those kinds of parents can make all the difference. I know; I had one. I'm telling you, we have got to stop pointing our fingers at these kids who have no future and reach our hands out to them. Our country needs it, we need it, and they deserve it.

So I say to you tonight, let's give our children a future. Let us take away their guns and give them books. Let us overcome their despair and replace it with hope. Let us, by our example, teach them to obey the law, respect our neighbors, and cherish our values. Let us weave these sturdy threads into a new American community that can once more stand strong against the forces of despair and evil because everybody has a chance to walk into a better tomorrow.

Oh, there will be naysayers who fear that we won't be equal to the challenges of this time. But they misread our history, our heritage. Even today's headlines, all those things tell us we can and we will overcome any challenge.

When the earth shook and fires raged in California, when I saw the Mississippi deluge the farmlands of the Midwest in a 500-year flood, when the century's bitterest cold swept from North Dakota to Newport News, it seemed as though the world itself was coming apart at the seams. But the American people, they just came together. They rose to the occasion, neighbor helping neighbor, strangers risking life and limb to save total strangers, showing the better angels of our nature.

Let us not reserve the better angels only for natural disasters, leaving our deepest and most profound problems to petty political fighting. Let us instead be true to our spirit, facing facts, coming together, bringing hope, and moving forward.

Tonight, my fellow Americans, we are summoned to answer a question as old as the Republic itself: What is the state of our Union? It is growing stronger, but it must be stronger still. With your help and God's help, it will be.

Thank you, and God bless America.

January 24, 1995

Mr. President, Mr. Speaker, Members of the 104th Congress, my fellow Americans: Again we are here in the sanctuary of democracy, and once again our democracy has spoken. So let me begin by congratulating all of you here in the 104th Congress and congratulating you, Mr. Speaker.

If we agree on nothing else tonight, we must agree that the American people certainly voted for change in 1992 and in 1994. And as I look out at you, I know how some of you must have felt in 1992. [*Laughter*]

I must say that in both years we didn't hear America singing, we heard America shouting. And now all of us, Republicans and Democrats alike, must say, "We hear you. We will work together to earn the jobs you have given us." For we are the keepers of a sacred trust, and we must be faithful to it in this new and very demanding era.

Over 200 years ago, our Founders changed the entire course of human history by joining together to create a new country based on a single powerful idea: "We hold these truths to be self-evident, that all men are created equal, . . . endowed by their Creator with certain unalienable Rights, and among these are Life, Liberty and the pursuit of Happiness."

It has fallen to every generation since then to preserve that idea, the American idea, and to deepen and expand its meaning in new and different times: to Lincoln and to his Congress to preserve the Union and to end slavery; to Theodore Roosevelt and Woodrow Wilson to restrain the abuses and excesses of the industrial revolution and to assert our leadership in the world; to Franklin Roosevelt to fight the failure and pain of the Great Depression and to win our country's great struggle against fascism; and to all our Presidents since to fight the cold war. Especially, I recall two who struggled to fight that cold war in partnership with Congresses where the majority was of a different party: to Harry Truman, who summoned us to unparalleled prosperity at home and who built the architecture of the cold war; and to Ronald Reagan, whom we wish well tonight and who exhorted us to carry on until the twilight struggle against communism was won.

In another time of change and challenge, I had the honor to be the first President to be elected in the post-cold-war era, an era marked by the global economy, the information revolution, unparalleled change and opportunity and insecurity for the American people. I came to this hallowed Chamber 2 years ago on a mission, to restore the American dream for all our people and to make sure that we move into the 21st century still the strongest force for freedom and democracy in the entire world. I was determined then to tackle the tough problems too long ignored. In this effort I am frank to say that I have made my mistakes, and I have learned again the importance of humility in all human endeavor. But I am also proud to say tonight that our country is stronger than it was 2 years ago. [*Applause*] Thank you.

Record numbers of Americans are succeeding in the new global economy. We are at peace, and we are a force for peace and freedom throughout the world. We have almost 6 million new jobs since I became President, and we have the lowest combined rate of unemployment and inflation in 25 years. Our businesses are more productive. And here we have worked to bring the deficit down, to expand trade, to put more police on our streets, to give our citizens more of the tools they need to get an education and to rebuild their own communities.

But the rising tide is not lifting all boats. While our Nation is enjoying peace and prosperity, too many of our people are still working harder and harder, for less and less. While our businesses are restructuring and growing more productive and competitive, too many of our people still can't be sure of having a job next year or even next month. And far more than our material riches are threatened, things far more precious to us, our children, our families, our values.

Our civil life is suffering in America today. Citizens are working together less and shouting at each other more. The common bonds of community which have been the great strength of our country from its very beginning are badly frayed. What are we to do about it?

More than 60 years ago, at the dawn of another new era, President Roosevelt told our Nation, "New conditions impose new requirements on Government and those who conduct Government." And from that simple proposition, he shaped the New Deal, which helped to restore our Nation to prosperity and define the relationship between our people and their Government for half a century.

That approach worked in its time. But we today, we face a very different time and very different conditions. We are moving from an industrial age built on gears and sweat to an information age demanding skills and learning and flexibility. Our Government, once a champion of national purpose, is now seen by many as simply a captive of narrow interests, putting more burdens on our citizens rather than equipping them to get ahead. The values that used to hold us all together seem to be coming apart.

So tonight we must forge a new social compact to meet the challenges of this time. As we enter a new era, we need a new set of understandings, not just with Government but, even more important, with one another as Americans.

That's what I want to talk with you about tonight. I call it the New Covenant. But it's grounded in a very, very old idea, that all Americans have not just a right but a solemn responsibility to rise as far as their God-given talents and determination can take them and to give something back to their communities and their country in return. Opportunity and responsibility: They go hand in hand. We can't have one without the other. And our national community can't hold together without both.

Our New Covenant is a new set of understandings for how we can equip our people to meet the challenges of a new economy, how we can change the way our Government works to fit a different time, and, above all, how we can repair the damaged bonds in our society and come together behind our common purpose. We must have dramatic change in our economy, our Government, and ourselves.

My fellow Americans, without regard to party, let us rise to the occasion. Let us put aside partisanship and pettiness and pride. As we embark on this new course, let us put our country first, remembering that regardless of party label, we are all Americans. And let the final test of everything we do be a simple one: Is it good for the American people?

Let me begin by saying that we cannot ask Americans to be better citizens if we are not better servants. You made a good start by passing that law which applies to Congress all the laws you put on the private sector, and I was proud to sign it yesterday. But we have a lot more to do before people really trust the way things work around here. Three times as many lobbyists are in the streets and corridors of Washington as were here 20 years ago. The American people look at their Capital, and they see a city where the well-connected and the well-protected can work the system, but the interests of ordinary citizens are often left out.

As the new Congress opened its doors, lobbyists were still doing business as usual; the gifts, the trips, all the things that people are concerned about haven't stopped. Twice this month you missed opportunities to stop these practices. I know there were other considerations in those votes, but I want to use something that I've heard my Republican friends say from time to time, "There doesn't have to be a law for everything." So tonight I ask you to just stop taking the lobbyists' perks. Just stop. We don't have to wait for legislation to pass to send a strong signal to the American people that things are really changing. But I also hope you will send me the strongest possible lobby reform bill, and I'll sign that, too.

We should require lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PAC's. And as I have said for 3 years, we should work to open the airwaves so that they can be an instrument of democracy, not a weapon of destruction, by giving free TV time to candidates for public office.

When the last Congress killed political reform last year, it was reported in the press that the lobbyists actually stood in the Halls of this sacred building and cheered. This year, let's give the folks at home something to cheer about.

More important, I think we all agree that we have to change the way the Government works. Let's make it smaller, less costly, and smarter; leaner, not meaner. [*Applause*]

I just told the Speaker the equal time doctrine is alive and well. [*Laughter*]

The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter. The old way of governing around here protected organized interests. We should look out for the interests of ordinary people. The old way divided us by interest, constituency, or class. The New Covenant way should unite us behind a common vision of what's best for our country. The old way dispensed services through large, top-down, inflexible bureaucracies. The New Covenant way should shift these resources and decisionmaking from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. The old way of governing around here actually seemed to reward failure. The New Covenant way should have built-in incentives to reward success. The old way was centralized here in Washington. The New Covenant way must take hold in the communities all across America. And we should help them to do that.

Our job here is to expand opportunity, not bureaucracy, to empower people to make the most of their own lives, and to enhance our security here at home and abroad. We must not ask Government to do what we should do for ourselves. We should rely on Government as a partner to help us to do more for ourselves and for each other.

I hope very much that as we debate these specific and exciting matters, we can go beyond the sterile discussion between the illusion that there is somehow a program for every problem, on the one hand, and the other illusion that the Government is a source of every problem we have. Our job is to get rid of yesterday's Government so that our own people can meet today's and tomorrow's needs. And we ought to do it together.

You know, for years before I became President, I heard others say they would cut Government and how bad it was, but not much happened. We actually did it. We cut over a quarter of a trillion dollars in spending, more than 300 domestic programs, more than 100,000 positions from the Federal bureaucracy in the last 2 years alone. Based on decisions already made, we will have cut a total of more than a quarter of a million positions from the Federal Government, making it the smallest it has been since John Kennedy was President, by the time I come here again next year.

Under the leadership of Vice President Gore, our initiatives have already saved taxpayers $63 billion. The age of the $500 hammer and the ashtray you can break on "David Letterman" is gone. Deadwood programs, like mohair subsidies, are gone. We've streamlined the Agriculture Department by reducing it by more than 1,200 offices. We've slashed the small business loan form from an inch thick to a single page. We've thrown away the Government's 10,000page personnel manual.

And the Government is working better in important ways: FEMA, the Federal Emergency Management Agency, has gone from being a disaster to helping people in disasters. You can ask the farmers in the Middle West who fought the flood there or the people in California who have dealt with floods and earthquakes and fires, and they'll tell you that. Government workers, working hand in hand with private business, rebuilt southern California's fractured freeways in record time and under budget. And because the Federal Government moved fast, all but one of the 5,600 schools damaged in the earthquake are back in business.

Now, there are a lot of other things that I could talk about. I want to just mention one because it will be discussed here in the next few weeks. University administrators all over the country have told me that they are saving weeks and weeks of bureaucratic time now because of our direct college loan program, which makes college loans cheaper and more affordable with better repayment terms for students, costs the Government less, and cuts out paperwork and bureaucracy for the Government and for the universities. We shouldn't cap that program. We should give every college in America the opportunity to be a part of it.

Previous Government programs gathered dust. The reinventing Government report is getting results. And we're not through. There's going to be a second round of reinventing Government. We propose to cut $130 billion in spending by shrinking departments, extending our freeze on domestic spending, cutting 60 public housing programs down to 3, getting rid of over 100 programs we do not need, like the Interstate Commerce Commission and the Helium Reserve Program. And we're working on getting rid of unnecessary regulations and making them more sensible. The programs and regulations that have outlived their usefulness should go. We have to cut yesterday's Government to help solve tomorrow's problems.

And we need to get Government closer to the people it's meant to serve. We need to help move programs down to the point where States and communities and private citizens in the private sector can do a better job. If they can do it, we ought to let them do it. We should get out of the way and let them do what they can do better. Taking power away from Federal bureaucracies and giving it back to communities and individuals is something everyone should be able to be for.

It's time for Congress to stop passing on to the States the cost of decisions we make here in Washington. I know there are still serious differences over the details of the unfunded mandates legislation, but I want to work with you to make sure we pass a reasonable bill which will protect the national interests and give justified relief where we need to give it.

For years, Congress concealed in the budget scores of pet spending projects. Last year was no difference. There was a $1 million to study stress in plants and $12 million for a tick removal program that didn't work. It's hard to remove ticks. Those of us who have had them know. [*Laughter*] But I'll tell you something, if you'll give me line-item veto, I'll remove some of that unnecessary spending.

But I think we should all remember, and almost all of us would agree, that Government still has important responsibilities. Our young people—we should think of this when we cut— our young people hold our future in their hands. We still owe a debt to our veterans. And our senior citizens have made us what we are. Now, my budget cuts a lot. But it protects education, veterans, Social Security, and Medicare, and I hope you will do the same thing. You should, and I hope you will.

And when we give more flexibility to the States, let us remember that there are certain fundamental national needs that should be addressed in every State, North and South, East and West: Immunization against childhood disease, school lunches in all our schools, Head Start, medical care and nutrition for pregnant women and infants, all these things, all these things are in the national interest.

I applaud your desire to get rid of costly and unnecessary regulations. But when we deregulate, let's remember what national action in the national interest has given us: safer food for our families, safer toys for our children, safer nursing homes for our parents, safer cars and highways, and safer workplaces, cleaner air, and cleaner water. Do we need common sense and fairness in our regulations? You bet we do. But we can have common sense and still provide for safe drinking water. We can have fairness and still clean up toxic dumps, and we ought to do it.

Should we cut the deficit more? Well, of course we should. Of course we should. But we can bring it down in a way that still protects our economic recovery and does not unduly punish people who should not be punished but instead should be helped.

I know many of you in this Chamber support the balanced budget amendment. I certainly want to balance the budget. Our administration has done more to bring the budget down and to save money than any in a very, very long time. If you believe passing this amendment is the right thing to do, then you have to be straight with the American people. They have a right to know what you're going to cut, what taxes you're going to raise, and how it's going to affect them. We should be doing things in the open around here. For example, everybody ought to know if this proposal is going to endanger Social Security. I would oppose that, and I think most Americans would.

Nothing has done more to undermine our sense of common responsibility than our failed welfare system. This is one of the problems we have to face here in Washington in our New Covenant. It rewards welfare over work. It undermines family values. It lets millions of parents get away without paying their child support.

It keeps a minority but a significant minority of the people on welfare trapped on it for a very long time.

I've worked on this problem for a long time, nearly 15 years now. As a Governor, I had the honor of working with the Reagan administration to write the last welfare reform bill back in 1988. In the last 2 years, we made a good start at continuing the work of welfare reform. Our administration gave two dozen States the right to slash through Federal rules and regulations to reform their own welfare systems and to try to promote work and responsibility over welfare and dependency.

Last year I introduced the most sweeping welfare reform plan ever presented by an administration. We have to make welfare what it was meant to be, a second chance, not a way of life. We have to help those on welfare move to work as quickly as possible, to provide child care and teach them skills, if that's what they need, for up to 2 years. And after that, there ought to be a simple, hard rule: Anyone who can work must go to work. If a parent isn't paying child support, they should be forced to pay. We should suspend drivers' license, track them across State lines, make them work off what they owe. That is what we should do. Governments do not raise children, people do. And the parents must take responsibility for the children they bring into this world.

I want to work with you, with all of you, to pass welfare reform. But our goal must be to liberate people and lift them up from dependence to independence, from welfare to work, from mere childbearing to responsible parenting. Our goal should not be to punish them because they happen to be poor.

We should, we should require work and mutual responsibility. But we shouldn't cut people off just because they're poor, they're young, or even because they're unmarried. We should promote responsibility by requiring young mothers to live at home with their parents or in other supervised settings, by requiring them to finish school. But we shouldn't put them and their children out on the street. And I know all the arguments, pro and con, and I have read and thought about this for a long time. I still don't think we can in good conscience punish poor children for the mistakes of their parents.

My fellow Americans, every single survey shows that all the American people care about this without regard to party or race or region.

So let this be the year we end welfare as we know it. But also let this be the year that we are all able to stop using this issue to divide America. No one is more eager to end welfare— [*applause*]—I may be the only President who has actually had the opportunity to sit in a welfare office, who's actually spent hours and hours talking to people on welfare. And I am telling you, the people who are trapped on it know it doesn't work; they also want to get off. So we can promote, together, education and work and good parenting. I have no problem with punishing bad behavior or the refusal to be a worker or a student or a responsible parent. I just don't want to punish poverty and past mistakes. All of us have made our mistakes, and none of us can change our yesterdays. But every one of us can change our tomorrows. And America's best example of that may be Lynn Woolsey, who worked her way off welfare to become a Congresswoman from the State of California.

I know the Members of this Congress are concerned about crime, as are all the citizens of our country. And I remind you that last year we passed a very tough crime bill: longer sentences, "three strikes and you're out," almost 60 new capital punishment offenses, more prisons, more prevention, 100,000 more police. And we paid for it all by reducing the size of the Federal bureaucracy and giving the money back to local communities to lower the crime rate.

There may be other things we can do to be tougher on crime, to be smarter with crime, to help to lower that rate first. Well, if there are, let's talk about them, and let's do them. But let's not go back on the things that we did last year that we know work, that we know work because the local law enforcement officers tell us that we did the right thing, because local community leaders who have worked for years and years to lower the crime rate tell us that they work. Let's look at the experience of our cities and our rural areas where the crime rate has gone down and ask the people who did it how they did it. And if what we did last year supports the decline in the crime rate— and I am convinced that it does—let us not go back on it. Let's stick with it, implement it. We've got 4 more hard years of work to do to do that.

I don't want to destroy the good atmosphere in the room or in the country tonight, but I have to mention one issue that divided this body greatly last year. The last Congress also passed the Brady bill and, in the crime bill, the ban on 19 assault weapons. I don't think it's a secret to anybody in this room that several Members of the last Congress who voted for that aren't here tonight because they voted for it. And I know, therefore, that some of you who are here because they voted for it are under enormous pressure to repeal it. I just have to tell you how I feel about it.

The Members of Congress who voted for that bill and I would never do anything to infringe on the right to keep and bear arms to hunt and to engage in other appropriate sporting activities. I've done it since I was a boy, and I'm going to keep right on doing it until I can't do it anymore. But a lot of people laid down their seats in Congress so that police officers and kids wouldn't have to lay down their lives under a hail of assault weapon attack, and I will not let that be repealed. I will not let it be repealed.

I'd like to talk about a couple of other issues we have to deal with. I want us to cut more spending, but I hope we won't cut Government programs that help to prepare us for the new economy, promote responsibility, and are organized from the grassroots up, not by Federal bureaucracy. The very best example of this is the national service corps, AmeriCorps. It passed with strong bipartisan support. And now there are 20,000 Americans, more than ever served in one year in the Peace Corps, working all over this country, helping people person-to-person in local grassroots volunteer groups, solving problems, and in the process earning some money for their education. This is citizenship at its best. It's good for the AmeriCorps members, but it's good for the rest of us, too. It's the essence of the New Covenant, and we shouldn't stop it.

All Americans, not only in the States most heavily affected but in every place in this country, are rightly disturbed by the large numbers of illegal aliens entering our country. The jobs they hold might otherwise be held by citizens or legal immigrants. The public service they use impose burdens on our taxpayers. That's why our administration has moved aggressively to secure our borders more by hiring a record number of new border guards, by deporting twice as many criminal aliens as ever before, by cracking down on illegal hiring, by barring welfare benefits to illegal aliens. In the budget I will present to you, we will try to do more to speed the deportation of illegal aliens who are arrested for crimes, to better identify illegal aliens in the workplace as recommended by the commission headed by former Congresswoman Barbara Jordan. We are a nation of immigrants. But we are also a nation of laws. It is wrong and ultimately self-defeating for a nation of immigrants to permit the kind of abuse of our immigration laws we have seen in recent years, and we must do more to stop it.

The most important job of our Government in this new era is to empower the American people to succeed in the global economy. America has always been a land of opportunity, a land where, if you work hard, you can get ahead. We've become a great middle class country. Middle class values sustain us. We must expand that middle class and shrink the under class, even as we do everything we can to support the millions of Americans who are already successful in the new economy.

America is once again the world's strongest economic power: almost 6 million new jobs in the last 2 years, exports booming, inflation down. High-wage jobs are coming back. A record number of American entrepreneurs are living the American dream. If we want it to stay that way, those who work and lift our Nation must have more of its benefits.

Today, too many of those people are being left out. They're working harder for less. They have less security, less income, less certainty that they can even afford a vacation, much less college for their kids or retirement for themselves. We cannot let this continue. If we don't act, our economy will probably keep doing what it's been doing since about 1978, when the income growth began to go to those at the very top of our economic scale and the people in the vast middle got very little growth, and people who worked like crazy but were on the bottom then fell even further and further behind in the years afterward, no matter how hard they worked.

We've got to have a Government that can be a real partner in making this new economy work for all of our people, a Government that helps each and every one of us to get an education and to have the opportunity to renew our skills. That's why we worked so hard to increase educational opportunities in the last 2 years, from Head Start to public schools, to apprenticeships for young people who don't go to college, to making college loans more available and more affordable. That's the first thing we have to do. We've got to do something to empower people to improve their skills.

The second thing we ought to do is to help people raise their incomes immediately by lowering their taxes. We took the first step in 1993 with a working family tax cut for 15 million families with incomes under $27,000, a tax cut that this year will average about $1,000 a family. And we also gave tax reductions to most small and new businesses. Before we could do more than that, we first had to bring down the deficit we inherited, and we had to get economic growth up. Now we've done both. And now we can cut taxes in a more comprehensive way. But tax cuts should reinforce and promote our first obligation: to empower our citizens through education and training to make the most of their own lives. The spotlight should shine on those who make the right choices for themselves, their families, and their communities.

I have proposed the middle class bill of rights, which should properly be called the bill of rights and responsibilities because its provisions only benefit those who are working to educate and raise their children and to educate themselves. It will, therefore, give needed tax relief and raise incomes in both the short run and the long run in a way that benefits all of us.

There are four provisions. First, a tax deduction for all education and training after high school. If you think about it, we permit businesses to deduct their investment, we permit individuals to deduct interest on their home mortgages, but today an education is even more important to the economic well-being of our whole country than even those things are. We should do everything we can to encourage it. And I hope you will support it. Second, we ought to cut taxes $500 for families with children under 13. Third, we ought to foster more savings and personal responsibility by permitting people to establish an individual retirement account and withdraw from it, tax-free, for the cost of education, health care, first-time homebuying, or the care of a parent. And fourth, we should pass a "GI bill" for America's workers. We propose to collapse nearly 70 Federal programs and not give the money to the States but give the money directly to the American people, offer vouchers to them so that they, if they're laid off or if they're working for a very low wage, can get a voucher worth $2,600 a year for up to 2 years to go to their local community colleges or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way, move it from the Government directly to the workers of America.

Now, any one of us can call for a tax cut, but I won't accept one that explodes the deficit or puts our recovery at risk. We ought to pay for our tax cuts fully and honestly.

Just 2 years ago, it was an open question whether we would find the strength to cut the deficit. Thanks to the courage of the people who were here then, many of whom didn't return, we did cut the deficit. We began to do what others said would not be done. We cut the deficit by over $600 billion, about $10,000 for every family in this country. It's coming down 3 years in a row for the first time since Mr. Truman was President, and I don't think anybody in America wants us to let it explode again.

In the budget I will send you, the middle class bill of rights is fully paid for by budget cuts in bureaucracy, cuts in programs, cuts in special interest subsidies. And the spending cuts will more than double the tax cuts. My budget pays for the middle class bill of rights without any cuts in Medicare. And I will oppose any attempts to pay for tax cuts with Medicare cuts. That's not the right thing to do.

I know that a lot of you have your own ideas about tax relief, and some of them I find quite interesting. I really want to work with all of you. My test for our proposals will be: Will it create jobs and raise incomes; will it strengthen our families and support our children; is it paid for; will it build the middle class and shrink the under class? If it does, I'll support it. But if it doesn't, I won't.

The goal of building the middle class and shrinking the under class is also why I believe that you should raise the minimum wage. It rewards work. Two and a half million Americans, two and a half million Americans, often women with children, are working out there today for $4.25 an hour. In terms of real buying power, by next year that minimum wage will be at a 40-year low. That's not my idea of how the new economy ought to work.

Now, I've studied the arguments and the evidence for and against a minimum wage increase. I believe the weight of the evidence is that a modest increase does not cost jobs and may even lure people back into the job market. But the most important thing is, you can't make a living on $4.25 an hour, especially if you have children, even with the working families tax cut we passed last year. In the past, the minimum wage has been a bipartisan issue, and I think it should be again. So I want to challenge you to have honest hearings on this, to get together, to find a way to make the minimum wage a living wage.

Members of Congress have been here less than a month, but by the end of the week, 28 days into the new year, every Member of Congress will have earned as much in congressional salary as a minimum wage worker makes all year long.

Everybody else here, including the President, has something else that too many Americans do without, and that's health care. Now, last year we almost came to blows over health care, but we didn't do anything. And the cold, hard fact is that, since last year, since I was here, another 1.1 million Americans in working families have lost their health care. And the cold, hard fact is that many millions more, most of them farmers and small business people and self-employed people, have seen their premiums skyrocket, their copays and deductibles go up. There's a whole bunch of people in this country that in the statistics have health insurance but really what they've got is a piece of paper that says they won't lose their home if they get sick.

Now, I still believe our country has got to move toward providing health security for every American family. But I know that last year, as the evidence indicates, we bit off more than we could chew. So I'm asking you that we work together. Let's do it step by step. Let's do whatever we have to do to get something done. Let's at least pass meaningful insurance reform so that no American risks losing coverage for facing skyrocketing prices, that nobody loses their coverage because they face high prices or unavailable insurance when they change jobs or lose a job or a family member gets sick.

I want to work together with all of you who have an interest in this, with the Democrats who worked on it last time, with the Republican leaders like Senator Dole, who has a longtime commitment to health care reform and made some constructive proposals in this area last year. We ought to make sure that self-employed people in small businesses can buy insurance at more affordable rates through voluntary purchasing pools. We ought to help families provide long-term care for a sick parent or a disabled child. We can work to help workers who lose their jobs at least keep their health insurance coverage for a year while they look for work. And we can find a way—it may take some time, but we can find a way—to make sure that our children have health care.

You know, I think everybody in this room, without regard to party, can be proud of the fact that our country was rated as having the world's most productive economy for the first time in nearly a decade. But we can't be proud of the fact that we're the only wealthy country in the world that has a smaller percentage of the work force and their children with health insurance today than we did 10 years ago, the last time we were the most productive economy in the world. So let's work together on this. It is too important for politics as usual.

Much of what the American people are thinking about tonight is what we've already talked about. A lot of people think that the security concerns of America today are entirely internal to our borders. They relate to the security of our jobs and our homes and our incomes and our children, our streets, our health, and protecting those borders. Now that the cold war has passed, it's tempting to believe that all the security issues, with the possible exception of trade, reside here at home. But it's not so. Our security still depends upon our continued world leadership for peace and freedom and democracy. We still can't be strong at home unless we're strong abroad.

The financial crisis in Mexico is a case in point. I know it's not popular to say it tonight, but we have to act, not for the Mexican people but for the sake of the millions of Americans whose livelihoods are tied to Mexico's wellbeing. If we want to secure American jobs, preserve American exports, safeguard America's borders, then we must pass the stabilization program and help to put Mexico back on track.

Now let me repeat: It's not a loan. It's not foreign aid. It's not a bailout. We will be given a guarantee like cosigning a note, with good collateral that will cover our risks. This legislation is the right thing for America. That's why the bipartisan leadership has supported it. And I hope you in Congress will pass it quickly. It is in our interest, and we can explain it to the American people because we're going to do it in the right way.

You know, tonight, this is the first State of the Union Address ever delivered since the beginning of the cold war when not a single Russian missile is pointed at the children of America. And along with the Russians, we're on our way to destroying the missiles and the bombers that carry 9,000 nuclear warheads. We've come so far so fast in this post-cold-war world that it's easy to take the decline of the nuclear threat for granted. But it's still there, and we aren't finished yet.

This year I'll ask the Senate to approve START II to eliminate weapons that carry 5,000 more warheads. The United States will lead the charge to extend indefinitely the Nuclear Non-Proliferation Treaty, to enact a comprehensive nuclear test ban, and to eliminate chemical weapons. To stop and roll back North Korea's potentially deadly nuclear program, we'll continue to implement the agreement we have reached with that nation. It's smart. It's tough. It's a deal based on continuing inspection with safeguards for our allies and ourselves.

This year I'll submit to Congress comprehensive legislation to strengthen our hand in combating terrorists, whether they strike at home or abroad. As the cowards who bombed the World Trade Center found out, this country will hunt down terrorists and bring them to justice.

Just this week, another horrendous terrorist act in Israel killed 19 and injured scores more. On behalf of the American people and all of you, I send our deepest sympathy to the families of the victims. I know that in the face of such evil, it is hard for the people in the Middle East to go forward. But the terrorists represent the past, not the future. We must and we will pursue a comprehensive peace between Israel and all her neighbors in the Middle East.

Accordingly, last night I signed an Executive order that will block the assets in the United States of terrorist organizations that threaten to disrupt the peace process. It prohibits financial transactions with these groups. And tonight I call on all our allies and peace-loving nations throughout the world to join us with renewed fervor in a global effort to combat terrorism. We cannot permit the future to be marred by terror and fear and paralysis.

From the day I took the oath of office, I pledged that our Nation would maintain the best equipped, best trained, and best prepared military on Earth. We have, and they are. They have managed the dramatic downsizing of our forces after the cold war with remarkable skill and spirit. But to make sure our military is ready for action and to provide the pay and the quality of life the military and their families deserve, I'm asking the Congress to add $25 billion in defense spending over the next 6 years.

I have visited many bases at home and around the world since I became President. Tonight I repeat that request with renewed conviction. We ask a very great deal of our Armed Forces. Now that they are smaller in number, we ask more of them. They go out more often to more different places and stay longer. They are called to service in many, many ways. And we must give them and their families what the times demand and what they have earned.

Just think about what our troops have done in the last year, showing America at its best, helping to save hundreds of thousands of people in Rwanda, moving with lightning speed to head off another threat to Kuwait, giving freedom and democracy back to the people of Haiti. We have proudly supported peace and prosperity and freedom from South Africa to Northern Ireland, from Central and Eastern Europe to Asia, from Latin America to the Middle East. All these endeavors are good in those places, but they make our future more confident and more secure.

Well, my fellow Americans, that's my agenda for America's future: expanding opportunity, not bureaucracy; enhancing security at home and abroad; empowering our people to make the most of their own lives. It's ambitious and achievable, but it's not enough. We even need more than new ideas for changing the world or equipping Americans to compete in the new economy, more than a Government that's smaller, smarter, and wiser, more than all of the changes we can make in Government and in the private sector from the outside in.

Our fortunes and our posterity also depend upon our ability to answer some questions from within, from the values and voices that speak to our hearts as well as our heads; voices that tell us we have to do more to accept responsibility for ourselves and our families, for our communities, and yes, for our fellow citizens. We see our families and our communities all over this country coming apart, and we feel the common ground shifting from under us. The PTA, the town hall meeting, the ball park, it's hard for a lot of overworked parents to find the time and space for those things that strengthen the bonds of trust and cooperation. Too many of our children don't even have parents and grandparents who can give them those experiences that they need to build their own character and their sense of identity.

We all know that while we here in this Chamber can make a difference on those things, that the real differences will be made by our fellow citizens, where they work and where they live and that it will be made almost without regard to party. When I used to go to the softball park in Little Rock to watch my daughter's league and people would come up to me, fathers and mothers, and talk to me, I can honestly say I had no idea whether 90 percent of them were Republicans or Democrats. When I visited the relief centers after the floods in California, northern California, last week, a woman came up to me and did something that very few of you would do. She hugged me and said, "Mr. President, I'm a Republican, but I'm glad you're here." [*Laughter*]

Now, why? We can't wait for disasters to act the way we used to act every day, because as we move into this next century, everybody matters. We don't have a person to waste. And a lot of people are losing a lot of chances to do better. That means that we need a New Covenant for everybody.

For our corporate and business leaders, we're going to work here to keep bringing the deficit down, to expand markets, to support their success in every possible way. But they have an obligation when they're doing well to keep jobs in our communities and give their workers a fair share of the prosperity they generate.

For people in the entertainment industry in this country, we applaud your creativity and your worldwide success, and we support your freedom of expression. But you do have a responsibility to assess the impact of your work and to understand the damage that comes from the incessant, repetitive, mindless violence and irresponsible conduct that permeates our media all the time.

We've got to ask our community leaders and all kinds of organizations to help us stop our most serious social problem, the epidemic of teen pregnancies and births where there is no marriage. I have sent to Congress a plan to target schools all over this country with antipregnancy programs that work. But Government can only do so much. Tonight I call on parents and leaders all across this country to join together in a national campaign against teen pregnancy to make a difference. We can do this, and we must.

And I would like to say a special word to our religious leaders. You know, I'm proud of the fact the United States has more houses of worship per capita than any country in the world. These people who lead our houses of worship can ignite their congregations to carry their faith into action, can reach out to all of our children, to all of the people in distress, to those who have been savaged by the breakdown of all we hold dear. Because so much of what must be done must come from the inside out and our religious leaders and their congregations can make all the difference, they have a role in the New Covenant as well.

There must be more responsibility for all of our citizens. You know, it takes a lot of people to help all the kids in trouble stay off the streets and in school. It takes a lot of people to build the Habitat for Humanity houses that the Speaker celebrates on his lapel pin. It takes a lot of people to provide the people power for all of the civic organizations in this country that made our communities mean so much to most of us when we were kids. It takes every parent to teach the children the difference between right and wrong and to encourage them to learn and grow and to say no to the wrong things but also to believe that they can be whatever they want to be.

I know it's hard when you're working harder for less, when you're under great stress, to do these things. A lot of our people don't have the time or the emotional stress, they think, to do the work of citizenship.

Most of us in politics haven't helped very much. For years, we've mostly treated citizens like they were consumers or spectators, sort of political couch potatoes who were supposed to watch the TV ads either promise them something for nothing or play on their fears and frustrations. And more and more of our citizens now get most of their information in very negative and aggressive ways that are hardly conducive to honest and open conversations. But the truth is, we have got to stop seeing each other as enemies just because we have different views.

If you go back to the beginning of this country, the great strength of America, as de Tocqueville pointed out when he came here a long time ago, has always been our ability to associate with people who were different from ourselves and to work together to find common ground. And in this day, everybody has a responsibility to do more of that. We simply cannot want for a tornado, a fire, or a flood to behave like Americans ought to behave in dealing with one another.

I want to finish up here by pointing out some folks that are up with the First Lady that represent what I'm trying to talk about—citizens. I have no idea what their party affiliation is or who they voted for in the last election. But they represent what we ought to be doing.

Cindy Perry teaches second graders to read in AmeriCorps in rural Kentucky. She gains when she gives. She's a mother of four. She says that her service inspired her to get her high school equivalency last year. She was married when she was a teenager—stand up, Cindy. She was married when she was a teenager. She had four children. But she had time to serve other people, to get her high school equivalency, and she's going to use her AmeriCorps money to go back to college.

Chief Stephen Bishop is the police chief of Kansas City. He's been a national leader—stand up, Steve. He's been a national leader in using more police in community policing, and he's worked with AmeriCorps to do it. And the crime rate in Kansas City has gone down as a result of what he did.

Corporal Gregory Depestre went to Haiti as part of his adopted country's force to help secure democracy in his native land. And I might add, we must be the only country in the world that could have gone to Haiti and taken Haitian-Americans there who could speak the language and talk to the people. And he was one of them, and we're proud of him.

The next two folks I've had the honor of meeting and getting to know a little bit, the Reverend John and the Reverend Diana Cherry of the A.M.E. Zion Church in Temple Hills, Maryland. I'd like to ask them to stand. I want to tell you about them. In the early eighties, they left Government service and formed a church in a small living room in a small house, in the early eighties. Today that church has 17,000 members. It is one of the three or four biggest churches in the entire United States. It grows by 200 a month. They do it together. And the special focus of their ministry is keeping families together.

Two things they did make a big impression on me. I visited their church once, and I learned they were building a new sanctuary closer to the Washington, DC, line in a higher crime, higher drug rate area because they thought it was part of their ministry to change the lives of the people who needed them. The second thing I want to say is that once Reverend Cherry was at a meeting at the White House with some other religious leaders, and he left early to go back to this church to minister to 150 couples that he had brought back to his church from all over America to convince them to come back together, to save their marriages, and to raise their kids. This is the kind of work that citizens are doing in America. We need more of it, and it ought to be lifted up and supported.

The last person I want to introduce is Jack Lucas from Hattiesburg, Mississippi. Jack, would you stand up? Fifty years ago, in the sands of Iwo Jima, Jack Lucas taught and learned the lessons of citizenship. On February 20th, 1945, he and three of his buddies encountered the enemy and two grenades at their feet. Jack Lucas threw himself on both of them. In that moment, he saved the lives of his companions, and miraculously in the next instant, a medic saved his life. He gained a foothold for freedom, and at the age of 17, just a year older than his grandson who is up there with him today— and his son, who is a West Point graduate and a veteran—at 17, Jack Lucas became the youngest Marine in history and the youngest soldier in this century to win the Congressional Medal of Honor. All these years later, yesterday, here's what he said about that day: "It didn't matter where you were from or who you were, you relied on one another. You did it for your country."

We all gain when we give, and we reap what we sow. That's at the heart of this New Covenant. Responsibility, opportunity, and citizenship, more than stale chapters in some remote civic book, they're still the virtue by which we can fulfill ourselves and reach our God-given potential and be like them and also to fulfill the eternal promise of this country, the enduring dream from that first and most sacred covenant. I believe every person in this country still believes that we are created equal and given by our Creator the right to life, liberty and the pursuit of happiness. This is a very, very great country. And our best days are still to come.

Thank you, and God bless you all.

January 23, 1996

Thank you very much. Mr. Speaker, Mr. Vice President, Members of the 104th Congress, distinguished guests, my fellow Americans all across our land: Let me begin tonight by saying to our men and women in uniform around the world and especially those helping peace take root in Bosnia and to their families, I thank you. America is very, very proud of you.

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

The state of the Union is strong. Our economy is the healthiest it has been in three decades. We have the lowest combined rates of unemployment and inflation in 27 years. We have completed—created nearly 8 million new jobs, over a million of them in basic industries like construction and automobiles. America is selling more cars than Japan for the first time since the 1970's. And for 3 years in a row, we have had a record number of new businesses started in our country.

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

We live in an age of possibility. A hundred years ago we moved from farm to factory. Now we move to an age of technology, information, and global competition. These changes have opened vast new opportunities for our people, but they have also presented them with stiff challenges. While more Americans are living better, too many of our fellow citizens are working harder just to keep up, and they are rightly concerned about the security of their families.

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

We know big Government does not have all the answers. We know there's not a program for every problem. We know, and we have worked to give the American people a smaller, less bureaucratic Government in Washington. And we have to give the American people one that lives within its means. The era of big Government is over. But we cannot go back to the time when our citizens were left to fend for themselves.

Instead, we must go forward as one America, one nation working together to meet the challenges we face together. Self-reliance and teamwork are not opposing virtues; we must have both. I believe our new, smaller Government must work in an old-fashioned American way, together with all of our citizens through State and local governments, in the workplace, in religious, charitable, and civic associations. Our goal must be to enable all our people to make the most of their own lives, with stronger families, more educational opportunity, economic security, safer streets, a cleaner environment in a safer world.

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

Here, in this place, our responsibility begins with balancing the budget in a way that is fair to all Americans. There is now broad bipartisan agreement that permanent deficit spending must come to an end. I compliment the Republican leadership and the membership for the energy and determination you have brought to this task of balancing the budget. And I thank the Democrats for passing the largest deficit reduction plan in history in 1993, which has already cut the deficit nearly in half in 3 years.

Since 1993, we have all begun to see the benefits of deficit reduction. Lower interest rates have made it easier for businesses to borrow and to invest and to create new jobs. Lower interest rates have brought down the cost of home mortgages, car payments, and credit card rates to ordinary citizens. Now it is time to finish the job and balance the budget.

Though differences remain among us which are significant, the combined total of the proposed savings that are common to both plans is more than enough, using the numbers from your Congressional Budget Office, to balance the budget in 7 years and to provide a modest tax cut.

These cuts are real. They will require sacrifice from everyone. But these cuts do not undermine our fundamental obligations to our parents, our children, and our future by endangering Medicare or Medicaid or education or the environment or by raising taxes on working families.

I have said before, and let me say again, many good ideas have come out of our negotiations. I have learned a lot about the way both Republicans and Democrats view the debate before us. I have learned a lot about the good ideas that each side has that we could all embrace.

We ought to resolve our remaining differences. I am willing to work to resolve them. I am ready to meet tomorrow. But I ask you to consider that we should at least enact these savings that both plans have in common and give the American people their balanced budget, a tax cut, lower interest rates, and a brighter future. We should do that now and make permanent deficits yesterday's legacy.

Now it is time for us to look also to the challenges of today and tomorrow, beyond the burdens of yesterday. The challenges are significant. But our Nation was built on challenges. America was built on challenges, not promises. And when we work together to meet them, we never fail. That is the key to a more perfect Union. Our individual dreams must be realized by our common efforts.

Tonight I want to speak to you about the challenges we all face as a people. Our first challenge is to cherish our children and strengthen America's families. Family is the foundation of American life. If we have stronger families, we will have a stronger America.

Before I go on, I'd like to take just a moment to thank my own family and to thank the person who has taught me more than anyone else over 25 years about the importance of families and children, a wonderful wife, a magnificent mother, and a great First Lady. Thank you, Hillary.

All strong families begin with taking more responsibility for our children. I've heard Mrs. Gore say that it's hard to be a parent today, but it's even harder to be a child. So all of us, not just as parents but all of us in our other roles—our media, our schools, our teachers, our communities, our churches and synagogues, our businesses, our governments—all of us have a responsibility to help our children to make it and to make the most of their lives and their God-given capacities.

To the media, I say you should create movies and CD's and television shows you'd want your own children and grandchildren to enjoy.

I call on Congress to pass the requirement for a V-chip in TV sets so that parents can screen out programs they believe are inappropriate for their children. When parents control what their young children see, that is not censorship; that is enabling parents to assume more personal responsibility for their children's upbringing. And I urge them to do it. The Vchip requirement is part of the important telecommunications bill now pending in this Congress. It has bipartisan support, and I urge you to pass it now.

To make the V-chip work, I challenge the broadcast industry to do what movies have done, to identify your program in ways that help parents to protect their children. And I invite the leaders of major media corporations in the entertainment industry to come to the White House next month to work with us in a positive way on concrete ways to improve what our children see on television. I am ready to work with you.

I say to those who make and market cigarettes, every year a million children take up smoking, even though it's against the law. Three hundred thousand of them will have their lives shortened as a result. Our administration has taken steps to stop the massive marketing campaigns that appeal to our children. We are simply saying: Market your products to adults, if you wish, but draw the line on children.

I say to those who are on welfare, and especially to those who have been trapped on welfare for a long time: For too long our welfare system has undermined the values of family and work instead of supporting them. The Congress and I are near agreement on sweeping welfare reform. We agree on time limits, tough work requirements, and the toughest possible child support enforcement. But I believe we must also provide child care so that mothers who are required to go to work can do so without worrying about what is happening to their children.

I challenge this Congress to send me a bipartisan welfare reform bill that will really move people from welfare to work and do the right thing by our children. I will sign it immediately.

Let us be candid about this difficult problem. Passing a law, even the best possible law, is only a first step. The next step is to make it work. I challenge people on welfare to make the most of this opportunity for independence. I challenge American businesses to give people on welfare the chance to move into the work force. I applaud the work of religious groups and others who care for the poor. More than anyone else in our society, they know the true difficulty of the task before us, and they are in a position to help. Every one of us should join them. That is the only way we can make real welfare reform a reality in the lives of the American people.

To strengthen the family we must do everything we can to keep the teen pregnancy rate going down. I am gratified, as I'm sure all Americans are, that it has dropped for 2 years in a row. But we all know it is still far too high. Tonight I am pleased to announce that a group of prominent Americans is responding to that challenge by forming an organization that will support grassroots community efforts all across our country in a national campaign against teen pregnancy. And I challenge all of us and every American to join their efforts.

I call on American men and women in families to give greater respect to one another. We must end the deadly scourge of domestic violence in our country. And I challenge America's families to work harder to stay together. For families who stay together not only do better economically, their children do better as well.

In particular, I challenge the fathers of this country to love and care for their children. If your family has separated, you must pay your child support. We're doing more than ever to make sure you do, and we're going to do more. But let's all admit something about that, too: A check will never substitute for a parent's love and guidance. And only you—only you can make the decision to help raise your children. No matter who you are, how low or high your station in life, it is the most basic human duty of every American to do that job to the best of his or her ability.

Our second challenge is to provide Americans with the educational opportunities we'll all need for this new century. In our schools, every classroom in America must be connected to the information superhighway, with computers and good software and well-trained teachers. We are working with the telecommunications industry, educators, and parents to connect 20 percent of California's classrooms by this spring, and every classroom and every library in the entire United States by the year 2000. I ask Congress to support this education technology initiative so that we can make sure this national partnership succeeds.

Every diploma ought to mean something. I challenge every community, every school, and every State to adopt national standards of excellence, to measure whether schools are meeting those standards, to cut bureaucratic redtape so that schools and teachers have more flexibility for grassroots reform, and to hold them accountable for results. That's what our Goals 2000 initiative is all about. I challenge every State to give all parents the right to choose which public school their children will attend and to let teachers form new schools with a charter they can keep only if they do a good job.

I challenge all our schools to teach character education, to teach good values and good citizenship. And if it means that teenagers will stop killing each other over designer jackets, then our public schools should be able to require their students to wear school uniforms.

I challenge our parents to become their children's first teachers. Turn off the TV. See that the homework is done. And visit your children's classroom. No program, no teacher, no one else can do that for you.

My fellow Americans, higher education is more important today than ever before. We've created a new student loan program that's made it easier to borrow and repay those loans, and we have dramatically cut the student loan default rate. That's something we should all be proud of because it was unconscionably high just a few years ago.

Through AmeriCorps, our national service program, this year 25,000 young people will earn college money by serving their local communities to improve the lives of their friends and neighbors.

These initiatives are right for America, and we should keep them going. And we should also work hard to open the doors of college even wider. I challenge Congress to expand work-study and help one million young Americans work their way through college by the year 2000, to provide a $1,000 merit scholarship for the top 5 percent of graduates in every high school in the United States, to expand Pell grant scholarships for deserving and needy students, and to make up to $10,000 a year of college tuition tax deductible. It's a good idea for America.

Our third challenge is to help every American who is willing to work for it achieve economic security in this new age. People who work hard still need support to get ahead in the new economy. They need education and training for a lifetime. They need more support for families raising children. They need retirement security. They need access to health care. More and more Americans are finding that the education of their childhood simply doesn't last a lifetime.

So I challenge Congress to consolidate 70 overlapping, antiquated job training programs into a simple voucher worth $2,600 for unemployed or underemployed workers to use as they please for community college tuition or other training. This is a "GI bill" for America's workers we should all be able to agree on.

More and more Americans are working hard without a raise. Congress sets the minimum wage. Within a year, the minimum wage will fall to a 40-year low in purchasing power. Four dollars and 25 cents an hour is no longer a minimum wage, but millions of Americans and their children are trying to live on it. I challenge you to raise their minimum wage.

In 1993, Congress cut the taxes of 15 million hard-pressed working families to make sure that no parents who work full time would have to raise their children in poverty and to encourage people to move from welfare to work. This expanded earned-income tax credit is now worth about $1,800 a year to a family of four living on $20,000. The budget bill I vetoed would have reversed this achievement and raised taxes on nearly 8 million of these people. We should not do that. We should not do that.

But I also agree that the people who are helped under this initiative are not all those in our country who are working hard to do a good job raising their children and at work. I agree that we need a tax credit for working families with children. That's one of the things most of us in this Chamber, I hope, can agree on. I know it is strongly supported by the Republican majority. And it should be part of any final budget agreement.

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

We should also protect existing pension plans. Two years ago, with bipartisan support that was almost unanimous on both sides of the aisle, we moved to protect the pensions of 8 million working people and to stabilize the pensions of 32 million more. Congress should not now let companies endanger those workers' pension funds. I know the proposal to liberalize the ability of employers to take money out of pension funds for other purposes would raise money for the Treasury, but I believe it is false economy. I vetoed that proposal last year, and I would have to do so again.

Finally, if our working families are going to succeed in the new economy, they must be able to buy health insurance policies that they do not lose when they change jobs or when someone in their family gets sick. Over the past 2 years, over one million Americans in working families have lost their health insurance. We have to do more to make health care available to every American. And Congress should start by passing the bipartisan bill sponsored by Senator Kennedy and Senator Kassebaum that would require insurance companies to stop dropping people when they switch jobs and stop denying coverage for preexisting conditions. Let's all do that.

And even as we enact savings in these programs, we must have a common commitment to preserve the basic protections of Medicare and Medicaid, not just to the poor but to people in working families, including children, people with disabilities, people with AIDS, senior citizens in nursing homes. In the past 3 years, we've saved $15 billion just by fighting health care fraud and abuse. We have all agreed to save much more. We have all agreed to stabilize the Medicare Trust Fund. But we must not abandon our fundamental obligations to the people who need Medicare and Medicaid. America cannot become stronger if they become weaker.

The "GI bill" for workers, tax relief for education and childrearing, pension availability and protection, access to health care, preservation of Medicare and Medicaid, these things, along with the Family and Medical Leave Act passed in 1993, these things will help responsible, hardworking American families to make the most of their own lives.

But employers and employees must do their part as well, as they are doing in so many of our finest companies, working together, putting the long-term prosperity ahead of the short-term gain. As workers increase their hours and their productivity, employers should make sure they get the skills they need and share the benefits of the good years as well as the burdens of the bad ones. When companies and workers work as a team they do better, and so does America.

Our fourth great challenge is to take our streets back from crime and gangs and drugs. At last we have begun to find a way to reduce crime, forming community partnerships with local police forces to catch criminals and prevent crime. This strategy, called community policing, is clearly working. Violent crime is coming down all across America. In New York City, murders are down 25 percent; in St. Louis, 18 percent; in Seattle, 32 percent. But we still have a long way to go before our streets are safe and our people are free from fear.

The crime bill of 1994 is critical to the success of community policing. It provides funds for 100,000 new police in communities of all sizes. We're already a third of the way there. And I challenge the Congress to finish the job. Let us stick with a strategy that's working and keep the crime rate coming down.

Community policing also requires bonds of trust between citizens and police. I ask all Americans to respect and support our law enforcement officers. And to our police, I say, our children need you as role models and heroes. Don't let them down.

The Brady bill has already stopped 44,000 people with criminal records from buying guns. The assault weapons ban is keeping 19 kinds of assault weapons out of the hands of violent gangs. I challenge the Congress to keep those laws on the books.

Our next step in the fight against crime is to take on gangs the way we once took on the mob. I'm directing the FBI and other investigative agencies to target gangs that involve juveniles in violent crime, and to seek authority to prosecute as adults teenagers who maim and kill like adults.

And I challenge local housing authorities and tenant associations: Criminal gang members and drug dealers are destroying the lives of decent tenants. From now on, the rule for residents who commit crime and peddle drugs should be "one strike and you're out."

I challenge every State to match Federal policy to assure that serious violent criminals serve at least 85 percent of their sentence.

More police and punishment are important, but they're not enough. We have got to keep more of our young people out of trouble, with prevention strategies not dictated by Washington but developed in communities. I challenge all of our communities, all of our adults, to give our children futures to say yes to. And I challenge Congress not to abandon the crime bill's support of these grassroots prevention efforts.

Finally, to reduce crime and violence we have to reduce the drug problem. The challenge begins in our homes, with parents talking to their children openly and firmly. It embraces our churches and synagogues, our youth groups and our schools. I challenge Congress not to cut our support for drug-free schools. People like the D.A.R.E. officers are making a real impression on grade-school children that will give them the strength to say no when the time comes.

Meanwhile, we continue our efforts to cut the flow of drugs into America. For the last 2 years, one man in particular has been on the front lines of that effort. Tonight I am nominating him, a hero of the Persian Gulf war and the commander in chief of the United States Military Southern Command, General Barry McCaffrey, as America's new drug czar. General McCaffrey has earned three Purple Hearts and two Silver Stars fighting for this country. Tonight I ask that he lead our Nation's battle against drugs at home and abroad. To succeed, he needs a force far larger than he has ever commanded before. He needs all of us. Every one of us has a role to play on this team.

Thank you, General McCaffrey, for agreeing to serve your country one more time.

Our fifth challenge: to leave our environment safe and clean for the next generation. Because of a generation of bipartisan effort we do have cleaner water and air, lead levels in children's blood has been cut by 70 percent, toxic emissions from factories cut in half. Lake Erie was dead, and now it's a thriving resource. But 10 million children under 12 still live within 4 miles of a toxic waste dump. A third of us breathe air that endangers our health. And in too many communities the water is not safe to drink. We still have much to do.

Yet Congress has voted to cut environmental enforcement by 25 percent. That means more toxic chemicals in our water, more smog in our air, more pesticides in our food. Lobbyists for polluters have been allowed to write their own loopholes into bills to weaken laws that protect the health and safety of our children. Some say that the taxpayer should pick up the tab for toxic waste and let polluters who can afford to fix it off the hook. I challenge Congress to reexamine those policies and to reverse them.

This issue has not been a partisan issue. The most significant environmental gains in the last 30 years were made under a Democratic Congress and President Richard Nixon. We can work together. We have to believe some basic things. Do you believe we can expand the economy without hurting the environment? I do. Do you believe we can create more jobs over the long run by cleaning the environment up? I know we can. That should be our commitment.

We must challenge businesses and communities to take more initiative in protecting the environment, and we have to make it easier for them to do it. To businesses this administration is saying, if you can find a cheaper, more efficient way than Government regulations require to meet tough pollution standards, do it, as long as you do it right. To communities we say, we must strengthen community right-toknow laws requiring polluters to disclose their emissions, but you have to use the information to work with business to cut pollution. People do have a right to know that their air and their water are safe.

Our sixth challenge is to maintain America's leadership in the fight for freedom and peace throughout the world. Because of American leadership, more people than ever before live free and at peace. And Americans have known 50 years of prosperity and security.

We owe thanks especially to our veterans of World War II. I would like to say to Senator Bob Dole and to all others in this Chamber who fought in World War II, and to all others on both sides of the aisle who have fought bravely in all our conflicts since: I salute your service, and so do the American people.

All over the world, even after the cold war, people still look to us and trust us to help them seek the blessings of peace and freedom. But as the cold war fades into memory, voices of isolation say America should retreat from its responsibilities. I say they are wrong.

The threats we face today as Americans respect no nation's borders. Think of them: terrorism, the spread of weapons of mass destruction, organized crime, drug trafficking, ethnic and religious hatred, aggression by rogue states, environmental degradation. If we fail to address these threats today, we will suffer the consequences in all our tomorrows.

Of course, we can't be everywhere. Of course, we can't do everything. But where our interests and our values are at stake, and where we can make a difference, America must lead. We must not be isolationist. We must not be the world's policeman. But we can and should be the world's very best peacemaker.

By keeping our military strong, by using diplomacy where we can and force where we must, by working with others to share the risk and the cost of our efforts, America is making a difference for people here and around the world. For the first time since the dawn of the nuclear age—for the first time since the dawn of the nuclear age—there is not a single Russian missile pointed at America's children.

North Korea has now frozen its dangerous nuclear weapons program. In Haiti, the dictators are gone, democracy has a new day, the flow of desperate refugees to our shores has subsided. Through tougher trade deals for America, over 80 of them, we have opened markets abroad, and now exports are at an all-time high, growing faster than imports and creating good American jobs.

We stood with those taking risks for peace: in Northern Ireland, where Catholic and Protestant children now tell their parents violence must never return; in the Middle East, where Arabs and Jews who once seemed destined to fight forever now share knowledge and resources and even dreams.

And we stood up for peace in Bosnia. Remember the skeletal prisoners, the mass graves, the campaign to rape and torture, the endless lines of refugees, the threat of a spreading war. All these threats, all these horrors have now begun to give way to the promise of peace. Now our troops and a strong NATO, together with our new partners from central Europe and elsewhere, are helping that peace to take hold.

As all of you know, I was just there with a bipartisan congressional group, and I was so proud not only of what our troops were doing but of the pride they evidenced in what they were doing. They knew what America's mission in this world is, and they were proud to be carrying it out.

Through these efforts, we have enhanced the security of the American people, but make no mistake about it: Important challenges remain.

The START II treaty with Russia will cut our nuclear stockpiles by another 25 percent. I urge the Senate to ratify it now. We must end the race to create new nuclear weapons by signing a truly comprehensive nuclear test ban treaty this year.

As we remember what happened in the Japanese subway, we can outlaw poison gas forever if the Senate ratifies the Chemical Weapons Convention this year. We can intensify the fight against terrorists and organized criminals at home and abroad if Congress passes the antiterrorism legislation I proposed after the Oklahoma City bombing, now. We can help more people move from hatred to hope all across the world in our own interest if Congress gives us the means to remain the world's leader for peace.

My fellow Americans, the six challenges I have just discussed are for all of us. Our seventh challenge is really America's challenge to those of us in this hallowed Hall tonight: to reinvent our Government and make our democracy work for them.

Last year this Congress applied to itself the laws it applies to everyone else. This Congress banned gifts and meals from lobbyists. This Congress forced lobbyists to disclose who pays them and what legislation they are trying to pass or kill. This Congress did that, and I applaud you for it.

Now I challenge Congress to go further, to curb special interest influence in politics by passing the first truly bipartisan campaign finance reform bill in a generation. You, Republicans and Democrats alike, can show the American people that we can limit spending and we can open the airwaves to all candidates.

I also appeal to Congress to pass the line item veto you promised the American people.

Our administration is working hard to give the American people a Government that works better and costs less. Thanks to the work of Vice President Gore, we are eliminating 16,000 pages of unnecessary rules and regulations, shifting more decisionmaking out of Washington, back to States and local communities.

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

But there are some areas that the Federal Government should not leave and should address and address strongly. One of these areas is the problem of illegal immigration. After years of neglect, this administration has taken a strong stand to stiffen the protection of our borders. We are increasing border controls by 50 percent. We are increasing inspections to prevent the hiring of illegal immigrants. And tonight I announce I will sign an Executive order to deny Federal contracts to businesses that hire illegal immigrants.

Let me be very clear about this: We are still a nation of immigrants; we should be proud of it. We should honor every legal immigrant here, working hard to be a good citizen, working hard to become a new citizen. But we are also a nation of laws.

I want to say a special word now to those who work for our Federal Government. Today the Federal work force is 200,000 employees smaller than it was the day I took office as President. Our Federal Government today is the smallest it has been in 30 years, and it's getting smaller every day. Most of our fellow Americans probably don't know that. And there's a good reason—a good reason: The remaining Federal work force is composed of hard-working Americans who are now working harder and working smarter than ever before to make sure the quality of our services does not decline.

I'd like to give you one example. His name is Richard Dean. He's a 49-year-old Vietnam veteran who's worked for the Social Security Administration for 22 years now. Last year he was hard at work in the Federal Building in Oklahoma City when the blast killed 169 people and brought the rubble down all around him. He reentered that building four times. He saved the lives of three women. He's here with us this evening, and I want to recognize Richard and applaud both his public service and his extraordinary personal heroism. But Richard Dean's story doesn't end there. This last November, he was forced out of his office when the Government shut down. And the second time the Government shut down he continued helping Social Security recipients, but he was working without pay.

On behalf of Richard Dean and his family, and all the other people who are out there working every day doing a good job for the American people, I challenge all of you in this Chamber: Let's never, ever shut the Federal Government down again.

On behalf of all Americans, especially those who need their Social Security payments at the beginning of March, I also challenge the Congress to preserve the full faith and credit of the United States, to honor the obligations of this great Nation as we have for 220 years, to rise above partisanship and pass a straightforward extension of the debt limit and show people America keeps its word.

I know that this evening I have asked a lot of Congress and even more from America. But I am confident: When Americans work together in their homes, their schools, their churches, their synagogues, their civic groups, their workplace, they can meet any challenge.

I say again, the era of big Government is over. But we can't go back to the era of fending for yourself. We have to go forward to the era of working together as a community, as a team, as one America, with all of us reaching across these lines that divide us—the division, the discrimination, the rancor—we have to reach across it to find common ground. We have got to work together if we want America to work.

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

Lucius Wright and Jennifer Rodgers are special Americans. And I have the honor to announce tonight that they are the very first of several thousand Americans who will be chosen to carry the Olympic torch on its long journey from Los Angeles to the centennial of the modern Olympics in Atlanta this summer, not because they are star athletes but because they are star citizens, community heroes meeting America's challenges. They are our real champions. Please stand up. [*Applause*]

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

There have always been things we could do together, dreams we could make real which we could never have done on our own. We Americans have forged our identity, our very Union, from the very point of view that we can accommodate every point on the planet, every different opinion. But we must be bound together by a faith more powerful than any doctrine that divides us, by our belief in progress, our love of liberty, and our relentless search for common ground.

America has always sought and always risen to every challenge. Who would say that having come so far together, we will not go forward from here? Who would say that this age of possibility is not for all Americans?

Our country is and always has been a great and good nation. But the best is yet to come if we all do our parts.

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

February 04, 1997

Mr. Speaker, Mr. Vice President, Members of the 105th Congress, distinguished guests, and my fellow Americans: I think I should start by saying thanks for inviting me back. I come before you tonight with a challenge as great as any in our peacetime history and a plan of action to meet that challenge, to prepare our people for the bold new world of the 21st century.

We have much to be thankful for. With 4 years of growth, we have won back the basic strength of our economy. With crime and welfare rolls declining, we are winning back our optimism, the enduring faith that we can master any difficulty. With the cold war receding and global commerce at record levels, we are helping to win an unrivaled peace and prosperity all across the world.

My fellow Americans, the state of our Union is strong. But now we must rise to the decisive moment, to make a nation and a world better than any we have ever known. The new promise of the global economy, the information age, unimagined new work, life-enhancing technology, all these are ours to seize. That is our honor and our challenge. We must be shapers of events, not observers, for if we do not act, the moment will pass, and we will lose the best possibilities of our future.

We face no imminent threat, but we do have an enemy. The enemy of our time is inaction. So tonight I issue a call to action: action by this Congress, action by our States, by our people, to prepare America for the 21st century; action to keep our economy and our democracy strong and working for all our people; action to strengthen education and harness the forces of technology and science; action to build stronger families and stronger communities and a safer environment; action to keep America the world's strongest force for peace, freedom, and prosperity; and above all, action to build a more perfect Union here at home.

The spirit we bring to our work will make all the difference. We must be committed to the pursuit of opportunity for all Americans, responsibility from all Americans, in a community of all Americans. And we must be committed to a new kind of Government, not to solve all our problems for us but to give our people, all our people, the tools they need to make the most of their own lives.

And we must work together. The people of this Nation elected us all. They want us to be partners, not partisans. They put us all right here in the same boat, they gave us all oars, and they told us to row. Now, here is the direction I believe we should take.

First, we must move quickly to complete the unfinished business of our country, to balance the budget, renew our democracy, and finish the job of welfare reform.

Over the last 4 years, we have brought new economic growth by investing in our people, expanding our exports, cutting our deficits, creating over 11 million new jobs, a 4-year record. Now we must keep our economy the strongest in the world. We here tonight have an historic opportunity. Let this Congress be the Congress that finally balances the budget. [*Applause*] Thank you.

In 2 days I will propose a detailed plan to balance the budget by 2002. This plan will balance the budget and invest in our people while protecting Medicare, Medicaid, education, and the environment. It will balance the budget and build on the Vice President's efforts to make our Government work better, even as it costs less. It will balance the budget and provide middle class tax relief to pay for education and health care, to help to raise a child, to buy and sell a home.

Balancing the budget requires only your vote and my signature. It does not require us to rewrite our Constitution. I believe it is both unnecessary and unwise to adopt a balanced budget amendment that could cripple our country in time of economic crisis and force unwanted results, such as judges halting Social Security checks or increasing taxes. Let us at least agree, we should not pass any measure—no measure should be passed that threatens Social Security. Whatever your view on that, we all must concede: We don't need a constitutional amendment; we need action.

Whatever our differences, we should balance the budget now. And then, for the long-term health of our society, we must agree to a bipartisan process to preserve Social Security and reform Medicare for the long run, so that these fundamental programs will be as strong for our children as they are for our parents.

And let me say something that's not in my script tonight. I know this is not going to be easy. But I really believe one of the reasons the American people gave me a second term was to take the tough decisions in the next 4 years that will carry our country through the next 50 years. I know it is easier for me than for you to say or do. But another reason I was elected is to support all of you, without regard to party, to give you what is necessary to join in these decisions. We owe it to our country and to our future.

Our second piece of unfinished business requires us to commit ourselves tonight, before the eyes of America, to finally enacting bipartisan campaign finance reform. Now, Senators McCain and Feingold, Representatives Shays and Meehan have reached across party lines here to craft tough and fair reform. Their proposal would curb spending, reduce the role of special interests, create a level playing field between challengers and incumbents, and ban contributions from noncitizens, all corporate sources, and the other large soft money contributions that both parties receive.

You know and I know that this can be delayed. And you know and I know the delay will mean the death of reform. So let's set our own deadline. Let's work together to write bipartisan campaign finance reform into law and pass McCain-Feingold by the day we celebrate the birth of our democracy, July the fourth.

There is a third piece of unfinished business. Over the last 4 years, we moved a record 2 1/4 million people off the welfare rolls. Then last year, Congress enacted landmark welfare reform legislation, demanding that all able-bodied recipients assume the responsibility of moving from welfare to work. Now each and every one of us has to fulfill our responsibility, indeed, our moral obligation, to make sure that people who now must work, can work.

Now we must act to meet a new goal: 2 million more people off the welfare rolls by the year 2000. Here is my plan: Tax credits and other incentives for businesses that hire people off welfare; incentives for job placement firms and States to create more jobs for welfare recipients; training, transportation, and child care to help people go to work.

Now I challenge every State: Turn those welfare checks into private sector paychecks. I challenge every religious congregation, every community nonprofit, every business to hire someone off welfare. And I'd like to say especially to every employer in our country who ever criticized the old welfare system, you can't blame that old system anymore. We have torn it down. Now do your part. Give someone on welfare the chance to go to work.

Tonight I am pleased to announce that five major corporations, Sprint, Monsanto, UPS, Burger King, and United Airlines, will be the first to join in a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work.

We passed welfare reform. All of you know I believe we were right to do it. But no one can walk out of this Chamber with a clear conscience unless you are prepared to finish the job.

And we must join together to do something else, too, something both Republican and Democratic Governors have asked us to do, to restore basic health and disability benefits when misfortune strikes immigrants who came to this country legally, who work hard, pay taxes, and obey the law. To do otherwise is simply unworthy of a great nation of immigrants.

Now, looking ahead, the greatest step of all, the high threshold of the future we must now cross, and my number one priority for the next 4 years is to ensure that all Americans have the best education in the world.

Let's work together to meet these three goals: Every 8-year-old must be able to read; every 12-year-old must be able to log on to the Internet; every 18-year-old must be able to go to college; and every adult American must be able to keep on learning for a lifetime.

My balanced budget makes an unprecedented commitment to these goals, $51 billion next year. But far more than money is required. I have a plan, a call to action for American education, based on these 10 principles:

First, a national crusade for education standards, not Federal Government standards but national standards, representing what all our students must know to succeed in the knowledge economy of the 21st century. Every State and school must shape the curriculum to reflect these standards and train teachers to lift students up to them. To help schools meet the standards and measure their progress, we will lead an effort over the next 2 years to develop national tests of student achievement in reading and math. Tonight I issue a challenge to the Nation: Every State should adopt high national standards, and by 1999, every State should test every fourth grader in reading and every eighth grader in math to make sure these standards are met.

Raising standards will not be easy, and some of our children will not be able to meet them at first. The point is not to put our children down but to lift them up. Good tests will show us who needs help, what changes in teaching to make, and which schools need to improve. They can help us end social promotions, for no child should move from grade school to junior high or junior high to high school until he or she is ready.

Last month our Secretary of Education, Dick Riley, and I visited northern Illinois, where eighth-grade students from 20 school districts, in a project aptly called First in the World, took the Third International Math and Science Study. That's a test that reflects the world-class standards our children must meet for the new era. And those students in Illinois tied for first in the world in science and came in second in math. Two of them, Kristen Tanner and Chris Getsler, are here tonight, along with their teacher, Sue Winski. They're up there with the First Lady. And they prove that when we aim high and challenge our students, they will be the best in the world. Let's give them a hand. Stand up, please. [*Applause*]

Second, to have the best schools, we must have the best teachers. Most of us in this Chamber would not be here tonight without the help of those teachers; I know that I wouldn't be here. For years, many of our educators, led by North Carolina's Governor Jim Hunt and the National Board for Professional Teaching Standards, have worked very hard to establish nationally accepted credentials for excellence in teaching. Just 500 of these teachers have been certified since 1995. My budget will enable 100,000 more to seek national certification as master teachers. We should reward and recognize our best teachers, and as we reward them, we should quickly and fairly remove those few who don't measure up. And we should challenge more of our finest young people to consider teaching as a career.

Third, we must do more to help all our children read. Forty percent—40 percent—of our 8-year-olds cannot read on their own. That's why we have just launched the America Reads initiative, to build a citizen army of one million volunteer tutors to make sure every child can read independently by the end of the third grade. We will use thousands of AmeriCorps volunteers to mobilize this citizen army. We want at least 100,000 college students to help, and tonight I am pleased that 60 college presidents have answered my call, pledging that thousands of their work-study students will serve for one year as reading tutors. This is also a challenge to every teacher and every principal: You must use these tutors to help students read. And it is especially a challenge to our parents: You must read with your children every night.

This leads to the fourth principle: Learning begins in the first days of life. Scientists are now discovering how young children develop emotionally and intellectually from their very first days and how important it is for parents to begin immediately talking, singing, even reading to their infants. The First Lady has spent years writing about this issue, studying it. And she and I are going to convene a White House conference on early learning and the brain this spring, to explore how parents and educators can best use these startling new findings.

We already know we should start teaching children before they start school. That's why this balanced budget expands Head Start to one million children by 2002. And that is why the Vice President and Mrs. Gore will host their annual family conference this June on what we can do to make sure that parents are an active part of their children's learning all the way through school. They've done a great deal to highlight the importance of family in our life, and now they're turning their attention to getting more parents involved in their children's learning all the way through school. And I thank you, Mr. Vice President, and I thank you especially, Tipper, for what you do.

Fifth, every State should give parents the power to choose the right public school for their children. Their right to choose will foster competition and innovation that can make public schools better. We should also make it possible for more parents and teachers to start charter schools, schools that set and meet the highest standards and exist only as long as they do. Our plan will help America to create 3,000 of these charter schools by the next century, nearly 7 times as there are in the country today, so that parents will have even more choices in sending their children to the best schools.

Sixth, character education must be taught in our schools. We must teach our children to be good citizens. And we must continue to promote order and discipline, supporting communities that introduce school uniforms, impose curfews, enforce truancy laws, remove disruptive students from the classroom, and have zero tolerance for guns and drugs in school.

Seventh, we cannot expect our children to raise themselves up in schools that are literally falling down. With the student population at an all-time high and record numbers of school buildings falling into disrepair, this has now become a serious national concern. Therefore, my budget includes a new initiative, $5 billion to help communities finance $20 billion in school construction over the next 4 years.

Eighth, we must make the 13th and 14th years of education, at least 2 years of college, just as universal in America by the 21st century as a high school education is today, and we must open the doors of college to all Americans. To do that, I propose America's HOPE scholarship, based on Georgia's pioneering program: 2 years of a $1,500 tax credit for college tuition, enough to pay for the typical community college. I also propose a tax deduction of up to $10,000 a year for all tuition after high school, an expanded IRA you can withdraw from tax-free for education, and the largest increase in Pell grant scholarships in 20 years. Now, this plan will give most families the ability to pay no taxes on money they save for college tuition. I ask you to pass it and give every American who works hard the chance to go to college.

Ninth, in the 21st century, we must expand the frontiers of learning across a lifetime. All our people, of whatever age, must have the chance to learn new skills. Most Americans live near a community college. The roads that take them there can be paths to a better future. My "GI bill" for America's workers will transform the confusing tangle of Federal training programs into a simple skill grant to go directly into eligible workers' hands. For too long, this bill has been sitting on that desk there without action. I ask you to pass it now. Let's give more of our workers the ability to learn and to earn for a lifetime.

Tenth, we must bring the power of the information age into all our schools. Last year, I challenged America to connect every classroom and library to the Internet by the year 2000, so that, for the first time in our history, children in the most isolated rural towns, the most comfortable suburbs, the poorest inner-city schools, will have the same access to the same universe of knowledge.

That is my plan, a call to action for American education. Some may say that it is unusual for a President to pay this kind of attention to education. Some may say it is simply because the President and his wonderful wife have been obsessed with this subject for more years than they can recall. That is not what is driving these proposals.

We must understand the significance of this endeavor. One of the greatest sources of our strength throughout the cold war was a bipartisan foreign policy. Because our future was at stake, politics stopped at the water's edge. Now I ask you and I ask all our Nation's Governors, I ask parents, teachers, and citizens all across America for a new nonpartisan commitment to education, because education is a critical national security issue for our future, and politics must stop at the schoolhouse door.

To prepare America for the 21st century, we must harness the powerful forces of science and technology to benefit all Americans. This is the first State of the Union carried live in video over the Internet. But we've only begun to spread the benefits of a technology revolution that should become the modern birthright of every citizen.

Our effort to connect every classroom is just the beginning. Now we should connect every hospital to the Internet, so that doctors can instantly share data about their patients with the best specialists in the field. And I challenge the private sector tonight to start by connecting every children's hospital as soon as possible, so that a child in bed can stay in touch with school, family, and friends. A sick child need no longer be a child alone.

We must build the second generation of the Internet so that our leading universities and national laboratories can communicate in speeds 1,000 times faster than today, to develop new medical treatments, new sources of energy, new ways of working together.

But we cannot stop there. As the Internet becomes our new town square, a computer in every home, a teacher of all subjects, a connection to all cultures, this will no longer be a dream but a necessity. And over the next decade, that must be our goal.

We must continue to explore the heavens, pressing on with the Mars probes and the international space station, both of which will have practical applications for our everyday living.

We must speed the remarkable advances in medical science. The human genome project is now decoding the genetic mysteries of life. American scientists have discovered genes linked to breast cancer and ovarian cancer and medication that stops a stroke in progress and begins to reverse its effects and treatments that dramatically lengthen the lives of people with HIV and AIDS.

Since I took office, funding for AIDS research at the National Institutes of Health has increased dramatically to $1.5 billion. With new resources, NIH will now become the most powerful discovery engine for an AIDS vaccine, working with other scientists to finally end the threat of AIDS. Remember that every year— every year—we move up the discovery of an AIDS vaccine will save millions of lives around the world. We must reinforce our commitment to medical science.

To prepare America for the 21st century, we must build stronger families. Over the past 4 years, the family and medical leave law has helped millions of Americans to take time off to be with their families. With new pressures on people in the way they work and live, I believe we must expand family leave so that workers can take time off for teacher conferences and a child's medical checkup. We should pass flextime, so workers can choose to be paid for overtime in income or trade it in for time off to be with their families.

We must continue, step by step, to give more families access to affordable, quality health care. Forty million Americans still lack health insurance. Ten million children still lack health insurance; 80 percent of them have working parents who pay taxes. That is wrong. My balanced budget will extend health coverage to up to 5 million of those children. Since nearly half of all children who lose their insurance do so because their parents lose or change a job, my budget will also ensure that people who temporarily lose their jobs can still afford to keep their health insurance. No child should be without a doctor just because a parent is without a job.

My Medicare plan modernizes Medicare, increases the life of the Trust Fund to 10 years, provides support for respite care for the many families with loved ones afflicted with Alzheimer's, and for the first time, it would fully pay for annual mammograms.

Just as we ended drive-through deliveries of babies last year, we must now end the dangerous and demeaning practice of forcing women home from the hospital only hours after a mastectomy. I ask your support for bipartisan legislation to guarantee that a woman can stay in the hospital for 48 hours after a mastectomy. With us tonight is Dr. Kristen Zarfos, a Connecticut surgeon whose outrage at this practice spurred a national movement and inspired this legislation. I'd like her to stand so we can thank her for her efforts. Dr. Zarfos, thank you. [*Applause*]

In the last 4 years, we have increased child support collections by 50 percent. Now we should go further and do better by making it a felony for any parent to cross a State line in an attempt to flee from this, his or her most sacred obligation.

Finally, we must also protect our children by standing firm in our determination to ban the advertising and marketing of cigarettes that endanger their lives.

To prepare America for the 21st century, we must build stronger communities. We should start with safe streets. Serious crime has dropped 5 years in a row. The key has been community policing. We must finish the job of putting 100,000 community police on the streets of the United States. We should pass the victims' rights amendment to the Constitution. And I ask you to mount a full-scale assault on juvenile crime with legislation that declares war on gangs with new prosecutors and tougher penalties; extends the Brady bill so violent teen criminals will not be able to buy handguns; requires child safety locks on handguns to prevent unauthorized use; and helps to keep our schools open after hours, on weekends, and in the summer, so our young people will have someplace to go and something to say yes to.

This balanced budget includes the largest antidrug effort ever, to stop drugs at their source, punish those who push them, and teach our young people that drugs are wrong, drugs are illegal, and drugs will kill them. I hope you will support it.

Our growing economy has helped to revive poor urban and rural neighborhoods. But we must do more to empower them to create the conditions in which all families can flourish and to create jobs through investment by business and loans by banks. We should double the number of empowerment zones. They've already brought so much hope to communities like Detroit, where the unemployment rate has been cut in half in 4 years. We should restore contaminated urban land and buildings to productive use. We should expand the network of community development banks. And together we must pledge tonight that we will use this empowerment approach, including private-sector tax incentives, to renew our Capital City, so that Washington is a great place to work and live and once again the proud face America shows the world.

We must protect our environment in every community. In the last 4 years, we cleaned up 250 toxic waste sites, as many as in the previous 12. Now we should clean up 500 more, so that our children grow up next to parks, not poison. I urge you to pass my proposal to make big polluters live by a simple rule: If you pollute our environment, you should pay to clean it up.

In the last 4 years, we strengthened our Nation's safe food and clean drinking water laws. We protected some of America's rarest, most beautiful land in Utah's Red Rocks region, created three new national parks in the California desert, and began to restore the Florida Everglades. Now we must be as vigilant with our rivers as we are with our lands. Tonight I announce that this year I will designate 10 American Heritage Rivers, to help communities alongside them revitalize their waterfronts and clean up pollution in the rivers, proving once again that we can grow the economy as we protect the environment.

We must also protect our global environment, working to ban the worst toxic chemicals and to reduce the greenhouse gases that challenge our health even as they change our climate.

Now, we all know that in all of our communities, some of our children simply don't have what they need to grow and learn in their own homes or schools or neighborhoods. And that means the rest of us must do more, for they are our children, too. That's why President Bush, General Colin Powell, former Housing Secretary Henry Cisneros will join the Vice President and me to lead the Presidents' Summit of Service in Philadelphia in April.

Our national service program, AmeriCorps, has already helped 70,000 young people to work their way through college as they serve America. Now we intend to mobilize millions of Americans to serve in thousands of ways. Citizen service is an American responsibility which all Americans should embrace, and I ask your support for that endeavor.

I'd like to make just one last point about our national community. Our economy is measured in numbers and statistics, and it's very important. But the enduring worth of our Nation lies in our shared values and our soaring spirit. So instead of cutting back on our modest efforts to support the arts and humanities, I believe we should stand by them and challenge our artists, musicians, and writers, challenge our museums, libraries, and theaters. We should challenge all Americans in the arts and humanities to join with our fellow citizens to make the year 2000 a national celebration of the American spirit in every community, a celebration of our common culture in the century that has passed and in the new one to come in the new millennium, so that we can remain the world's beacon not only of liberty but of creativity long after the fireworks have faded.

To prepare America for the 21st century, we must master the forces of change in the world and keep American leadership strong and sure for an uncharted time. Fifty years ago, a farsighted America led in creating the institutions that secured victory in the cold war and built a growing world economy. As a result, today more people than ever embrace our ideals and share our interests. Already we have dismantled many of the blocs and barriers that divided our parents' world. For the first time, more people live under democracy than dictatorship, including every nation in our own hemisphere but one, and its day, too, will come.

Now we stand at another moment of change and choice and another time to be farsighted, to bring America 50 more years of security and prosperity. In this endeavor, our first task is to help to build, for the very first time, an undivided, democratic Europe. When Europe is stable, prosperous, and at peace, America is more secure. To that end, we must expand NATO by 1999, so that countries that were once our adversaries can become our allies. At the special NATO summit this summer, that is what we will begin to do. We must strengthen NATO's Partnership For Peace with non-member allies. And we must build a stable partnership between NATO and a democratic Russia. An expanded NATO is good for America, and a Europe in which all democracies define their future not in terms of what they can do to each other but in terms of what they can do together for the good of all—that kind of Europe is good for America.

Second, America must look to the East no less than to the West. Our security demands it. Americans fought three wars in Asia in this century. Our prosperity requires it. More than 2 million American jobs depend upon trade with Asia. There, too, we are helping to shape an Asia-Pacific community of cooperation, not conflict. Let our progress there not mask the peril that remains. Together with South Korea, we must advance peace talks with North Korea and bridge the cold war's last divide. And I call on Congress to fund our share of the agreement under which North Korea must continue to freeze and then dismantle its nuclear weapons program.

We must pursue a deeper dialog with China for the sake of our interests and our ideals. An isolated China is not good for America; a China playing its proper role in the world is. I will go to China, and I have invited China's President to come here, not because we agree on everything but because engaging China is the best way to work on our common challenges like ending nuclear testing and to deal frankly with our fundamental differences like human rights.

The American people must prosper in the global economy. We've worked hard to tear down trade barriers abroad so that we can create good jobs at home. I am proud to say that today America is once again the most competitive nation and the number one exporter in the world.

Now we must act to expand our exports, especially to Asia and Latin America, two of the fastest growing regions on Earth, or be left behind as these emerging economies forge new ties with other nations. That is why we need the authority now to conclude new trade agreements that open markets to our goods and services even as we preserve our values.

We need not shrink from the challenge of the global economy. After all, we have the best workers and the best products. In a truly open market, we can out-compete anyone, anywhere on Earth.

But this is about more than economics. By expanding trade, we can advance the cause of freedom and democracy around the world. There is no better example of this truth than Latin America, where democracy and open markets are on the march together. That is why I will visit there in the spring to reinforce our important tie.

We should all be proud that America led the effort to rescue our neighbor Mexico from its economic crisis. And we should all be proud that last month Mexico repaid the United States 3 full years ahead of schedule, with half a billion dollar profit to us.

America must continue to be an unrelenting force for peace from the Middle East to Haiti, from Northern Ireland to Africa. Taking reasonable risks for peace keeps us from being drawn into far more costly conflicts later.

With American leadership, the killing has stopped in Bosnia. Now the habits of peace must take hold. The new NATO force will allow reconstruction and reconciliation to accelerate. Tonight I ask Congress to continue its strong support of our troops. They are doing a remarkable job there for America, and America must do right by them.

Fifth, we must move strongly against new threats to our security. In the past 4 years, we agreed to ban—we led the way to a worldwide agreement to ban nuclear testing. With Russia, we dramatically cut nuclear arsenals, and we stopped targeting each other's citizens. We are acting to prevent nuclear materials from falling into the wrong hands and to rid the world of landmines. We are working with other nations with renewed intensity to fight drug traffickers and to stop terrorists before they act and hold them fully accountable if they do.

Now we must rise to a new test of leadership, ratifying the Chemical Weapons Convention. Make no mistake about it. It will make our troops safer from chemical attack. It will help us to fight terrorism. We have no more important obligations, especially in the wake of what we now know about the Gulf war. This treaty has been bipartisan from the beginning, supported by Republican and Democratic administrations and Republican and Democratic Members of Congress and already approved by 68 nations. But if we do not act by April 29th, when this convention goes into force with or without us, we will lose the chance to have Americans leading and enforcing this effort. Together we must make the Chemical Weapons Convention law, so that at last we can begin to outlaw poison gas from the Earth.

Finally, we must have the tools to meet all these challenges. We must maintain a strong and ready military. We must increase funding for weapons modernization by the year 2000, and we must take good care of our men and women in uniform. They are the world's finest.

We must also renew our commitment to America's diplomacy and pay our debts and dues to international financial institutions like the World Bank and to a reforming United Nations. Every dollar we devote to preventing conflicts, to promoting democracy, to stopping the spread of disease and starvation, brings a sure return in security and savings. Yet international affairs spending today is just one percent of the Federal budget, a small fraction of what America invested in diplomacy to choose leadership over escapism at the start of the cold war. If America is to continue to lead the world, we here who lead America simply must find the will to pay our way.

A farsighted America moved the world to a better place over these last 50 years. And so it can be for another 50 years. But a shortsighted America will soon find its words falling on deaf ears all around the world.

Almost exactly 50 years ago, in the first winter of the cold war, President Truman stood before a Republican Congress and called upon our country to meet its responsibilities of leadership. This was his warning; he said, "If we falter, we may endanger the peace of the world, and we shall surely endanger the welfare of this Nation." That Congress, led by Republicans like Senator Arthur Vandenberg, answered President Truman's call. Together, they made the commitments that strengthened our country for 50 years. Now let us do the same. Let us do what it takes to remain the indispensable nation, to keep America strong, secure, and prosperous for another 50 years.

In the end, more than anything else, our world leadership grows out of the power of our example here at home, out of our ability to remain strong as one America. All over the world, people are being torn asunder by racial, ethnic, and religious conflicts that fuel fanaticism and terror. We are the world's most diverse democracy, and the world looks to us to show that it is possible to live and advance together across those kinds of differences.

America has always been a nation of immigrants. From the start, a steady stream of people in search of freedom and opportunity have left their own lands to make this land their home. We started as an experiment in democracy fueled by Europeans. We have grown into an experiment in democratic diversity fueled by openness and promise.

My fellow Americans, we must never, ever believe that our diversity is a weakness. It is our greatest strength. Americans speak every language, know every country. People on every continent can look to us and see the reflection of their own great potential, and they always will, as long as we strive to give all of our citizens, whatever their background, an opportunity to achieve their own greatness.

We're not there yet. We still see evidence of abiding bigotry and intolerance in ugly words and awful violence, in burned churches and bombed buildings. We must fight against this, in our country and in our hearts.

Just a few days before my second Inauguration, one of our country's best known pastors, Reverend Robert Schuller, suggested that I read Isaiah 58:12. Here's what it says: "Thou shalt raise up the foundations of many generations, and thou shalt be called the repairer of the breach, the restorer of paths to dwell in." I placed my hand on that verse when I took the oath of office, on behalf of all Americans, for no matter what our differences in our faiths, our backgrounds, our politics, we must all be repairers of the breach.

I want to say a word about two other Americans who show us how. Congressman Frank Tejeda was buried yesterday, a proud American whose family came from Mexico. He was only 51 years old. He was awarded the Silver Star, the Bronze Star, and the Purple Heart fighting for his country in Vietnam. And he went on to serve Texas and America fighting for our future here in this Chamber. We are grateful for his service and honored that his mother, Lillie Tejeda, and his sister, Mary Alice, have come from Texas to be with us here tonight. And we welcome you.

Gary Locke, the newly elected Governor of Washington State, is the first Chinese-American Governor in the history of our country. He's the proud son of two of the millions of Asian-American immigrants who have strengthened America with their hard work, family values, and good citizenship. He represents the future we can all achieve. Thank you, Governor, for being here. Please stand up. [*Applause*]

Reverend Schuller, Congressman Tejeda, Governor Locke, along with Kristen Tanner and Chris Getsler, Sue Winski and Dr. Kristen Zarfos, they're all Americans from different roots whose lives reflect the best of what we can become when we are one America. We may not share a common past, but we surely do share a common future. Building one America is our most important mission, the foundation for many generations of every other strength we must build for this new century. Money cannot buy it. Power cannot compel it. Technology cannot create it. It can only come from the human spirit.

America is far more than a place. It is an idea, the most powerful idea in the history of nations. And all of us in this Chamber, we are now the bearers of that idea, leading a great people into a new world. A child born tonight will have almost no memory of the 20th century. Everything that child will know about America will be because of what we do now to build a new century.

We don't have a moment to waste. Tomorrow there will be just over 1,000 days until the year 2000; 1,000 days to prepare our people; 1,000 days to work together; 1,000 days to build a bridge to a land of new promise. My fellow Americans, we have work to do. Let us seize those days and the century.

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

January 27, 1998

*The President.* Mr. Speaker, Mr. Vice President, Members of the 105th Congress, distinguished guests, my fellow Americans: Since the last time we met in this Chamber, America has lost two patriots and fine public servants. Though they sat on opposite sides of the aisle, Representatives Walter Capps and Sonny Bono shared a deep love for this House and an unshakable commitment to improving the lives of all our people. In the past few weeks, they've both been eulogized. Tonight I think we should begin by sending a message to their families and their friends that we celebrate their lives and give thanks for their service to our Nation.

For 209 years, it has been the President's duty to report to you on the state of the Union. Because of the hard work and high purpose of the American people, these are good times for America. We have more than 14 million new jobs, the lowest unemployment in 24 years, the lowest core inflation in 30 years; incomes are rising; and we have the highest homeownership in history. Crime has dropped for a record 5 years in a row, and the welfare rolls are at their lowest levels in 27 years. Our leadership in the world is unrivaled. Ladies and gentlemen, the state of our Union is strong.

But with barely 700 days left in the 20th century, this is not a time to rest. It is a time to build, to build the America within reach, an America where everybody has a chance to get ahead with hard work; where every citizen can live in a safe community; where families are strong, schools are good, and all our young people can go on to college; an America where scientists find cures for diseases from diabetes to Alzheimer's to AIDS; an America where every child can stretch a hand across a keyboard and reach every book ever written, every painting ever painted, every symphony ever composed; where government provides opportunity and citizens honor the responsibility to give something back to their communities; an America which leads the world to new heights of peace and prosperity. This is the America we have begun to build; this is the America we can leave to our children if we join together to finish the work at hand. Let us strengthen our Nation for the 21st century.

Rarely have Americans lived through so much change in so many ways in so short a time. Quietly, but with gathering force, the ground has shifted beneath our feet as we have moved into an information age, a global economy, a truly new world. For 5 years now, we have met the challenge of these changes, as Americans have at every turning point in our history, by renewing the very idea of America: widening the circle of opportunity, deepening the meaning of our freedom, forging a more perfect Union.

We shaped a new kind of Government for the information age. I thank the Vice President for his leadership and the Congress for its support in building a Government that is leaner, more flexible, a catalyst for new ideas, and most of all, a Government that gives the American people the tools they need to make the most of their own lives.

We have moved past the sterile debate between those who say government is the enemy and those who say government is the answer. My fellow Americans, we have found a third way. We have the smallest Government in 35 years, but a more progressive one. We have a smaller Government, but a stronger Nation. We are moving steadily toward an even stronger America in the 21st century: an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

First, Americans in this Chamber and across our Nation have pursued a new strategy for prosperity: fiscal discipline to cut interest rates and spur growth; investments in education and skills, in science and technology and transportation, to prepare our people for the new economy; new markets for American products and American workers.

When I took office, the deficit for 1998 was projected to be $357 billion and heading higher. This year, our deficit is projected to be $10 billion and heading lower. For three decades, six Presidents have come before you to warn of the damage deficits pose to our Nation. Tonight I come before you to announce that the Federal deficit, once so incomprehensibly large that it had 11 zeros, will be, simply, zero. I will submit to Congress for 1999 the first balanced budget in 30 years. And if we hold fast to fiscal discipline, we may balance the budget this year—4 years ahead of schedule.

You can all be proud of that, because turning a sea of red ink into black is no miracle. It is the product of hard work by the American people and of two visionary actions in Congress: the courageous vote in 1993 that led to a cut in the deficit of 90 percent, and the truly historic bipartisan balanced budget agreement passed by this Congress. Here's the really good news: If we maintain our resolve, we will produce balanced budgets as far as the eye can see.

We must not go back to unwise spending or untargeted tax cuts that risk reopening the deficit. Last year, together, we enacted targeted tax cuts so that the typical middle class family will now have the lowest tax rates in 20 years. My plan to balance the budget next year includes both new investments and new tax cuts targeted to the needs of working families, for education, for child care, for the environment.

But whether the issue is tax cuts or spending, I ask all of you to meet this test: Approve only those priorities that can actually be accomplished without adding a dime to the deficit.

Now, if we balance the budget for next year, it is projected that we'll then have a sizable surplus in the years that immediately follow. What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first.

Tonight I propose that we reserve 100 percent of the surplus—that's every penny of any surplus—until we have taken all the necessary measures to strengthen the Social Security system for the 21st century. Let us say to all Americans watching tonight—whether you're 70 or 50 or whether you just started paying into the system—Social Security will be there when you need it. Let us make this commitment: Social Security first. Let's do that together.

I also want to say that all the American people who are watching us tonight should be invited to join in this discussion, in facing these issues squarely and forming a true consensus on how we should proceed. We'll start by conducting nonpartisan forums in every region of the country, and I hope that lawmakers of both parties will participate. We'll hold a White House conference on Social Security in December. And one year from now, I will convene the leaders of Congress to craft historic, bipartisan legislation to achieve a landmark for our generation: a Social Security system that is strong in the 21st century.

In an economy that honors opportunity, all Americans must be able to reap the rewards of prosperity. Because these times are good, we can afford to take one simple, sensible step to help millions of workers struggling to provide for their families: We should raise the minimum wage.

The information age is, first and foremost, an education age, in which education must start at birth and continue throughout a lifetime. Last year, from this podium, I said that education has to be our highest priority. I laid out a 10point plan to move us forward and urged all of us to let politics stop at the schoolhouse door. Since then, this Congress—across party lines— and the American people have responded, in the most important year for education in a generation, expanding public school choice, opening the way to 3,000 new charter schools, working to connect every classroom in the country to the information superhighway, committing to expand Head Start to a million children, launching America Reads, sending literally thousands of college students into our elementary schools to make sure all our 8-year-olds can read.

Last year I proposed and you passed 220,000 new Pell grant scholarships for deserving students. Student loans, already less expensive and easier to repay—now you get to deduct the interest. Families all over America now can put their savings into new tax-free education IRA's. And this year, for the first 2 years of college, families will get a $1,500 tax credit—a HOPE scholarship that will cover the cost of most community college tuition. And for junior and senior year, graduate school, and job training, there is a lifetime learning credit. You did that, and you should be very proud of it.

And because of these actions, I have something to say to every family listening to us tonight: Your children can go on to college. If you know a child from a poor family, tell her not to give up; she can go on to college. If you know a young couple struggling with bills, worried they won't be able to send their children to college, tell them not to give up; their children can go on to college. If you know somebody who's caught in a dead-end job and afraid he can't afford the classes necessary to get better jobs for the rest of his life, tell him not to give up; he can go on to college. Because of the things that have been done, we can make college as universal in the 21st century as high school is today. And my friends, that will change the face and future of America.

We have opened wide the doors of the world's best system of higher education. Now we must make our public elementary and secondary schools the world's best, as well, by raising standards, raising expectations, and raising accountability. Thanks to the actions of this Congress last year, we will soon have, for the very first time, a voluntary national test based on national standards in fourth grade reading and eighth grade math. Parents have a right to know whether their children are mastering the basics. And every parent already knows the key: good teachers and small classes.

Tonight I propose the first ever national effort to reduce class size in the early grades. My balanced budget will help to hire 100,000 new teachers who've passed a State competency test. Now, with these teachers—listen—with these teachers, we will actually be able to reduce class size in the first, second, and third grades to an average of 18 students a class, all across America.

If I've got the math right, more teachers teaching smaller classes requires more classrooms. So I also propose a school construction tax cut to help communities modernize or build 5,000 schools.

We must also demand greater accountability. When we promote a child from grade to grade who hasn't mastered the work, we don't do that child any favors. It is time to end social promotion in America's schools. Last year, in Chicago, they made that decision—not to hold our children back but to lift them up. Chicago stopped social promotion and started mandatory summer school to help students who are behind to catch up. I propose to help other communities follow Chicago's lead. Let's say to them: Stop promoting children who don't learn, and we will give you the tools to make sure they do.

I also ask this Congress to support our efforts to enlist colleges and universities to reach out to disadvantaged children, starting in the sixth grade, so that they can get the guidance and hope they need so they can know that they, too, will be able to go on to college.

As we enter the 21st century, the global economy requires us to seek opportunity not just at home but in all the markets of the world. We must shape this global economy, not shrink from it. In the last 5 years, we have led the way in opening new markets, with 240 trade agreements that remove foreign barriers to products bearing the proud stamp "Made in the USA." Today, record high exports account for fully one-third of our economic growth. I want to keep them going, because that's the way to keep America growing and to advance a safer, more stable world.

All of you know, whatever your views are, that I think this is a great opportunity for America. I know there is opposition to more comprehensive trade agreements. I have listened carefully, and I believe that the opposition is rooted in two fears: first, that our trading partners will have lower environmental and labor standards which will give them an unfair advantage in our market and do their own people no favors, even if there's more business; and, second, that if we have more trade, more of our workers will lose their jobs and have to start over. I think we should seek to advance worker and environmental standards around the world. I have made it abundantly clear that it should be a part of our trade agenda. But we cannot influence other countries' decisions if we send them a message that we're backing away from trade with them.

This year I will send legislation to Congress, and ask other nations to join us, to fight the most intolerable labor practice of all: abusive child labor. We should also offer help and hope to those Americans temporarily left behind by the global marketplace or by the march of technology, which may have nothing to do with trade. That's why we have more than doubled funding for training dislocated workers since 1993. And if my new budget is adopted, we will triple funding. That's why we must do more, and more quickly, to help workers who lose their jobs for whatever reason.

You know, we help communities in a special way when their military base closes; we ought to help them in the same way if their factory closes. Again, I ask the Congress to continue its bipartisan work to consolidate the tangle of training programs we have today into one single "GI bill" for workers, a simple skills grant so people can, on their own, move quickly to new jobs, to higher incomes, and brighter futures.

We all know, in every way in life, change is not always easy, but we have to decide whether we're going to try to hold it back and hide from it or reap its benefits. And remember the big picture here: While we've been entering into hundreds of new trade agreements, we've been creating millions of new jobs.

So this year we will forge new partnerships with Latin America, Asia, and Europe. And we should pass the new "African Trade Act"; it has bipartisan support. I will also renew my request for the fast-track negotiating authority necessary to open more new markets, create more new jobs, which every President has had for two decades.

You know, whether we like it or not, in ways that are mostly positive, the world's economies are more and more interconnected and interdependent. Today, an economic crisis anywhere can affect economies everywhere. Recent months have brought serious financial problems to Thailand, Indonesia, South Korea, and beyond.

Now, why should Americans be concerned about this? First, these countries are our customers. If they sink into recession, they won't be able to buy the goods we'd like to sell them. Second, they're also our competitors. So if their currencies lose their value and go down, then the price of their goods will drop, flooding our market and others with much cheaper goods, which makes it a lot tougher for our people to compete. And finally, they are our strategic partners. Their stability bolsters our security.

The American economy remains sound and strong, and I want to keep it that way. But because the turmoil in Asia will have an impact on all the world's economies, including ours, making that negative impact as small as possible is the right thing to do for America and the right thing to do for a safer world.

Our policy is clear: No nation can recover if it does not reform itself. But when nations are willing to undertake serious economic reform, we should help them do it. So I call on Congress to renew America's commitment to the International Monetary Fund. And I think we should say to all the people we're trying to represent here that preparing for a far-off storm that may reach our shores is far wiser than ignoring the thunder till the clouds are just overhead.

A strong nation rests on the rock of responsibility. A society rooted in responsibility must first promote the value of work, not welfare. We can be proud that after decades of fingerpointing and failure, together we ended the old welfare system. And we're now replacing welfare checks with paychecks.

Last year, after a record 4-year decline in welfare rolls, I challenged our Nation to move 2 million more Americans off welfare by the year 2000. I'm pleased to report we have also met that goal, 2 full years ahead of schedule.

This is a grand achievement, the sum of many acts of individual courage, persistence, and hope. For 13 years, Elaine Kinslow of Indianapolis, Indiana, was on and off welfare. Today, she's a dispatcher with a van company. She's saved enough money to move her family into a good neighborhood, and she's helping other welfare recipients go to work. Elaine Kinslow and all those like her are the real heroes of the welfare revolution. There are millions like her all across America. And I'm happy she could join the First Lady tonight. Elaine, we're very proud of you. Please stand up. [*Applause*]

We still have a lot more to do, all of us, to make welfare reform a success—providing child care, helping families move closer to available jobs, challenging more companies to join our welfare-to-work partnership, increasing child support collections from deadbeat parents who have a duty to support their own children. I also want to thank Congress for restoring some of the benefits to immigrants who are here legally and working hard, and I hope you will finish that job this year.

We have to make it possible for all hardworking families to meet their most important responsibilities. Two years ago we helped guarantee that Americans can keep their health insurance when they change jobs. Last year we extended health care to up to 5 million children. This year I challenge Congress to take the next historic steps.

A hundred and sixty million of our fellow citizens are in managed care plans. These plans save money, and they can improve care. But medical decisions ought to be made by medical doctors, not insurance company accountants. I urge this Congress to reach across the aisle and write into law a consumer bill of rights that says this: You have the right to know all your medical options, not just the cheapest. You have the right to choose the doctor you want for the care you need. You have the right to emergency room care, wherever and whenever you need it. You have the right to keep your medical records confidential. Traditional care or managed care, every American deserves quality care.

Millions of Americans between the ages of 55 and 65 have lost their health insurance. Some are retired; some are laid off; some lose their coverage when their spouses retire. After a lifetime of work, they are left with nowhere to turn. So I ask the Congress, let these hardworking Americans buy into the Medicare system. It won't add a dime to the deficit, but the peace of mind it will provide will be priceless.

Next, we must help parents protect their children from the gravest health threat that they face: an epidemic of teen smoking, spread by multimillion-dollar marketing campaigns. I challenge Congress: Let's pass bipartisan, comprehensive legislation that will improve public health, protect our tobacco farmers, and change the way tobacco companies do business forever. Let's do what it takes to bring teen smoking down. Let's raise the price of cigarettes by up to a dollar and a half a pack over the next 10 years, with penalties on the tobacco industry if it keeps marketing to our children. Tomorrow, like every day, 3,000 children will start smoking, and 1,000 will die early as a result. Let this Congress be remembered as the Congress that saved their lives.

In the new economy, most parents work harder than ever. They face a constant struggle to balance their obligations to be good workers and their even more important obligations to be good parents. The Family and Medical Leave Act was the very first bill I was privileged to sign into law as President in 1993. Since then, about 15 million people have taken advantage of it, and I've met a lot of them all across this country. I ask you to extend that law to cover 10 million more workers and to give parents time off when they have to go see their children's teachers or take them to the doctor.

Child care is the next frontier we must face to enable people to succeed at home and at work. Last year I cohosted the very first White House Conference on Child Care with one of our foremost experts, America's First Lady. From all corners of America, we heard the same message, without regard to region or income or political affiliation: We've got to raise the quality of child care. We've got to make it safer. We've got to make it more affordable.

So here's my plan: Help families to pay for child care for a million more children; scholarships and background checks for child care workers, and a new emphasis on early learning; tax credits for businesses that provide child care for their employees; and a larger child care tax credit for working families. Now, if you pass my plan, what this means is that a family of four with an income of $35,000 and high child care costs will no longer pay a single penny of Federal income tax.

I think this is such a big issue with me because of my own personal experience. I have often wondered how my mother, when she was a young widow, would have been able to go away to school and get an education and come back and support me if my grandparents hadn't been able to take care of me. She and I were really very lucky. How many other families have never had that same opportunity? The truth is, we don't know the answer to that question. But we do know what the answer should be: Not a single American family should ever have to choose between the job they need and the child they love.

A society rooted in responsibility must provide safe streets, safe schools, and safe neighborhoods. We pursued a strategy of more police, tougher punishment, smarter prevention, with crimefighting partnerships with local law enforcement and citizen groups, where the rubber hits the road. I can report to you tonight that it's working. Violent crime is down; robbery is down; assault is down; burglary is down—for 5 years in a row, all across America. We need to finish the job of putting 100,000 more police on our streets.

Again, I ask Congress to pass a juvenile crime bill that provides more prosecutors and probation officers, to crack down on gangs and guns and drugs, and bar violent juveniles from buying guns for life. And I ask you to dramatically expand our support for after-school programs. I think every American should know that most juvenile crime is committed between the hours of 3 in the afternoon and 8 at night. We can keep so many of our children out of trouble in the first place if we give them someplace to go other than the streets, and we ought to do it.

Drug use is on the decline. I thank General McCaffrey for his leadership, and I thank this Congress for passing the largest antidrug budget in history. Now I ask you to join me in a groundbreaking effort to hire 1,000 new Border Patrol agents and to deploy the most sophisticated available new technologies to help close the door on drugs at our borders.

Police, prosecutors, and prevention programs, as good as they are, they can't work if our court system doesn't work. Today, there are large numbers of vacancies in our Federal courts. Here is what the Chief Justice of the United States wrote: "Judicial vacancies cannot remain at such high levels indefinitely without eroding the quality of justice." I simply ask the United States Senate to heed this plea and vote on the highly qualified judicial nominees before you, up or down.

We must exercise responsibility not just at home but around the world. On the eve of a new century, we have the power and the duty to build a new era of peace and security. But make no mistake about it; today's possibilities are not tomorrow's guarantees. America must stand against the poisoned appeals of extreme nationalism. We must combat an unholy axis of new threats from terrorists, international criminals, and drug traffickers. These 21st century predators feed on technology and the free flow of information and ideas and people. And they will be all the more lethal if weapons of mass destruction fall into their hands.

To meet these challenges, we are helping to write international rules of the road for the 21st century, protecting those who join the family of nations and isolating those who do not. Within days, I will ask the Senate for its advice and consent to make Hungary, Poland, and the Czech Republic the newest members of NATO. For 50 years, NATO contained communism and kept America and Europe secure. Now, these three formerly Communist countries have said yes to democracy. I ask the Senate to say yes to them, our new allies. By taking in new members and working closely with new partners, including Russia and Ukraine, NATO can help to assure that Europe is a stronghold for peace in the 21st century.

Next, I will ask Congress to continue its support of our troops and their mission in Bosnia. This Christmas, Hillary and I traveled to Sarajevo with Senator and Mrs. Dole and a bipartisan congressional delegation. We saw children playing in the streets, where 2 years ago they were hiding from snipers and shells. The shops are filled with food; the cafes were alive with conversation. The progress there is unmistakable, but it is not yet irreversible. To take firm root, Bosnia's fragile peace still needs the support of American and allied troops when the current NATO mission ends in June. I think Senator Dole actually said it best. He said, "This is like being ahead in the fourth quarter of a football game. Now is not the time to walk off the field and forfeit the victory."

I wish all of you could have seen our troops in Tuzla. They're very proud of what they're doing in Bosnia, and we're all very proud of them. One of those brave soldiers is sitting with the First Lady tonight: Army Sergeant Michael Tolbert. His father was a decorated Vietnam vet. After college in Colorado, he joined the Army. Last year he led an infantry unit that stopped a mob of extremists from taking over a radio station that is a voice of democracy and tolerance in Bosnia. Thank you very much, Sergeant, for what you represent. Please stand up. [*Applause*]

In Bosnia and around the world, our men and women in uniform always do their mission well. Our mission must be to keep them welltrained and ready, to improve their quality of life, and to provide the 21st century weapons they need to defeat any enemy.

I ask Congress to join me in pursuing an ambitious agenda to reduce the serious threat of weapons of mass destruction. This year, four decades after it was first proposed by President Eisenhower, a comprehensive nuclear test ban is within reach. By ending nuclear testing, we can help to prevent the development of new and more dangerous weapons and make it more difficult for non-nuclear states to build them. I'm pleased to announce that four former Chairmen of the Joint Chiefs of Staff—Generals John Shalikashvili, Colin Powell, and David Jones and Admiral William Crowe—have endorsed this treaty. And I ask the Senate to approve it this year.

Together, we must confront the new hazards of chemical and biological weapons and the outlaw states, terrorists, and organized criminals seeking to acquire them. Saddam Hussein has spent the better part of this decade and much of his nation's wealth not on providing for the Iraqi people but on developing nuclear, chemical, and biological weapons and the missiles to deliver them. The United Nations weapons inspectors have done a truly remarkable job finding and destroying more of Iraq's arsenal than was destroyed during the entire Gulf war. Now Saddam Hussein wants to stop them from completing their mission.

I know I speak for everyone in this chamber, Republicans and Democrats, when I say to Saddam Hussein, "You cannot defy the will of the world," and when I say to him, "You have used weapons of mass destruction before. We are determined to deny you the capacity to use them again."

Last year the Senate ratified the Chemical Weapons Convention to protect our soldiers and citizens from poison gas. Now we must act to prevent the use of disease as a weapon of war and terror. The Biological Weapons Convention has been in effect for 23 years now. The rules are good, but the enforcement is weak. We must strengthen it with a new international inspection system to detect and deter cheating.

In the months ahead, I will pursue our security strategy with old allies in Asia and Europe and new partners from Africa to India and Pakistan, from South America to China. And from Belfast to Korea to the Middle East, America will continue to stand with those who stand for peace.

Finally, it's long past time to make good on our debt to the United Nations. More and more, we are working with other nations to achieve common goals. If we want America to lead, we've got to set a good example. As we see so clearly in Bosnia, allies who share our goals can also share our burdens. In this new era, our freedom and independence are actually enriched, not weakened, by our increasing interdependence with other nations. But we have to do our part.

Our Founders set America on a permanent course toward a more perfect Union. To all of you I say, it is a journey we can only make together, living as one community. First, we have to continue to reform our Government, the instrument of our national community. Everyone knows elections have become too expensive, fueling a fundraising arms race. This year, by March 6th, at long last the Senate will actually vote on bipartisan campaign finance reform proposed by Senators McCain and Feingold. Let's be clear: A vote against McCain-Feingold is a vote for soft money and for the status quo. I ask you to strengthen our democracy and pass campaign finance reform this year.

At least equally important, we have to address the real reason for the explosion in campaign costs: the high cost of media advertising.

[*At this point, audience members responded.*]

*The President.* To the folks watching at home, those were the groans of pain in the audience. [*Laughter*] I will formally request that the Federal Communications Commission act to provide free or reduced-cost television time for candidates who observe spending limits voluntarily. The airwaves are a public trust, and broadcasters also have to help us in this effort to strengthen our democracy.

Under the leadership of Vice President Gore, we've reduced the Federal payroll by 300,000 workers, cut 16,000 pages of regulation, eliminated hundreds of programs, and improved the operations of virtually every Government agency. But we can do more. Like every taxpayer, I'm outraged by the reports of abuses by the IRS. We need some changes there: new citizen advocacy panels, a stronger taxpayer advocate, phone lines open 24 hours a day, relief for innocent taxpayers. Last year, by an overwhelming bipartisan margin, the House of Representatives passed sweeping IRS reforms. This bill must not now languish in the Senate. Tonight I ask the Senate: Follow the House; pass the bipartisan package as your first order of business.

I hope to goodness before I finish I can think of something to say "follow the Senate" on, so I'll be out of trouble. [*Laughter*]

A nation that lives as a community must value all its communities. For the past 5 years, we have worked to bring the spark of private enterprise to inner city and poor rural areas, with community development banks, more commercial loans in the poor neighborhoods, cleanup of polluted sites for development. Under the continued leadership of the Vice President, we propose to triple the number of empowerment zones to give business incentives to invest in those areas. We should also give poor families more help to move into homes of their own, and we should use tax cuts to spur the construction of more low-income housing.

Last year, this Congress took strong action to help the District of Columbia. Let us renew our resolve to make our Capital City a great city for all who live and visit here. Our cities are the vibrant hubs of great metropolitan areas. They are still the gateways for new immigrants from every continent, who come here to work for their own American dreams. Let's keep our cities going strong into the 21st century; they're a very important part of our future.

Our communities are only as healthy as the air our children breathe, the water they drink, the Earth they will inherit. Last year we put in place the toughest-ever controls on smog and soot. We moved to protect Yellowstone, the Everglades, Lake Tahoe. We expanded every community's right to know about the toxins that threaten their children. Just yesterday, our food safety plan took effect, using new science to protect consumers from dangers like *E. coli* and salmonella.

Tonight I ask you to join me in launching a new clean water initiative, a far-reaching effort to clean our rivers, our lakes, and our coastal waters for our children.

Our overriding environmental challenge tonight is the worldwide problem of climate change, global warming, the gathering crisis that requires worldwide action. The vast majority of scientists have concluded unequivocally that if we don't reduce the emission of greenhouse gases, at some point in the next century, we'll disrupt our climate and put our children and grandchildren at risk. This past December, America led the world to reach a historic agreement committing our Nation to reduce greenhouse gas emissions through market forces, new technologies, energy efficiency. We have it in our power to act right here, right now. I propose $6 billion in tax cuts and research and development to encourage innovation, renewable energy, fuel-efficient cars, energy-efficient homes.

Every time we have acted to heal our environment, pessimists have told us it would hurt the economy. Well, today, our economy is the strongest in a generation, and our environment is the cleanest in a generation. We have always found a way to clean the environment and grow the economy at the same time. And when it comes to global warming, we'll do it again.

Finally, community means living by the defining American value, the ideal heard 'round the world, that we are all created equal. Throughout our history, we haven't always honored that ideal and we've never fully lived up to it. Often it's easier to believe that our differences matter more than what we have in common. It may be easier, but it's wrong.

What we have to do in our day and generation to make sure that America becomes truly one nation—what do we have to do? We're becoming more and more and more diverse. Do you believe we can become one nation? The answer cannot be to dwell on our differences but to build on our shared values. We all cherish family and faith, freedom and responsibility. We all want our children to grow up in a world where their talents are matched by their opportunities.

I've launched this national initiative on race to help us recognize our common interests and to bridge the opportunity gaps that are keeping us from becoming one America. Let us begin by recognizing what we still must overcome. Discrimination against any American is un-American. We must vigorously enforce the laws that make it illegal. I ask your help to end the backlog at the Equal Employment Opportunity Commission. Sixty thousand of our fellow citizens are waiting in line for justice, and we should act now to end their wait.

We also should recognize that the greatest progress we can make toward building one America lies in the progress we make for all Americans, without regard to race. When we open the doors of college to all Americans, when we rid all our streets of crime, when there are jobs available to people from all our neighborhoods, when we make sure all parents have the child care they need, we're helping to build one nation.

We, in this Chamber and in this Government, must do all we can to address the continuing American challenge to build one America. But we'll only move forward if all our fellow citizens, including every one of you at home watching tonight, is also committed to this cause. We must work together, learn together, live together, serve together. On the forge of common enterprise, Americans of all backgrounds can hammer out a common identity. We see it today in the United States military, in the Peace Corps, in AmeriCorps. Wherever people of all races and backgrounds come together in a shared endeavor and get a fair chance, we do just fine. With shared values and meaningful opportunities and honest communication and citizen service, we can unite a diverse people in freedom and mutual respect. We are many; we must be one.

In that spirit, let us lift our eyes to the new millennium. How will we mark that passage? It just happens once every 1,000 years. This year Hillary and I launched the White House Millennium Program to promote America's creativity and innovation, and to preserve our heritage and culture into the 21st century. Our culture lives in every community, and every community has places of historic value that tell our stories as Americans. We should protect them. I am proposing a public-private partnership to advance our arts and humanities and to celebrate the millennium by saving American's treasures, great and small.

And while we honor the past, let us imagine the future. Now, think about this: The entire store of human knowledge now doubles every 5 years. In the 1980's, scientists identified the gene causing cystic fibrosis; it took 9 years. Last year scientists located the gene that causes Parkinson's disease in only 9 days. Within a decade, "gene chips" will offer a roadmap for prevention of illnesses throughout a lifetime. Soon we'll be able to carry all the phone calls on Mother's Day on a single strand of fiber the width of a human hair. A child born in 1998 may well live to see the 22d century.

Tonight, as part of our gift to the millennium, I propose a 21st century research fund for pathbreaking scientific inquiry, the largest funding increase in history for the National Institutes of Health, the National Science Foundation, the National Cancer Institute. We have already discovered genes for breast cancer and diabetes. I ask you to support this initiative so ours will be the generation that finally wins the war against cancer and begins a revolution in our fight against all deadly diseases.

As important as all this scientific progress is, we must continue to see that science serves humanity, not the other way around. We must prevent the misuse of genetic tests to discriminate against any American. And we must ratify the ethical consensus of the scientific and religious communities and ban the cloning of human beings.

We should enable all the world's people to explore the far reaches of cyberspace. Think of this: The first time I made a State of the Union speech to you, only a handful of physicists used the World Wide Web—literally, just a handful of people. Now, in schools, in libraries, homes, and businesses, millions and millions of Americans surf the Net every day. We must give parents the tools they need to help protect their children from inappropriate material on the Internet, but we also must make sure that we protect the exploding global commercial potential of the Internet. We can do the kinds of things that we need to do and still protect our kids. For one thing, I ask Congress to step up support for building the next generation Internet. It's getting kind of clogged, you know, and the next generation Internet will operate at speeds up to 1,000 times faster than today.

Even as we explore this inner space in the new millennium, we're going to open new frontiers in outer space. Throughout all history, humankind has had only one place to call home, our planet, Earth. Beginning this year, 1998, men and women from 16 countries will build a foothold in the heavens, the international space station. With its vast expanses, scientists and engineers will actually set sail on an uncharted sea of limitless mystery and unlimited potential.

And this October, a true American hero, a veteran pilot of 149 combat missions and one 5-hour space flight that changed the world, will return to the heavens. Godspeed, John Glenn. [*Applause*] John, you will carry with you America's hopes. And on your uniform, once again, you will carry America's flag, marking the unbroken connection between the deeds of America's past and the daring of America's future.

Nearly 200 years ago, a tattered flag, its broad stripes and bright stars still gleaming through the smoke of a fierce battle, moved Francis Scott Key to scribble a few words on the back of an envelope, the words that became our national anthem. Today, that Star-Spangled Banner, along with the Declaration of Independence, the Constitution, and the Bill of Rights, are on display just a short walk from here. They are America's treasures, and we must also save them for the ages.

I ask all Americans to support our project to restore all our treasures so that the generations of the 21st century can see for themselves the images and the words that are the old and continuing glory of America, an America that has continued to rise through every age, against every challenge, a people of great works and greater possibilities, who have always, always found the wisdom and strength to come together as one nation to widen the circle of opportunity, to deepen the meaning of our freedom, to form that more perfect Union. Let that be our gift to the 21st century.

God bless you, and God bless the United States.

January 19, 1999

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans: Tonight I have the honor of reporting to you on the State of the Union.

Let me begin by saluting the new Speaker of the House and thanking him especially tonight for extending an invitation to two guests sitting in the gallery with Mrs. Hastert: Lyn Gibson and Wenling Chestnut are the widows of the two brave Capitol Hill police officers who gave their lives to defend freedom's house.

Mr. Speaker, at your swearing-in, you asked us all to work together in a spirit of civility and bipartisanship. Mr. Speaker, let's do exactly that.

Tonight I stand before you to report that America has created the longest peacetime economic expansion in our history with nearly 18 million new jobs, wages rising at more than twice the rate of inflation, the highest homeownership in history, the smallest welfare rolls in 30 years, and the lowest peacetime unemployment since 1957.

For the first time in three decades, the budget is balanced. From a deficit of $290 billion in 1992, we had a surplus of $70 billion last year. And now we are on course for budget surpluses for the next 25 years.

Thanks to the pioneering leadership of all of you, we have the lowest violent crime rate in a quarter century and the cleanest environment in a quarter century. America is a strong force for peace from Northern Ireland to Bosnia to the Middle East.

Thanks to the leadership of Vice President Gore, we have a Government for the information age, once again, a Government that is a progressive instrument of the common good— rooted in our oldest values of opportunity, responsibility, and community; devoted to fiscal responsibility; determined to give our people the tools they need to make the most of their own lives in the 21st century—a 21st century Government for 21st century America.

My fellow Americans, I stand before you tonight to report that the state of our Union is strong.

Now, America is working again. The promise of our future is limitless. But we cannot realize that promise if we allow the hum of our prosperity to lull us into complacency. How we fare as a nation far into the 21st century depends upon what we do as a nation today. So with our budget surplus growing, our economy expanding, our confidence rising, now is the moment for this generation to meet our historic responsibility to the 21st century.

Our fiscal discipline gives us an unsurpassed opportunity to address a remarkable new challenge, the aging of America. With the number of elderly Americans set to double by 2030, the baby boom will become a senior boom. So first, and above all, we must save Social Security for the 21st century.

Early in this century, being old meant being poor. When President Roosevelt created Social Security, thousands wrote to thank him for eliminating what one woman called "the stark terror of penniless, helpless old age." Even today, without Social Security, half our Nation's elderly would be forced into poverty.

Today, Social Security is strong. But by 2013, payroll taxes will no longer be sufficient to cover monthly payments. By 2032, the Trust Fund will be exhausted and Social Security will be unable to pay the full benefits older Americans have been promised.

The best way to keep Social Security a rocksolid guarantee is not to make drastic cuts in benefits, not to raise payroll tax rates, not to drain resources from Social Security in the name of saving it. Instead, I propose that we make the historic decision to invest the surplus to save Social Security.

Specifically, I propose that we commit 60 percent of the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector, just as any private or State Government pension would do. This will earn a higher return and keep Social Security sound for 55 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. We should reduce poverty among elderly women, who are nearly twice as likely to be poor as our other seniors. And we should eliminate the limits on what seniors on Social Security can earn.

Now, these changes will require difficult but fully achievable choices, over and above the dedication of the surplus. They must be made on a bipartisan basis. They should be made this year. So let me say to you tonight, I reach out my hand to all of you in both Houses, in both parties, and ask that we join together in saying to the American people: We will save Social Security now.

Now, last year we wisely reserved all of the surplus until we knew what it would take to save Social Security. Again, I say, we shouldn't spend any of it, not any of it, until after Social Security is truly saved. First things first.

Second, once we have saved Social Security, we must fulfill our obligation to save and improve Medicare. Already, we have extended the life of the Medicare Trust Fund by 10 years, but we should extend it for at least another decade. Tonight I propose that we use one out of every $6 in the surplus for the next 15 years to guarantee the soundness of Medicare until the year 2020.

But again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the bipartisan Medicare Commission. If we work together, we can secure Medicare for the next two decades and cover the greatest growing need of seniors, affordable prescription drugs.

Third, we must help all Americans, from their first day on the job, to save, to invest, to create wealth. From its beginning, Americans have supplemented Social Security with private pensions and savings. Yet today, millions of people retire with little to live on other than Social Security. Americans living longer than ever simply must save more than ever.

Therefore, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st century. I propose that we use a little over 11 percent of the surplus to establish universal savings accounts—USA accounts—to give all Americans the means to save. With these new accounts, Americans can invest as they choose and receive funds to match a portion of their savings, with extra help for those least able to save. USA accounts will help all Americans to share in our Nation's wealth and to enjoy a more secure retirement. I ask you to support them.

Fourth, we must invest in long-term care. I propose a tax credit of $1,000 for the aged, ailing or disabled, and the families who care for them. Long-term care will become a bigger and bigger challenge with the aging of America, and we must do more to help our families deal with it.

I was born in 1946, the first year of the baby boom. I can tell you that one of the greatest concerns of our generation is our absolute determination not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren. Our economic success and our fiscal discipline now give us an opportunity to lift that burden from their shoulders, and we should take it.

Saving Social Security, Medicare, creating USA accounts, this is the right way to use the surplus. If we do so—if we do so—we will still have resources to meet critical needs in education and defense. And I want to point out that this proposal is fiscally sound. Listen to this: If we set aside 60 percent of the surplus for Social Security and 16 percent for Medicare, over the next 15 years, that saving will achieve the lowest level of publicly held debt since right before World War I, in 1917.

So with these four measures—saving Social Security, strengthening Medicare, establishing the USA accounts, supporting long-term care— we can begin to meet our generation's historic responsibility to establish true security for 21st century seniors.

Now, there are more children from more diverse backgrounds in our public schools than at any time in our history. Their education must provide the knowledge and nurture the creativity that will allow our entire Nation to thrive in the new economy.

Today we can say something we couldn't say 6 years ago: With tax credits and more affordable student loans, with more work-study grants and more Pell grants, with education IRA's and the new HOPE scholarship tax cut that more than 5 million Americans will receive this year, we have finally opened the doors of college to all Americans.

With our support, nearly every State has set higher academic standards for public schools, and a voluntary national test is being developed to measure the progress of our students. With over $1 billion in discounts available this year, we are well on our way to our goal of connecting every classroom and library to the Internet.

Last fall, you passed our proposal to start hiring 100,000 new teachers to reduce class size in the early grades. Now I ask you to finish the job.

You know, our children are doing better. SAT scores are up; math scores have risen in nearly all grades. But there's a problem. While our fourth graders outperform their peers in other countries in math and science, our eighth graders are around average, and our twelfth graders rank near the bottom. We must do better. Now, each year the National Government invests more than $15 billion in our public schools. I believe we must change the way we invest that money, to support what works and to stop supporting what does not work.

First, later this year, I will send to Congress a plan that, for the first time, holds States and school districts accountable for progress and rewards them for results. My "Education Accountability Act" will require every school district receiving Federal help to take the following five steps.

First, all schools must end social promotion. No child should graduate from high school with a diploma he or she can't read. We do our children no favors when we allow them to pass from grade to grade without mastering the material. But we can't just hold students back because the system fails them. So my balanced budget triples the funding for summer school and after-school programs, to keep a million children learning.

Now, if you doubt this will work, just look at Chicago, which ended social promotion and made summer school mandatory for those who don't master the basics. Math and reading scores are up 3 years running, with some of the biggest gains in some of the poorest neighborhoods. It will work, and we should do it.

Second, all States and school districts must turn around their worst performing schools or shut them down. That's the policy established in North Carolina by Governor Jim Hunt. North Carolina made the biggest gains in test scores in the Nation last year. Our budget includes $200 million to help States turn around their own failing schools.

Third, all States and school districts must be held responsible for the quality of their teachers. The great majority of our teachers do a fine job. But in too many schools, teachers don't have college majors or even minors in the subjects they teach. New teachers should be required to pass performance exams, and all teachers should know the subjects they're teaching. This year's balanced budget contains resources to help them reach higher standards.

And to attract talented young teachers to the toughest assignments, I recommend a sixfold increase in our program for college scholarships for students who commit to teach in the inner cities and isolated rural areas and in Indian communities. Let us bring excellence to every part of America.

Fourth, we must empower parents with more information and more choices. In too many communities, it's easier to get information on the quality of the local restaurants than on the quality of the local schools. Every school district should issue report cards on every school. And parents should be given more choices in selecting their public school. When I became President, there was just one independent public charter school in all America. With our support, on a bipartisan basis, today there are 1,100. My budget assures that early in the next century, there will be 3,000.

Fifth, to assure that our classrooms are truly places of learning and to respond to what teachers have been asking us to do for years, we should say that all States and school districts must both adopt and implement sensible discipline policies.

Now, let's do one more thing for our children. Today, too many schools are so old they're falling apart, or so over-crowded students are learning in trailers. Last fall, Congress missed the opportunity to change that. This year, with 53 million children in our schools, Congress must not miss that opportunity again. I ask you to help our communities build or modernize 5,000 schools.

If we do these things—end social promotion; turn around failing schools; build modern ones; support qualified teachers; promote innovation, competition and discipline—then we will begin to meet our generation's historic responsibility to create 21st century schools.

Now, we also have to do more to support the millions of parents who give their all every day at home and at work. The most basic tool of all is a decent income. So let's raise the minimum wage by a dollar an hour over the next 2 years. And let's make sure that women and men get equal pay for equal work by strengthening enforcement of equal pay laws. [*Applause*] That was encouraging, you know. [*Laughter*] There was more balance on the seesaw. I like that. Let's give them a hand. That's great. [*Applause*]

Working parents also need quality child care. So again this year, I ask Congress to support our plan for tax credits and subsidies for working families, for improved safety and quality, for expanded after-school programs. And our plan also includes a new tax credit for stayat-home parents, too. They need support, as well.

Parents should never have to worry about choosing between their children and their work. Now, the Family and Medical Leave Act, the very first bill I signed into law, has now, since 1993, helped millions and millions of Americans to care for a newborn baby or an ailing relative without risking their jobs. I think it's time, with all the evidence that it has been so little burdensome to employers, to extend family leave to 10 million more Americans working for smaller companies. And I hope you will support it.

Finally on the matter of work, parents should never have to face discrimination in the workplace. So I want to ask Congress to prohibit companies from refusing to hire or promote workers simply because they have children. That is not right.

America's families deserve the world's best medical care. Thanks to bipartisan Federal support for medical research, we are now on the verge of new treatments to prevent or delay diseases, from Parkinson's to Alzheimer's to arthritis to cancer. But as we continue our advances in medical science, we can't let our medical system lag behind. Managed care has literally transformed medicine in America, driving down costs but threatening to drive down quality as well.

I think we ought to say to every American: You should have the right to know all your medical options, not just the cheapest. If you need a specialist, you should have a right to see one. You have a right to the nearest emergency care if you're in an accident. These are things that we ought to say. And I think we ought to say: You should have a right to keep your doctor during a period of treatment, whether it's a pregnancy or a chemotherapy treatment, or anything else. I believe this.

Now, I've ordered these rights to be extended to the 85 million Americans served by Medicare, Medicaid, and other Federal health programs. But only Congress can pass a Patients' Bill of Rights for all Americans. Now, last year, Congress missed that opportunity, and we must not miss that opportunity again. For the sake of our families, I ask us to join together across party lines and pass a strong, enforceable Patients' Bill of Rights.

As more of our medical records are stored electronically, the threats to all our privacy increase. Because Congress has given me the authority to act if it does not do so by August, one way or another, we can all say to the American people, "We will protect the privacy of medical records, and we will do it this year."

Now 2 years ago, the Congress extended health coverage to up to 5 million children. Now we should go beyond that. We should make it easier for small businesses to offer health insurance. We should give people between the ages of 55 and 65 who lose their health insurance the chance to buy into Medicare. And we should continue to ensure access to family planning.

No one should have to choose between keeping health care and taking a job. And therefore, I especially ask you tonight to join hands to pass the landmark bipartisan legislation proposed by Senators Kennedy and Jeffords, Roth, and Moynihan to allow people with disabilities to keep their health insurance when they go to work.

We need to enable our public hospitals, our community, our university health centers to provide basic, affordable care for all the millions of working families who don't have any insurance. They do a lot of that today, but much more can be done. And my balanced budget makes a good downpayment toward that goal. I hope you will think about them and support that provision.

Let me say we must step up our efforts to treat and prevent mental illness. No American should ever be afraid—ever—to address this disease. This year we will host a White House Conference on Mental Health. With sensitivity, commitment, and passion, Tipper Gore is leading our efforts here, and I'd like to thank her for what she's done. Thank you. [*Applause*] Thank you.

As everyone knows, our children are targets of a massive media campaign to hook them on cigarettes. Now, I ask this Congress to resist the tobacco lobby, to reaffirm the FDA's authority to protect our children from tobacco, and to hold tobacco companies accountable while protecting tobacco farmers.

Smoking has cost taxpayers hundreds of billions of dollars under Medicare and other programs. You know, the States have been right about this: Taxpayers shouldn't pay for the cost of lung cancer, emphysema, and other smokingrelated illnesses; the tobacco companies should. So tonight I announce that the Justice Department is preparing a litigation plan to take the tobacco companies to court and, with the funds we recover, to strengthen Medicare.

Now, if we act in these areas—minimum wage, family leave, child care, health care, the safety of our children—then we will begin to meet our generation's historic responsibility to strengthen our families for the 21st century.

Today, America is the most dynamic, competitive, job-creating economy in history. But we can do even better in building a 21st century economy that embraces all Americans.

Today's income gap is largely a skills gap. Last year, the Congress passed a law enabling workers to get a skills grant to choose the training they need. And I applaud all of you here who were part of that. This year, I recommend a 5-year commitment to the new system so that we can provide, over the next 5 years, appropriate training opportunities for all Americans who lose their jobs and expand rapid response teams to help all towns which have been really hurt when businesses close. I hope you will support this.

Also, I ask your support for a dramatic increase in Federal support for adult literacy, to mount a national campaign aimed at helping the millions and millions of working people who still read at less than a fifth grade level. We need to do this.

Here's some good news: In the past 6 years, we have cut the welfare rolls nearly in half. You can all be proud of that. Two years ago, from this podium, I asked five companies to lead a national effort to hire people off welfare. Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people. And our balanced budget will help another 200,000 people move to the dignity and pride of work. I hope you will support it.

We must do more to bring the spark of private enterprise to every corner of America, to build a bridge from Wall Street to Appalachia to the Mississippi Delta to our Native American communities, with more support for community development banks, for empowerment zones, for 100,000 more vouchers for affordable housing. And I ask Congress to support our bold new plan to help businesses raise up to $15 billion in private sector capital to bring jobs and opportunities to our inner cities and rural areas with tax credits, loan guarantees, including the new "American Private Investment Company" modeled on the Overseas Private Investment Company. For years and years and years, we've had this OPIC, this Overseas Private Investment Corporation, because we knew we had untapped markets overseas. But our greatest untapped markets are not overseas; they are right here at home. And we should go after them.

We must work hard to help bring prosperity back to the family farm. As this Congress knows very well, dropping prices and the loss of foreign markets have devastated too many family farms. Last year, the Congress provided substantial assistance to help stave off a disaster in American agriculture. And I am ready to work with lawmakers of both parties to create a farm safety net that will include crop insurance reform and farm income assistance. I ask you to join with me and do this. This should not be a political issue. Everyone knows what an economic problem is going on out there in rural America today, and we need an appropriate means to address it.

We must strengthen our lead in technology. It was Government investment that led to the creation of the Internet. I propose a 28-percent increase in long-term computing research. We also must be ready for the 21st century from its very first moment, by solving the so-called Y2K computer problem.

We had one Member of Congress stand up and applaud. [*Laughter*] And we may have about that ratio out there applauding at home, in front of their television sets. But remember, this is a big, big problem. And we've been working hard on it. Already, we've made sure that the Social Security checks will come on time. But I want all the folks at home listening to this to know that we need every State and local government, every business, large and small, to work with us to make sure that this Y2K computer bug will be remembered as the last headache of the 20th century, not the first crisis of the 21st.

For our own prosperity, we must support economic growth abroad. You know, until recently, a third of our economic growth came from exports. But over the past year and a half, financial turmoil overseas has put that growth at risk. Today, much of the world is in recession, with Asia hit especially hard. This is the most serious financial crisis in half a century. To meet it, the United States and other nations have reduced interest rates and strengthened the International Monetary Fund. And while the turmoil is not over, we have worked very hard with other nations to contain it.

At the same time, we have to continue to work on the long-term project, building a global financial system for the 21st century that promotes prosperity and tames the cycle of boom and bust that has engulfed so much of Asia. This June I will meet with other world leaders to advance this historic purpose, and I ask all of you to support our endeavors.

I also ask you to support creating a freer and fairer trading system for 21st century America. I'd like to say something really serious to everyone in this Chamber in both parties. I think trade has divided us, and divided Americans outside this Chamber, for too long. Somehow we have to find a common ground on which business and workers and environmentalists and farmers and Government can stand together. I believe these are the things we ought to all agree on. So let me try.

First, we ought to tear down barriers, open markets, and expand trade. But at the same time, we must ensure that ordinary citizens in all countries actually benefit from trade, a trade that promotes the dignity of work and the rights of workers and protects the environment. We must insist that international trade organizations be more open to public scrutiny, instead of mysterious, secret things subject to wild criticism. When you come right down to it, now that the world economy is becoming more and more integrated, we have to do in the world what we spent the better part of this century doing here at home. We have got to put a human face on the global economy.

We must enforce our trade laws when imports unlawfully flood our Nation. I have already informed the Government of Japan that if that nation's sudden surge of steel imports into our country is not reversed, America will respond.

We must help all manufacturers hit hard by the present crisis with loan guarantees and other incentives to increase American exports by nearly $2 billion.

I'd like to believe we can achieve a new consensus on trade, based on these principles. And I ask the Congress again to join me in this common approach and to give the President the trade authority long used and now overdue and necessary to advance our prosperity in the 21st century.

Tonight I issue a call to the nations of the world to join the United States in a new round of global trade negotiations to expand exports of services, manufactures, and farm products. Tonight I say we will work with the International Labor Organization on a new initiative to raise labor standards around the world. And this year, we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world.

If we do these things—invest in our people, our communities, our technology, and lead in the global economy—then we will begin to meet our historic responsibility to build a 21st century prosperity for America.

You know, no nation in history has had the opportunity and the responsibility we now have to shape a world that is more peaceful, more secure, more free. All Americans can be proud that our leadership helped to bring peace in Northern Ireland. All Americans can be proud that our leadership has put Bosnia on the path to peace. And with our NATO allies, we are pressing the Serbian Government to stop its brutal repression in Kosovo, to bring those responsible to justice, and to give the people of Kosovo the self-government they deserve.

All Americans can be proud that our leadership renewed hope for lasting peace in the Middle East. Some of you were with me last December as we watched the Palestinian National Council completely renounce its call for the destruction of Israel. Now I ask Congress to provide resources so that all parties can implement the Wye agreement to protect Israel's security, to stimulate the Palestinian economy, to support our friends in Jordan. We must not—we dare not—let them down. I hope you will help.

As we work for peace, we must also meet threats to our Nation's security, including increased dangers from outlaw nations and terrorism. We will defend our security wherever we are threatened, as we did this summer when we struck at Usama bin Ladin's network of terror. The bombing of our Embassies in Kenya and Tanzania reminds us again of the risks faced every day by those who represent America to the world. So let's give them the support they need, the safest possible workplaces, and the resources they must have so America can continue to lead.

We must work to keep terrorists from disrupting computer networks. We must work to prepare local communities for biological and chemical emergencies, to support research into vaccines and treatments.

We must increase our efforts to restrain the spread of nuclear weapons and missiles, from Korea to India and Pakistan. We must expand our work with Russia, Ukraine, and other former Soviet nations to safeguard nuclear materials and technology so they never fall into the wrong hands. Our balanced budget will increase funding for these critical efforts by almost two-thirds over the next 5 years.

With Russia, we must continue to reduce our nuclear arsenals. The START II treaty and the framework we have already agreed to for START III could cut them by 80 percent from their cold war height.

It's been 2 years since I signed the Comprehensive Test Ban Treaty. If we don't do the right thing, other nations won't either. I ask the Senate to take this vital step: Approve the treaty now, to make it harder for other nations to develop nuclear arms, and to make sure we can end nuclear testing forever.

For nearly a decade, Iraq has defied its obligations to destroy its weapons of terror and the missiles to deliver them. America will continue to contain Saddam, and we will work for the day when Iraq has a Government worthy of its people.

Now, last month in our action over Iraq, our troops were superb. Their mission was so flawlessly executed that we risk taking for granted the bravery and the skill it required. Captain Jeff Taliaferro, a 10-year veteran of the Air Force, flew a B-1B bomber over Iraq as we attacked Saddam's war machine. He's here with us tonight. I'd like to ask you to honor him and all the 33,000 men and women of Operation Desert Fox.

Captain Taliaferro. [*Applause*]

It is time to reverse the decline in defense spending that began in 1985. Since April, together we have added nearly $6 billion to maintain our military readiness. My balanced budget calls for a sustained increase over the next 6 years for readiness, for modernization, and for pay and benefits for our troops and their families. We are the heirs of a legacy of bravery represented in every community in America by millions of our veterans. America's defenders today still stand ready at a moment's notice to go where comforts are few and dangers are many, to do what needs to be done as no one else can. They always come through for America. We must come through for them.

The new century demands new partnerships for peace and security. The United Nations plays a crucial role, with allies sharing burdens America might otherwise bear alone. America needs a strong and effective U.N. I want to work with this new Congress to pay our dues and our debts.

We must continue to support security and stability in Europe and Asia, expanding NATO and defining its new missions, maintaining our alliance with Japan, with Korea, with our other Asian allies, and engaging China.

In China, last year, I said to the leaders and the people what I'd like to say again tonight: Stability can no longer be bought at the expense of liberty. But I'd also like to say again to the American people: It's important not to isolate China. The more we bring China into the world, the more the world will bring change and freedom to China.

Last spring, with some of you, I traveled to Africa, where I saw democracy and reform rising but still held back by violence and disease. We must fortify African democracy and peace by launching Radio Democracy for Africa, supporting the transition to democracy now beginning to take place in Nigeria, and passing the "African Trade and Development Act."

We must continue to deepen our ties to the Americas and the Caribbean, our common work to educate children, fight drugs, strengthen democracy and increase trade. In this hemisphere, every government but one is freely chosen by its people. We are determined that Cuba, too, will know the blessings of liberty.

The American people have opened their hearts and their arms to our Central American and Caribbean neighbors who have been so devastated by the recent hurricanes. Working with Congress, I am committed to help them rebuild. When the First Lady and Tipper Gore visited the region, they saw thousands of our troops and thousands of American volunteers.

In the Dominican Republic, Hillary helped to rededicate a hospital that had been rebuilt by Dominicans and Americans working side by side. With her was someone else who has been very important to the relief efforts. You know, sports records are made, and sooner or later they're broken. But making other people's lives better and showing our children the true meaning of brotherhood, that lasts forever. So, for far more than baseball, Sammy Sosa, you're a hero in two countries tonight. [*Applause*] Thank you.

So I say to all of you, if we do these things— if we pursue peace, fight terrorism, increase our strength, renew our alliances—we will begin to meet our generation's historic responsibility to build a stronger 21st century America in a freer, more peaceful world.

As the world has changed, so have our own communities. We must make them safer, more livable, and more united. This year, we will reach our goal of 100,000 community police officers ahead of schedule and under budget. The Brady bill has stopped a quarter million felons, fugitives, and stalkers from buying handguns. And now, the murder rate is the lowest in 30 years and the crime rate has dropped for 6 straight years.

Tonight I propose a 21st century crime bill to deploy the latest technologies and tactics to make our communities even safer. Our balanced budget will help put up to 50,000 more police on the street in the areas hardest hit by crime and then to equip them with new tools, from crime-mapping computers to digital mug shots.

We must break the deadly cycle of drugs and crime. Our budget expands support for drug testing and treatment, saying to prisoners: If you stay on drugs, you have to stay behind bars; and to those on parole: If you want to keep your freedom, you must stay free of drugs.

I ask Congress to restore the 5-day waiting period for buying a handgun and extend the Brady bill to prevent juveniles who commit violent crimes from buying a gun.

We must do more to keep our schools the safest places in our communities. Last year, every American was horrified and heartbroken by the tragic killings in Jonesboro, Paducah, Pearl, Edinboro, Springfield. We were deeply moved by the courageous parents now working to keep guns out of the hands of children and to make other efforts so that other parents don't have to live through their loss.

After she lost her daughter, Suzann Wilson of Jonesboro, Arkansas, came here to the White House with a powerful plea. She said, "Please, please, for the sake of your children, lock up your guns. Don't let what happened in Jonesboro happen in your town." It's a message she is passionately advocating every day. Suzann is here with us tonight, with the First Lady. I'd like to thank her for her courage and her commitment. [*Applause*] Thank you.

In memory of all the children who lost their lives to school violence, I ask you to strengthen the Safe and Drug-Free School Act, to pass legislation to require child trigger locks, to do everything possible to keep our children safe.

A century ago, President Theodore Roosevelt defined our "great, central task" as "leaving this land even a better land for our descendants than it is for us." Today, we're restoring the Florida Everglades, saving Yellowstone, preserving the red rock canyons of Utah, protecting California's redwoods and our precious coasts. But our most fateful new challenge is the threat of global warming; 1998 was the warmest year ever recorded. Last year's heat waves, floods, and storms are but a hint of what future generations may endure if we do not act now.

Tonight I propose a new clean air fund to help communities reduce greenhouse and other pollution, and tax incentives and investments to spur clean energy technology. And I want to work with Members of Congress in both parties to reward companies that take early, voluntary action to reduce greenhouse gases.

All our communities face a preservation challenge, as they grow and green space shrinks. Seven thousand acres of farmland and open space are lost every day. In response, I propose two major initiatives: First, a $1-billion livability agenda to help communities save open space, ease traffic congestion, and grow in ways that enhance every citizen's quality of life; and second, a $1-billion lands legacy initiative to preserve places of natural beauty all across America, from the most remote wilderness to the nearest city park.

These are truly landmark initiatives, which could not have been developed without the visionary leadership of the Vice President, and I want to thank him very much for his commitment here.

Now, to get the most out of your community, you have to give something back. That's why we created AmeriCorps, our national service program that gives today's generation a chance to serve their communities and earn money for college.

So far, in just 4 years, 100,000 young Americans have built low-income homes with Habitat for Humanity, helped to tutor children with churches, worked with FEMA to ease the burden of natural disasters, and performed countless other acts of service that have made America better. I ask Congress to give more young Americans the chance to follow their lead and serve America in AmeriCorps.

Now, we must work to renew our national community as well for the 21st century. Last year the House passed the bipartisan campaign finance reform legislation sponsored by Representatives Shays and Meehan and Senators McCain and Feingold. But a partisan minority in the Senate blocked reform. So I'd like to say to the House: Pass it again, quickly. And I'd like to say to the Senate: I hope you will say yes to a stronger American democracy in the year 2000.

Since 1997, our initiative on race has sought to bridge the divides between and among our people. In its report last fall, the initiative's advisory board found that Americans really do want to bring our people together across racial lines.

We know it's been a long journey. For some, it goes back to before the beginning of our Republic; for others, back since the Civil War; for others, throughout the 20th century. But for most of us alive today, in a very real sense, this journey began 43 years ago, when a woman named Rosa Parks sat down on a bus in Alabama and wouldn't get up. She's sitting down with the First Lady tonight, and she may get up or not, as she chooses. We thank her. [*Applause*] Thank you, Rosa.

We know that our continuing racial problems are aggravated, as the Presidential initiative said, by opportunity gaps. The initiative I've outlined tonight will help to close them. But we know that the discrimination gap has not been fully closed either. Discrimination or violence because of race or religion, ancestry or gender, disability or sexual orientation, is wrong, and it ought to be illegal. Therefore, I ask Congress to make the "Employment Non-Discrimination Act" and the "Hate Crimes Prevention Act" the law of the land.

Now, since every person in America counts, every American ought to be counted. We need a census that uses modern scientific methods to do that.

Our new immigrants must be part of our One America. After all, they're revitalizing our cities; they're energizing our culture; they're building up our economy. We have a responsibility to make them welcome here, and they have a responsibility to enter the mainstream of American life. That means learning English and learning about our democratic system of government. There are now long waiting lines of immigrants that are trying to do just that. Therefore, our budget significantly expands our efforts to help them meet their responsibility. I hope you will support it.

Whether our ancestors came here on the *Mayflower,* on slave ships, whether they came to Ellis Island or LAX in Los Angeles, whether they came yesterday or walked this land a thousand years ago, our great challenge for the 21st century is to find a way to be one America. We can meet all the other challenges if we can go forward as one America.

You know, barely more than 300 days from now, we will cross that bridge into the new millennium. This is a moment, as the First Lady has said, "to honor the past and imagine the future."

I'd like to take just a minute to honor her. For leading our Millennium Project, for all she's done for our children, for all she has done in her historic role to serve our Nation and our best ideals at home and abroad, I honor her. [*Applause*]

Last year, I called on Congress and every citizen to mark the millennium by saving America's treasures. Hillary has traveled all across the country to inspire recognition and support for saving places like Thomas Edison's invention factory or Harriet Tubman's home. Now we have to preserve our treasures in every community. And tonight, before I close, I want to invite every town, every city, every community to become a nationally recognized "millennium community" by launching projects that save our history, promote our arts and humanities, prepare our children for the 21st century.

Already, the response has been remarkable. And I want to say a special word of thanks to our private sector partners and to Members in Congress of both parties for their support. Just one example: Because of you, the Star-Spangled Banner will be preserved for the ages. In ways large and small, as we look to the millennium we are keeping alive what George Washington called "the sacred fire of liberty."

Six years ago, I came to office in a time of doubt for America, with our economy troubled, our deficit high, our people divided. Some even wondered whether our best days were behind us. But across this country, in a thousand neighborhoods, I have seen, even amidst the pain and uncertainty of recession, the real heart and character of America. I knew then that we Americans could renew this country.

Tonight, as I deliver the last State of the Union Address of the 20th century, no one anywhere in the world can doubt the enduring resolve and boundless capacity of the American people to work toward that "more perfect Union" of our Founders' dream.

We're now at the end of a century when generation after generation of Americans answered the call to greatness, overcoming depression, lifting up the disposed, bringing down barriers to racial prejudice, building the largest middle class in history, winning two World Wars and the long twilight struggle of the cold war. We must all be profoundly grateful for the magnificent achievement of our forebears in this century. Yet perhaps, in the daily press of events, in the clash of controversy, we don't see our own time for what it truly is, a new dawn for America.

A hundred years from tonight, another American President will stand in this place and report on the state of the Union. He—or she—he or she will look back on a 21st century shaped in so many ways by the decisions we make here and now. So let it be said of us then that we were thinking not only of our time but of their time, that we reached as high as our ideals, that we put aside our divisions and found a new hour of healing and hopefulness, that we joined together to serve and strengthen the land we love.

My fellow Americans, this is our moment. Let us lift our eyes as one Nation, and from the mountaintop of this American Century, look ahead to the next one, asking God's blessing on our endeavors and on our beloved country.

Thank you, and good evening.

January 27, 2000

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

We are fortunate to be alive at this moment in history. Never before has our Nation enjoyed, at once, so much prosperity and social progress with so little internal crisis and so few external threats. Never before have we had such a blessed opportunity and, therefore, such a profound obligation to build the more perfect Union of our Founders' dreams.

We begin the new century with over 20 million new jobs; the fastest economic growth in more than 30 years; the lowest unemployment rates in 30 years; the lowest poverty rates in 20 years; the lowest African-American and Hispanic unemployment rates on record; the first back-to-back surpluses in 42 years; and next month, America will achieve the longest period of economic growth in our entire history. We have built a new economy.

And our economic revolution has been matched by a revival of the American spirit: crime down by 20 percent, to its lowest level in 25 years; teen births down 7 years in a row; adoptions up by 30 percent; welfare rolls cut in half, to their lowest levels in 30 years.

My fellow Americans, the state of our Union is the strongest it has ever been.

As always, the real credit belongs to the American people. My gratitude also goes to those of you in this Chamber who have worked with us to put progress over partisanship.

Eight years ago, it was not so clear to most Americans there would be much to celebrate in the year 2000. Then our Nation was gripped by economic distress, social decline, political gridlock. The title of a best-selling book asked: "America: What Went Wrong?"

In the best traditions of our Nation, Americans determined to set things right. We restored the vital center, replacing outmoded ideologies with a new vision anchored in basic, enduring values: opportunity for all, responsibility from all, a community of all Americans. We reinvented Government, transforming it into a catalyst for new ideas that stress both opportunity and responsibility and give our people the tools they need to solve their own problems.

With the smallest Federal work force in 40 years, we turned record deficits into record surpluses and doubled our investment in education. We cut crime with 100,000 community police and the Brady law, which has kept guns out of the hands of half a million criminals.

We ended welfare as we knew it, requiring work while protecting health care and nutrition for children and investing more in child care, transportation, and housing to help their parents go to work. We've helped parents to succeed at home and at work with family leave, which 20 million Americans have now used to care for a newborn child or a sick loved one. We've engaged 150,000 young Americans in citizen service through AmeriCorps, while helping them earn money for college.

In 1992, we just had a roadmap. Today, we have results.

Even more important, America again has the confidence to dream big dreams. But we must not let this confidence drift into complacency. For we, all of us, will be judged by the dreams and deeds we pass on to our children. And on that score, we will be held to a high standard, indeed, because our chance to do good is so great.

My fellow Americans, we have crossed the bridge we built to the 21st century. Now, we must shape a 21st century American revolution of opportunity, responsibility, and community. We must be now, as we were in the beginning, a new nation.

At the dawn of the last century, Theodore Roosevelt said, "The one characteristic more essential than any other is foresight . . . it should be the growing Nation with a future that takes the long look ahead." So tonight let us take our long look ahead and set great goals for our Nation.

To 21st century America, let us pledge these things: Every child will begin school ready to learn and graduate ready to succeed. Every family will be able to succeed at home and at work, and no child will be raised in poverty. We will meet the challenge of the aging of America. We will assure quality, affordable health care, at last, for all Americans. We will make America the safest big country on Earth. We will pay off our national debt for the first time since 1835.\* We will bring prosperity to every American community. We will reverse the course of climate change and leave a safer, cleaner planet. America will lead the world toward shared peace and prosperity and the far frontiers of science and technology. And we will become at last what our Founders pledged us to be so long ago: One Nation, under God, indivisible, with liberty and justice for all.

These are great goals, worthy of a great nation. We will not reach them all this year, not even in this decade. But we will reach them. Let us remember that the first American Revolution was not won with a single shot; the continent was not settled in a single year. The lesson of our history and the lesson of the last 7 years is that great goals are reached step by step, always building on our progress, always gaining ground.

Of course, you can't gain ground if you're standing still. And for too long this Congress has been standing still on some of our most pressing national priorities. So let's begin tonight with them.

Again, I ask you to pass a real Patients' Bill of Rights. I ask you to pass commonsense gun safety legislation. I ask you to pass campaign finance reform. I ask you to vote up or down on judicial nominations and other important appointees. And again, I ask you—I implore you to raise the minimum wage.

Now, 2 years ago—let me try to balance the seesaw here—[*laughter*]—2 years ago, as we reached across party lines to reach our first balanced budget, I asked that we meet our responsibility to the next generation by maintaining our fiscal discipline. Because we refused to stray from that path, we are doing something that would have seemed unimaginable 7 years ago. We are actually paying down the national debt. Now, if we stay on this path, we can pay down the debt entirely in just 13 years now and make America debt-free for the first time since Andrew Jackson was President in 1835.

In 1993 we began to put our fiscal house in order with the Deficit Reduction Act, which you'll all remember won passages in both Houses by just a single vote. Your former colleague, my first Secretary of the Treasury, led that effort and sparked our long boom. He's here with us tonight. Lloyd Bentsen, you have served America well, and we thank you.

Beyond paying off the debt, we must ensure that the benefits of debt reduction go to preserving two of the most important guarantees we make to every American, Social Security and Medicare. Tonight I ask you to work with me to make a bipartisan downpayment on Social Security reform by crediting the interest savings from debt reduction to the Social Security Trust Fund so that it will be strong and sound for the next 50 years.

But this is just the start of our journey. We must also take the right steps toward reaching our great goals. First and foremost, we need a 21st century revolution in education, guided by our faith that every single child can learn. Because education is more important than ever, more than ever the key to our children's future, we must make sure all our children have that key. That means quality preschool and afterschool, the best trained teachers in the classroom, and college opportunities for all our children.

For 7 years now, we've worked hard to improve our schools, with opportunity and responsibility, investing more but demanding more in turn. Reading, math, college entrance scores are up. Some of the most impressive gains are in schools in very poor neighborhoods.

But all successful schools have followed the same proven formula: higher standards, more accountability, and extra help so children who need it can get it to reach those standards. I have sent Congress a reform plan based on that formula. It holds States and school districts accountable for progress and rewards them for results. Each year, our National Government invests more than $15 billion in our schools. It is time to support what works and stop supporting what doesn't.

Now, as we demand more from our schools, we should also invest more in our schools. Let's double our investment to help States and districts turn around their worst performing schools or shut them down. Let's double our investments in after-school and summer school programs, which boost achievement and keep people off the streets and out of trouble. If we do this, we can give every single child in every failing school in America—everyone—the chance to meet high standards.

Since 1993, we've nearly doubled our investment in Head Start and improved its quality. Tonight I ask you for another $1 billion for Head Start, the largest increase in the history of the program.

We know that children learn best in smaller classes with good teachers. For 2 years in a row, Congress has supported my plan to hire 100,000 new qualified teachers to lower class size in the early grades. I thank you for that, and I ask you to make it 3 in a row. And to make sure all teachers know the subjects they teach, tonight I propose a new teacher quality initiative, to recruit more talented people into the classroom, reward good teachers for staying there, and give all teachers the training they need.

We know charter schools provide real public school choice. When I became President, there was just one independent public charter school in all America. Today, thanks to you, there are 1,700. I ask you now to help us meet our goal of 3,000 charter schools by next year.

We know we must connect all our classrooms to the Internet, and we're getting there. In 1994, only 3 percent of our classrooms were connected. Today, with the help of the Vice President's E-rate program, more than half of them are, and 90 percent of our schools have at least one Internet connection. But we cannot finish the job when a third of all our schools are in serious disrepair. Many of them have walls and wires so old, they're too old for the Internet. So tonight I propose to help 5,000 schools a year make immediate and urgent repairs and, again, to help build or modernize 6,000 more, to get students out of trailers and into high-tech classrooms.

I ask all of you to help me double our bipartisan GEAR UP program, which provides mentors for disadvantaged young people. If we double it, we can provide mentors for 1.4 million of them. Let's also offer these kids from disadvantaged backgrounds the same chance to take the same college test-prep courses wealthier students use to boost their test scores.

To make the American dream achievable for all, we must make college affordable for all. For 7 years, on a bipartisan basis, we have taken action toward that goal: larger Pell grants, more affordable student loans, education IRA's, and our HOPE scholarships, which have already benefited 5 million young people.

Now, 67 percent of high school graduates are going on to college. That's up 10 percent since 1993. Yet millions of families still strain to pay college tuition. They need help. So I propose a landmark $30 billion college opportunity tax cut, a middle class tax deduction for up to $10,000 in college tuition costs. The previous actions of this Congress have already made 2 years of college affordable for all. It's time make 4 years of college affordable for all. If we take all these steps, we'll move a long way toward making sure every child starts school ready to learn and graduates ready to succeed.

We also need a 21st century revolution to reward work and strengthen families by giving every parent the tools to succeed at work and at the most important work of all, raising children. That means making sure every family has health care and the support to care for aging parents, the tools to bring their children up right, and that no child grows up in poverty.

From my first days as President, we've worked to give families better access to better health care. In 1997, we passed the Children's Health Insurance Program—CHIP—so that workers who don't have coverage through their employers at least can get it for their children. So far, we've enrolled 2 million children. We're well on our way to our goal of 5 million.

But there are still more than 40 million of our fellow Americans without health insurance, more than there were in 1993. Tonight I propose that we follow Vice President Gore's suggestion to make low income parents eligible for the insurance that covers their children. Together with our children's initiative—think of this—together with our children's initiative, this action would enable us to cover nearly a quarter of all the uninsured people in America.

Again, I want to ask you to let people between the ages of 55 and 65, the fastest growing group of uninsured, buy into Medicare. And this year I propose to give them a tax credit to make that choice an affordable one. I hope you will support that, as well.

When the baby boomers retire, Medicare will be faced with caring for twice as many of our citizens; yet, it is far from ready to do so. My generation must not ask our children's generation to shoulder our burden. We simply must act now to strengthen and modernize Medicare.

My budget includes a comprehensive plan to reform Medicare, to make it more efficient and more competitive. And it dedicates nearly $400 billion of our budget surplus to keep Medicare solvent past 2025. And at long last, it also provides funds to give every senior a voluntary choice of affordable coverage for prescription drugs.

Lifesaving drugs are an indispensable part of modern medicine. No one creating a Medicare program today would even think of excluding coverage for prescription drugs. Yet more than three in five of our seniors now lack dependable drug coverage which can lengthen and enrich their lives. Millions of older Americans, who need prescription drugs the most, pay the highest prices for them. In good conscience, we cannot let another year pass without extending to all our seniors this lifeline of affordable prescription drugs.

Record numbers of Americans are providing for aging or ailing loved ones at home. It's a loving but a difficult and often very expensive choice. Last year, I proposed a $1,000 tax credit for long-term care. Frankly, it wasn't enough. This year, let's triple it to $3,000. But this year, let's pass it.

We also have to make needed investments to expand access to mental health care. I want to take a moment to thank the person who led our first White House Conference on Mental Health last year and who for 7 years has led all our efforts to break down the barriers to decent treatment of people with mental illness. Thank you, Tipper Gore.

Taken together, these proposals would mark the largest investment in health care in the 35 years since Medicare was created—the largest investment in 35 years. That would be a big step toward assuring quality health care for all Americans, young and old. And I ask you to embrace them and pass them.

We must also make investments that reward work and support families. Nothing does that better than the earned-income tax credit, the EITC. The "E" in the EITC is about earning, working, taking responsibility, and being rewarded for it. In my very first address to you, I asked Congress to greatly expand this credit, and you did. As a result, in 1998 alone, the EITC helped more than 4.3 million Americans work their way out of poverty toward the middle class. That's double the number in 1993.

Tonight I propose another major expansion of the EITC: to reduce the marriage penalty, to make sure it rewards marriage as it rewards work, and also to expand the tax credit for families that have more than two children. It punishes people with more than two children today. Our proposal would allow families with three or more children to get up to $1,100 more in tax relief. These are working families; their children should not be in poverty.

We also can't reward work and family unless men and women get equal pay for equal work. Today the female unemployment rate is the lowest it has been in 46 years. Yet, women still only earn about 75 cents for every dollar men earn. We must do better, by providing the resources to enforce present equal pay laws, training more women for high-paying, high-tech jobs, and passing the "Paycheck Fairness Act."

Many working parents spend up to a quarter—a quarter—of their income on child care. Last year, we helped parents provide child care for about 2 million children. My child care initiative before you now, along with funds already secured in welfare reform, would make child care better, safer, and more affordable for another 400,000 children. I ask you to pass that. They need it out there.

For hard-pressed middle income families, we should also expand the child care tax credit. And I believe strongly we should take the next big step and make that tax credit refundable for low income families. For people making under $30,000 a year, that could mean up to $2,400 for child care costs. You know, we all say we're pro-work and pro-family. Passing this proposal would prove it.

Ten of millions of Americans live from paycheck to paycheck. As hard as they work, they still don't have the opportunity to save. Too few can make use of IRA's and 401k plans. We should do more to help all working families save and accumulate wealth. That's the idea behind the Individual Development Accounts, the IDA's. I ask you to take that idea to a new level, with new retirement savings accounts that enable every low and moderate income family in America to save for retirement, a first home, a medical emergency, or a college education. I propose to match their contributions, however small, dollar for dollar, every year they save. And I propose to give a major new tax credit to any small business that will provide a meaningful pension to its workers. Those people ought to have retirement as well as the rest of us.

Nearly one in three American children grows up without a father. These children are 5 times more likely to live in poverty than children with both parents at home. Clearly, demanding and supporting responsible fatherhood is critical to lifting all our children out of poverty. We've doubled child support collections since 1992. And I'm proposing to you tough new measures to hold still more fathers responsible.

But we should recognize that a lot of fathers want to do right by their children but need help to do it. Carlos Rosas of St. Paul, Minnesota, wanted to do right by his son, and he got the help to do it. Now he's got a good job, and he supports his little boy. My budget will help 40,000 more fathers make the same choices Carlos Rosas did. I thank him for being here tonight. Stand up, Carlos. [*Applause*] Thank you.

If there is any single issue on which we should be able to reach across party lines, it is in our common commitment to reward work and strengthen families. Just remember what we did last year. We came together to help people with disabilities keep their health insurance when they go to work. And I thank you for that. Thanks to overwhelming bipartisan support from this Congress, we have improved foster care. We've helped those young people who leave it when they turn 18, and we have dramatically increased the number of foster care children going into adoptive homes. I thank all of you for all of that.

Of course, I am forever grateful to the person who has led our efforts from the beginning and who's worked so tirelessly for children and families for 30 years now, my wife, Hillary, and I thank her.

If we take the steps just discussed, we can go a long, long way toward empowering parents to succeed at home and at work and ensuring that no child is raised in poverty. We can make these vital investments in health care, education, support for working families, and still offer tax cuts to help pay for college, for retirement, to care for aging parents, to reduce the marriage penalty. We can do these things without forsaking the path of fiscal discipline that got us to this point here tonight. Indeed, we must make these investments and these tax cuts in the context of a balanced budget that strengthens and extends the life of Social Security and Medicare and pays down the national debt.

Crime in America has dropped for the past 7 years—that's the longest decline on record— thanks to a national consensus we helped to forge on community police, sensible gun safety laws, and effective prevention. But nobody, nobody here, nobody in America believes we're safe enough. So again, I ask you to set a higher goal. Let's make this country the safest big country in the world.

Last fall, Congress supported my plan to hire, in addition to the 100,000 community police we've already funded, 50,000 more, concentrated in high-crime neighborhoods. I ask your continued support for that.

Soon after the Columbine tragedy, Congress considered commonsense gun legislation, to require Brady background checks at the gun shows, child safety locks for new handguns, and a ban on the importation of large capacity ammunition clips. With courage and a tie-breaking vote by the Vice President—[*laughter*]—the Senate faced down the gun lobby, stood up for the American people, and passed this legislation. But the House failed to follow suit.

Now, we have all seen what happens when guns fall into the wrong hands. Daniel Mauser was only 15 years old when he was gunned down at Columbine. He was an amazing kid, a straight-A student, a good skier. Like all parents who lose their children, his father, Tom, has borne unimaginable grief. Somehow he has found the strength to honor his son by transforming his grief into action. Earlier this month, he took a leave of absence from his job to fight for tougher gun safety laws. I pray that his courage and wisdom will at long last move this Congress to make commonsense gun legislation the very next order of business. Tom Mauser, stand up. We thank you for being here tonight. Tom. Thank you, Tom. [*Applause*]

We must strengthen our gun laws and enforce those already on the books better. Federal gun crime prosecutions are up 16 percent since I took office. But we must do more. I propose to hire more Federal and local gun prosecutors and more ATF agents to crack down on illegal gun traffickers and bad-apple dealers. And we must give them the enforcement tools that they need, tools to trace every gun and every bullet used in every gun crime in the United States. I ask you to help us do that.

Every State in this country already requires hunters and automobile drivers to have a license. I think they ought to do the same thing for handgun purchases. Now, specifically, I propose a plan to ensure that all new handgun buyers must first have a photo license from their State showing they passed the Brady background check and a gun safety course, before they get the gun. I hope you'll help me pass that in this Congress.

Listen to this—listen to this. The accidental gun rate—the accidental gun death rate of children under 15 in the United States is 9 times higher than in the other 25 industrialized countries combined. Now, technologies now exist that could lead to guns that can only be fired by the adults who own them. I ask Congress to fund research into smart gun technology to save these children's lives. I ask responsible leaders in the gun industry to work with us on smart guns and other steps to keep guns out of the wrong hands, to keep our children safe.

You know, every parent I know worries about the impact of violence in the media on their children. I want to begin by thanking the entertainment industry for accepting my challenge to put voluntary ratings on TV programs and video and Internet games. But frankly, the ratings are too numerous, diverse, and confusing to be really useful to parents. So tonight I ask the industry to accept the First Lady's challenge to develop a single voluntary rating system for all children's entertainment that is easier for parents to understand and enforce.

The steps I outline will take us well on our way to making America the safest big country in the world.

Now, to keep our historic economic expansion going, the subject of a lot of discussion in this community and others, I believe we need a 21st century revolution to open new markets, start new businesses, hire new workers right here in America, in our inner cities, poor rural areas, and Native American reservations.

Our Nation's prosperity hasn't yet reached these places. Over the last 6 months, I've traveled to a lot of them, joined by many of you and many far-sighted business people, to shine a spotlight on the enormous potential in communities from Appalachia to the Mississippi Delta, from Watts to the Pine Ridge Reservation. Everywhere I go, I meet talented people eager for opportunity and able to work. Tonight I ask you, let's put them to work. For business, it's the smart thing to do. For America, it's the right thing to do. And let me ask you something: If we don't do this now, when in the wide world will we ever get around to it?

So I ask Congress to give businesses the same incentives to invest in America's new markets they now have to invest in markets overseas. Tonight I propose a large new markets tax credit and other incentives to spur $22 billion in private-sector capital to create new businesses and new investments in our inner cities and rural areas. Because empowerment zones have been creating these opportunities for 5 years now, I also ask you to increase incentives to invest in them and to create more of them.

And let me say to all of you again what I have tried to say at every turn: This is not a Democratic or a Republican issue. Giving people a chance to live their dreams is an American issue.

Mr. Speaker, it was a powerful moment last November when you joined Reverend Jesse Jackson and me in your home State of Illinois and committed to working toward our common goal by combining the best ideas from both sides of the aisle. I want to thank you again and to tell you, Mr. Speaker, I look forward to working with you. This is a worthy joint endeavor. Thank you.

I also ask you to make special efforts to address the areas of our Nation with the highest rates of poverty, our Native American reservations and the Mississippi Delta. My budget includes a $110 million initiative to promote economic development in the Delta and a billion dollars to increase economic opportunity, health care, education, and law enforcement for our Native American communities. We should begin this new century by honoring our historic responsibility to empower the first Americans. And I want to thank tonight the leaders and the members from both parties who've expressed to me an interest in working with us on these efforts. They are profoundly important.

There's another part of our American community in trouble tonight, our family farmers. When I signed the farm bill in 1996, I said there was great danger it would work well in good times but not in bad. Well, droughts, floods, and historically low prices have made these times very bad for the farmers. We must work together to strengthen the farm safety net, invest in land conservation, and create some new markets for them by expanding our programs for bio-based fuels and products. Please, they need help. Let's do it together.

Opportunity for all requires something else today, having access to a computer and knowing how to use it. That means we must close the digital divide between those who've got the tools and those who don't. Connecting classrooms and libraries to the Internet is crucial, but it's just a start. My budget ensures that all new teachers are trained to teach 21st century skills, and it creates technology centers in 1,000 communities to serve adults. This spring, I'll invite high-tech leaders to join me on another new markets tour, to close the digital divide and open opportunity for our people. I want to thank the high-tech companies that already are doing so much in this area. I hope the new tax incentives I have proposed will get all the rest of them to join us. This is a national crusade. We have got to do this and do it quickly.

Now, again I say to you, these are steps, but step by step, we can go a long way toward our goal of bringing opportunity to every community.

To realize the full possibilities of this economy, we must reach beyond our own borders to shape the revolution that is tearing down barriers and building new networks among nations and individuals and economies and cultures: globalization. It's the central reality of our time.

Of course, change this profound is both liberating and threatening to people. But there's no turning back. And our open, creative society stands to benefit more than any other if we understand and act on the realities of interdependence. We have to be at the center of every vital global network, as a good neighbor and a good partner. We have to recognize that we cannot build our future without helping others to build theirs.

The first thing we have got to do is to forge a new consensus on trade. Now, those of us who believe passionately in the power of open trade, we have to ensure that it lifts both our living standards and our values, never tolerating abusive child labor or a race to the bottom in the environment and worker protection. But others must recognize that open markets and rule-based trade are the best engines we know of for raising living standards, reducing global poverty and environmental destruction, and assuring the free flow of ideas.

I believe, as strongly tonight as I did the first day I got here, the only direction forward for America on trade—the only direction for America on trade is to keep going forward. I ask you to help me forge that consensus. We have to make developing economies our partners in prosperity. That's why I would like to ask you again to finalize our groundbreaking African and Caribbean Basin trade initiatives.

But globalization is about more than economics. Our purpose must be to bring together the world around freedom and democracy and peace and to oppose those who would tear it apart. Here are the fundamental challenges I believe America must meet to shape the 21st century world.

First, we must continue to encourage our former adversaries, Russia and China, to emerge as stable, prosperous, democratic nations. Both are being held back today from reaching their full potential: Russia by the legacy of communism, an economy in turmoil, a cruel and self-defeating war in Chechnya; China by the illusion that it can buy stability at the expense of freedom.

But think how much has changed in the past decade: 5,000 former Soviet nuclear weapons taken out of commission; Russian soldiers actually serving with ours in the Balkans; Russian people electing their leaders for the first time in 1,000 years; and in China, an economy more open to the world than ever before.

Of course, no one, not a single person in this Chamber tonight can know for sure what direction these great nations will take. But we do know for sure that we can choose what we do. And we should do everything in our power to increase the chance that they will choose wisely, to be constructive members of our global community.

That's why we should support those Russians who are struggling for a democratic, prosperous future; continue to reduce both our nuclear arsenals; and help Russia to safeguard weapons and materials that remain.

And that's why I believe Congress should support the agreement we negotiated to bring China into the WTO, by passing permanent normal trade relations with China as soon as possible this year. I think you ought to do it for two reasons: First of all, our markets are already open to China; this agreement will open China's markets to us. And second, it will plainly advance the cause of peace in Asia and promote the cause of change in China. No, we don't know where it's going. All we can do is decide what we're going to do. But when all is said and done, we need to know we did everything we possibly could to maximize the chance that China will choose the right future.

A second challenge we've got is to protect our own security from conflicts that pose the risk of wider war and threaten our common humanity. We can't prevent every conflict or stop every outrage. But where our interests are at stake and we can make a difference, we should be, and we must be, peacemakers.

We should be proud of our role in bringing the Middle East closer to a lasting peace, building peace in Northern Ireland, working for peace in East Timor and Africa, promoting reconciliation between Greece and Turkey and in Cyprus, working to defuse these crises between India and Pakistan, in defending human rights and religious freedom. And we should be proud of the men and women of our Armed Forces and those of our allies who stopped the ethnic cleansing in Kosovo, enabling a million people to return to their homes.

When Slobodan Milosevic unleashed his terror on Kosovo, Captain John Cherrey was one of the brave airmen who turned the tide. And when another American plane was shot down over Serbia, he flew into the teeth of enemy air defenses to bring his fellow pilot home. Thanks to our Armed Forces' skill and bravery, we prevailed in Kosovo without losing a single American in combat. I want to introduce Captain Cherrey to you. We honor Captain Cherrey, and we promise you, Captain, we'll finish the job you began. Stand up so we can see you. [*Applause*]

A third challenge we have is to keep this inexorable march of technology from giving terrorists and potentially hostile nations the means to undermine our defenses. Keep in mind, the same technological advances that have shrunk cell phones to fit in the palms of our hands can also make weapons of terror easier to conceal and easier to use.

We must meet this threat by making effective agreements to restrain nuclear and missile programs in North Korea, curbing the flow of lethal technology to Iran, preventing Iraq from threatening its neighbors, increasing our preparedness against chemical and biological attack, protecting our vital computer systems from hackers and criminals, and developing a system to defend against new missile threats, while working to preserve our ABM missile treaty with Russia. We must do all these things.

I predict to you, when most of us are long gone but some time in the next 10 to 20 years, the major security threat this country will face will come from the enemies of the nation-state, the narcotraffickers and the terrorists and the organized criminals who will be organized together, working together, with increasing access to ever more sophisticated chemical and biological weapons. And I want to thank the Pentagon and others for doing what they're doing right now to try to help protect us and plan for that, so that our defenses will be strong. I ask for your support to ensure they can succeed.

I also want to ask you for a constructive bipartisan dialog this year to work to build a consensus which I hope will eventually lead to the ratification of the Comprehensive Nuclear-Test-Ban Treaty.

I hope we can also have a constructive effort to meet the challenge that is presented to our planet by the huge gulf between rich and poor. We cannot accept a world in which part of humanity lives on the cutting edge of a new economy and the rest live on the bare edge of survival. I think we have to do our part to change that with expanded trade, expanded aid, and the expansion of freedom.

This is interesting: From Nigeria to Indonesia, more people got the right to choose their leaders in 1999 than in 1989, when the Berlin Wall fell. We've got to stand by these democracies, including and especially tonight Colombia, which is fighting narcotraffickers, for its own people's lives and our children's lives. I have proposed a strong 2-year package to help Colombia win this fight. I want to thank the leaders in both parties in both Houses for listening to me and the President of Colombia about it. We have got to pass this. I want to ask your help. A lot is riding on it. And it's so important for the long-term stability of our country and for what happens in Latin America.

I also want you to know I'm going to send you new legislation to go after what these drug barons value the most, their money. And I hope you'll pass that as well.

In a world where over a billion people live on less than a dollar a day, we also have got to do our part in the global endeavor to reduce the debts of the poorest countries, so they can invest in education, health care, and economic growth. That's what the Pope and other religious leaders have urged us to do. And last year, Congress made a downpayment on America's share. I ask you to continue that. I thank you for what you did and ask you to stay the course.

I also want to say that America must help more nations to break the bonds of disease. Last year in Africa, 10 times as many people died from AIDS as were killed in wars—10 times. The budget I give you invests $150 million more in the fight against this and other infectious killers. And today I propose a tax credit to speed the development of vaccines for diseases like malaria, TB, and AIDS. I ask the private sector and our partners around the world to join us in embracing this cause. We can save millions of lives together, and we ought to do it.

I also want to mention our final challenge, which, as always, is the most important. I ask you to pass a national security budget that keeps our military the best trained and best equipped in the world, with heightened readiness and 21st century weapons, which raises salaries for our service men and women, which protects our veterans, which fully funds the diplomacy that keeps our soldiers out of war, which makes good on our commitment to our U.N. dues and arrears. I ask you to pass this budget.

I also want to say something, if I might, very personal tonight. The American people watching us at home, with the help of all the commentators, can tell, from who stands and who sits and who claps and who doesn't, that there's still modest differences of opinion in this room. [*Laughter*] But I want to thank you for something, every one of you. I want to thank you for the extraordinary support you have given, Republicans and Democrats alike, to our men and women in uniform. I thank you for that.

I also want to thank, especially, two people. First, I want to thank our Secretary of Defense, Bill Cohen, for symbolizing our bipartisan commitment to national security. Thank you, sir. Even more, I want to thank his wife, Janet, who, more than any other American citizen, has tirelessly traveled this world to show the support we all feel for our troops. Thank you, Janet Cohen. I appreciate that. Thank you.

These are the challenges we have to meet so that we can lead the world toward peace and freedom in an era of globalization.

I want to tell you that I am very grateful for many things as President. But one of the things I'm grateful for is the opportunity that the Vice President and I have had to finally put to rest the bogus idea that you cannot grow the economy and protect the environment at the same time.

As our economy has grown, we've rid more than 500 neighborhoods of toxic waste, ensured cleaner air and water for millions of people. In the past 3 months alone, we've helped preserve 40 million acres of roadless lands in the national forests, created three new national monuments.

But as our communities grow, our commitment to conservation must continue to grow. Tonight I propose creating a permanent conservation fund, to restore wildlife, protect coastlines, save natural treasures, from the California redwoods to the Florida Everglades. This lands legacy endowment would represent by far the most enduring investment in land preservation ever proposed in this House. I hope we can get together with all the people with different ideas and do this. This is a gift we should give to our children and our grandchildren for all time, across party lines. We can make an agreement to do this.

Last year the Vice President launched a new effort to make communities more liberal—livable—[*laughter*]—liberal, I know. [*Laughter*] Wait a minute, I've got a punchline now. That's this year's agenda; last year was livable, right? [*Laughter*] That's what Senator Lott is going to say in the commentary afterwards—[*laughter*]—to make our communities more livable. This is big business. This is a big issue. What does that mean? You ask anybody that lives in an unlivable community, and they'll tell you. They want their kids to grow up next to parks, not parking lots; the parents don't have to spend all their time stalled in traffic when they could be home with their children.

Tonight I ask you to support new funding for the following things, to make American communities more liberal—livable. [*Laughter*] I've done pretty well with this speech, but I can't say that.

One, I want you to help us to do three things. We need more funding for advanced transit systems. We need more funding for saving open spaces in places of heavy development. And we need more funding—this ought to have bipartisan appeal—we need more funding for helping major cities around the Great Lakes protect their waterways and enhance their quality of life. We need these things, and I want you to help us.

The greatest environmental challenge of the new century is global warming. The scientists tell us the 1990's were the hottest decade of the entire millennium. If we fail to reduce the emission of greenhouse gases, deadly heat waves and droughts will become more frequent, coastal areas will flood, and economies will be disrupted. That is going to happen, unless we act.

Many people in the United States, some people in this Chamber, and lots of folks around the world still believe you cannot cut greenhouse gas emissions without slowing economic growth. In the industrial age, that may well have been true. But in this digital economy, it is not true anymore. New technologies make it possible to cut harmful emissions and provide even more growth.

For example, just last week, automakers unveiled cars that get 70 to 80 miles a gallon, the fruits of a unique research partnership between Government and industry. And before you know it, efficient production of bio-fuels will give us the equivalent of hundreds of miles from a gallon of gasoline.

To speed innovation in these kind of technologies, I think we should give a major tax incentive to business for the production of clean energy and to families for buying energy-saving homes and appliances and the next generation of superefficient cars when they hit the showroom floor. I also ask the auto industry to use the available technologies to make all new cars more fuel-efficient right away.

And I ask this Congress to do something else. Please help us make more of our clean energy technology available to the developing world. That will create cleaner growth abroad and a lot more new jobs here in the United States of America.

In the new century, innovations in science and technology will be key not only to the health of the environment but to miraculous improvements in the quality of our lives and advances in the economy. Later this year, researchers will complete the first draft of the entire human genome, the very blueprint of life. It is important for all our fellow Americans to recognize that Federal tax dollars have funded much of this research and that this and other wise investments in science are leading to a revolution in our ability to detect, treat, and prevent disease.

For example, researchers have identified genes that cause Parkinson's, diabetes, and certain kinds of cancer. They are designing precision therapies that will block the harmful effect of these genes for good. Researchers already are using this new technique to target and destroy cells that cause breast cancer. Soon, we may be able to use it to prevent the onset of Alzheimer's. Scientists are also working on an artificial retina to help many blind people to see and—listen to this—microchips that would actually directly stimulate damaged spinal cords in a way that could allow people now paralyzed to stand up and walk.

These kinds of innovations are also propelling our remarkable prosperity. Information technology only includes 8 percent of our employment but now accounts for a third of our economic growth along with jobs that pay, by the way, about 80 percent above the private sector average. Again, we ought to keep in mind, Government-funded research brought supercomputers, the Internet, and communications satellites into being. Soon researchers will bring us devices that can translate foreign languages as fast as you can talk, materials 10 times stronger than steel at a fraction of the weight, and— this is unbelievable to me—molecular computers the size of a teardrop with the power of today's fastest supercomputers.

To accelerate the march of discovery across all these disciplines in science and technology, I ask you to support my recommendation of an unprecedented $3 billion in the 21st century research fund, the largest increase in civilian research in a generation. We owe it to our future.

Now, these new breakthroughs have to be used in ways that reflect our values. First and foremost, we have to safeguard our citizens' privacy. Last year we proposed to protect every citizen's medical record. This year we will finalize those rules. We've also taken the first steps to protect the privacy of bank and credit card records and other financial statements. Soon I will send legislation to you to finish that job. We must also act to prevent any genetic discrimination whatever by employers or insurers. I hope you will support that.

These steps will allow us to lead toward the far frontiers of science and technology. They will enhance our health, the environment, the economy in ways we can't even imagine today. But we all know that at a time when science, technology, and the forces of globalization are bringing so many changes into all our lives, it's more important than ever that we strengthen the bonds that root us in our local communities and in our national community.

No tie binds different people together like citizen service. There's a new spirit of service in America, a movement we've tried to support with AmeriCorps, expanded Peace Corps, unprecedented new partnerships with businesses, foundations, community groups; partnerships, for example, like the one that enlisted 12,000 companies which have now moved 650,000 of our fellow citizens from welfare to work; partnerships to battle drug abuse, AIDS, teach young people to read, save America's treasures, strengthen the arts, fight teen pregnancy, prevent violence among young people, promote racial healing. The American people are working together.

But we should do more to help Americans help each other. First, we should help faithbased organizations to do more to fight poverty and drug abuse and help people get back on the right track, with initiatives like Second Chance Homes that do so much to help unwed teen mothers. Second, we should support Americans who tithe and contribute to charities but don't earn enough to claim a tax deduction for it. Tonight I propose new tax incentives that would allow low and middle income citizens who don't itemize to get that deduction. It's nothing but fair, and it will get more people to give.

We should do more to help new immigrants to fully participate in our community. That's why I recommend spending more to teach them civics and English. And since everybody in our community counts, we've got to make sure everyone is counted in this year's census.

Within 10 years—just 10 years—there will be no majority race in our largest State of California. In a little more than 50 years, there will be no majority race in America. In a more interconnected world, this diversity can be our greatest strength. Just look around this Chamber. Look around. We have Members in this Congress from virtually every racial, ethnic, and religious background. And I think you would agree that America is stronger because of it. [*Applause*]

You also have to agree that all those differences you just clapped for all too often spark hatred and division even here at home. Just in the last couple of years, we've seen a man dragged to death in Texas just because he was black. We saw a young man murdered in Wyoming just because he was gay. Last year we saw the shootings of African-Americans, Asian-Americans, and Jewish children just because of who they were. This is not the American way, and we must draw the line.

I ask you to draw that line by passing without delay the "Hate Crimes Prevention Act" and the "Employment Non-Discrimination Act." And I ask you to reauthorize the Violence Against Women Act.

Finally tonight, I propose the largest ever investment in our civil rights laws for enforcement, because no American should be subjected to discrimination in finding a home, getting a job, going to school, or securing a loan. Protections in law should be protections in fact.

Last February, because I thought this was so important, I created the White House Office of One America to promote racial reconciliation. That's what one of my personal heroes, Hank Aaron, has done all his life. From his days as our all-time home run king to his recent acts of healing, he has always brought people together. We should follow his example, and we're honored to have him with us tonight. Stand up, Hank Aaron. [*Applause*]

I just want to say one more thing about this, and I want every one of you to think about this the next time you get mad at one of your colleagues on the other side of the aisle. This fall, at the White House, Hillary had one of her millennium dinners, and we had this very distinguished scientist there, who is an expert in this whole work in the human genome. And he said that we are all, regardless of race, genetically 99.9 percent the same.

Now, you may find that uncomfortable when you look around here. [*Laughter*] But it is worth remembering. We can laugh about this, but you think about it. Modern science has confirmed what ancient faiths have always taught: the most important fact of life is our common humanity. Therefore, we should do more than just tolerate our diversity; we should honor it and celebrate it.

My fellow Americans, every time I prepare for the State of the Union, I approach it with hope and expectation and excitement for our Nation. But tonight is very special, because we stand on the mountaintop of a new millennium. Behind us we can look back and see the great expanse of American achievement, and before us we can see even greater, grander frontiers of possibility. We should, all of us, be filled with gratitude and humility for our present progress and prosperity. We should be filled with awe and joy at what lies over the horizon. And we should be filled with absolute determination to make the most of it.

You know, when the Framers finished crafting our Constitution in Philadelphia, Benjamin Franklin stood in Independence Hall, and he reflected on the carving of the Sun that was on the back of a chair he saw. The Sun was low on the horizon. So he said this—he said, "I've often wondered whether that Sun was rising or setting. Today," Franklin said, "I have the happiness to know it's a rising Sun." Today, because each succeeding generation of Americans has kept the fire of freedom burning brightly, lighting those frontiers of possibility, we all still bask in the glow and the warmth of Mr. Franklin's rising Sun.

After 224 years, the American revolution continues. We remain a new nation. And as long as our dreams outweigh our memories, America will be forever young. That is our destiny. And this is our moment.

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

January 27, 2010

Madam Speaker, Vice President Biden, Members of Congress, distinguished guests, and fellow Americans: Our Constitution declares that from time to time, the President shall give to Congress information about the state of our Union. For 220 years, our leaders have fulfilled this duty. They've done so during periods of prosperity and tranquility, and they've done so in the midst of war and depression, at moments of great strife and great struggle.

It's tempting to look back on these moments and assume that our progress was inevitable, that America was always destined to succeed. But when the Union was turned back at Bull Run and the Allies first landed at Omaha Beach, victory was very much in doubt. When the market crashed on Black Tuesday and marchers were beaten on Bloody Sunday, the future was anything but certain. These were the times that tested the courage of our convictions and the strength of our Union. And despite all our divisions and disagreements, our hesitations and our fears, America prevailed because we chose to move forward as one Nation, as one people. Again, we are tested. And again, we must answer history's call.

One year ago, I took office amid two wars, an economy rocked by a severe recession, a financial system on the verge of collapse, and a Government deeply in debt. Experts from across the political spectrum warned that if we did not act, we might face a second depression. So we acted, immediately and aggressively. And 1 year later, the worst of the storm has passed.

But the devastation remains. One in 10 Americans still cannot find work. Many businesses have shuttered. Home values have declined. Small towns and rural communities have been hit especially hard. And for those who'd already known poverty, life's become that much harder.

This recession has also compounded the burdens that America's families have been dealing with for decades: the burden of working harder and longer for less, of being unable to save enough to retire or help kids with college.

So I know the anxieties that are out there right now. They're not new. These struggles are the reason I ran for President. These struggles are what I've witnessed for years, in places like Elkhart, Indiana; Galesburg, Illinois. I hear about them in the letters that I read each night. The toughest to read are those written by children asking why they have to move from their home, asking when their mom or dad will be able to go back to work.

For these Americans and so many others, change has not come fast enough. Some are frustrated, some are angry. They don't understand why it seems like bad behavior on Wall Street is rewarded, but hard work on Main Street isn't, or why Washington has been unable or unwilling to solve any of our problems. They're tired of the partisanship and the shouting and the pettiness. They know we can't afford it. Not now.

So we face big and difficult challenges. And what the American people hope, what they deserve, is for all of us, Democrats and Republicans, to work through our differences, to overcome the numbing weight of our politics. For while the people who sent us here have different backgrounds, different stories, different beliefs, the anxieties they face are the same. The aspirations they hold are shared: a job that pays the bills, a chance to get ahead, most of all, the ability to give their children a better life.

And you know what else they share? They share a stubborn resilience in the face of adversity. After one of the most difficult years in our history, they remain busy building cars and teaching kids, starting businesses and going back to school. They're coaching Little League and helping their neighbors. One woman wrote to me and said, "We are strained but hopeful, struggling but encouraged."

It's because of this spirit, this great decency and great strength, that I have never been more hopeful about America's future than I am tonight. Despite our hardships, our Union is strong. We do not give up. We do not quit. We do not allow fear or division to break our spirit. In this new decade, it's time the American people get a Government that matches their decency, that embodies their strength. And tonight I'd like to talk about how together we can deliver on that promise.

It begins with our economy. Our most urgent task upon taking office was to shore up the same banks that helped cause this crisis. It was not easy to do. And if there's one thing that has unified Democrats and Republicans and everybody in between, it's that we all hated the bank bailout. I hated it. I hated it; you hated it. It was about as popular as a root canal. [*Laughter*]

But when I ran for President, I promised I wouldn't just do what was popular; I would do what was necessary. And if we had allowed the meltdown of the financial system, unemployment might be double what it is today. More businesses would certainly have closed. More homes would have surely been lost.

So I supported the last administration's efforts to create the financial rescue program. And when we took that program over, we made it more transparent and more accountable. And as a result, the markets are now stabilized, and we've recovered most of the money we spent on the banks--most but not all.

To recover the rest, I've proposed a fee on the biggest banks. Now, I know Wall Street isn't keen on this idea. But if these firms can afford to hand out big bonuses again, they can afford a modest fee to pay back the taxpayers who rescued them in their time of need.

Now, as we stabilized the financial system, we also took steps to get our economy growing again, save as many jobs as possible, and help Americans who had become unemployed. That's why we extended or increased unemployment benefits for more than 18 million Americans, made health insurance 65 percent cheaper for families who get their coverage through COBRA, and passed 25 different tax cuts.

Now, let me repeat: We cut taxes. We cut taxes for 95 percent of working families. We cut taxes for small businesses. We cut taxes for first-time home buyers. We cut taxes for parents trying to care for their children. We cut taxes for 8 million Americans paying for college. [*Applause*] I thought I'd get some applause on that one. [*Laughter*]

As a result, millions of Americans had more to spend on gas and food and other necessities, all of which helped businesses keep more workers. And we haven't raised income taxes by a single dime on a single person--not a single dime.

Now, because of the steps we took, there are about 2 million Americans working right now who would otherwise be unemployed. Two hundred thousand work in construction and clean energy. Three hundred thousand are teachers and other education workers. Tens of thousands are cops, firefighters, correctional officers, first-responders. And we're on track to add another 1 1/2 million jobs to this total by the end of the year.

The plan that has made all of this possible, from the tax cuts to the jobs, is the Recovery Act. That's right, the Recovery Act, also known as the stimulus bill. Economists on the left and the right say this bill has helped save jobs and avert disaster. But you don't have to take their word for it. Talk to the small business in Phoenix that will triple its workforce because of the Recovery Act. Talk to the window manufacturer in Philadelphia who said he used to be skeptical about the Recovery Act, until he had to add two more work shifts just because of the business it created. Talk to the single teacher raising two kids who was told by her principal in the last week of school that because of the Recovery Act, she wouldn't be laid off after all.

There are stories like this all across America. And after 2 years of recession, the economy is growing again. Retirement funds have started to gain back some of their value. Businesses are beginning to invest again, and slowly some are starting to hire again.

But I realize that for every success story, there are other stories, of men and women who wake up with the anguish of not knowing where their next paycheck will come from, who send out resumes week after week and hear nothing in response. That is why jobs must be our number-one focus in 2010, and that's why I'm calling for a new jobs bill tonight.

Now, the true engine of job creation in this country will always be America's businesses. [*Applause*] I agree, absolutely. But Government can create the conditions necessary for businesses to expand and hire more workers. We should start where most new jobs do, in small businesses, companies that begin when an entrepreneur takes a chance on a dream or a worker decides it's time she became her own boss. Through sheer grit and determination, these companies have weathered the recession, and they're ready to grow. But when you talk to small-business owners in places like Allentown, Pennsylvania, or Elyria, Ohio, you find out that even though banks on Wall Street are lending again, they're mostly lending to bigger companies. Financing remains difficult for small-business owners across the country, even those that are making a profit.

So tonight I'm proposing that we take $30 billion of the money Wall Street banks have repaid and use it to help community banks give small businesses the credit they need to stay afloat. I'm also proposing a new small business tax credit, one that will go to over 1 million small businesses who hire new workers or raise wages. While we're at it, let's also eliminate all capital gains taxes on small-business investment and provide a tax incentive for all large businesses and all small businesses to invest in new plants and equipment.

Next, we can put Americans to work today building the infrastructure of tomorrow. From the first railroads to the Interstate Highway System, our Nation has always been built to compete. There's no reason Europe or China should have the fastest trains or the new factories that manufacture clean energy products. Tomorrow I'll visit Tampa, Florida, where workers will soon break ground on a new high-speed railroad funded by the Recovery Act. There are projects like that all across this country that will create jobs and help move our Nation's goods, services, and information.

We should put more Americans to work building clean energy facilities and give rebates to Americans who make their homes more energy efficient, which supports clean energy jobs. And to encourage these and other businesses to stay within our borders, it is time to finally slash the tax breaks for companies that ship our jobs overseas and give those tax breaks to companies that create jobs right here in the United States of America.

Now, the House has passed a jobs bill that includes some of these steps. As the first order of business this year, I urge the Senate to do the same, and I know they will. They will. People are out of work. They're hurting. They need our help. And I want a jobs bill on my desk without delay.

But the truth is, these steps won't make up for the 7 million jobs that we've lost over the last 2 years. The only way to move to full employment is to lay a new foundation for long-term economic growth and finally address the problems that America's families have confronted for years.

We can't afford another so-called economic expansion like the one from the last decade, what some call the "lost decade," where jobs grew more slowly than during any prior expansion, where the income of the average American household declined while the cost of health care and tuition reached record highs, where prosperity was built on a housing bubble and financial speculation.

From the day I took office, I've been told that addressing our larger challenges is too ambitious; such an effort would be too contentious. I've been told that our political system is too gridlocked and that we should just put things on hold for a while. For those who make these claims, I have one simple question: How long should we wait? How long should America put its future on hold?

You see, Washington has been telling us to wait for decades, even as the problems have grown worse. Meanwhile, China's not waiting to revamp its economy. Germany's not waiting. India's not waiting. These nations are--they're not standing still. These nations aren't playing for second place. They're putting more emphasis on math and science. They're rebuilding their infrastructure. They're making serious investments in clean energy because they want those jobs. Well, I do not accept second place for the United States of America. As hard as it may be, as uncomfortable and contentious as the debates may become, it's time to get serious about fixing the problems that are hampering our growth.

Now, one place to start is serious financial reform. Look, I am not interested in punishing banks. I'm interested in protecting our economy. A strong, healthy financial market makes it possible for businesses to access credit and create new jobs. It channels the savings of families into investments that raise incomes. But that can only happen if we guard against the same recklessness that nearly brought down our entire economy.

We need to make sure consumers and middle class families have the information they need to make financial decisions. We can't allow financial institutions, including those that take your deposits, to take risks that threaten the whole economy.

Now, the House has already passed financial reform with many of these changes, and the lobbyists are trying to kill it. But we cannot let them win this fight. And if the bill that ends up on my desk does not meet the test of real reform, I will send it back until we get it right. We've got to get it right.

Next, we need to encourage American innovation. Last year, we made the largest investment in basic research funding in history, an investment that could lead to the world's cheapest solar cells or treatment that kills cancer cells, but leaves healthy ones untouched. And no area is more ripe for such innovation than energy. You can see the results of last year's investments in clean energy in the North Carolina company that will create 1,200 jobs nationwide helping to make advanced batteries or in the California business that will put a thousand people to work making solar panels.

But to create more of these clean energy jobs, we need more production, more efficiency, more incentives. And that means building a new generation of safe, clean nuclear power plants in this country. It means making tough decisions about opening new offshore areas for oil and gas development. It means continued investment in advanced biofuels and clean coal technologies. And yes, it means passing a comprehensive energy and climate bill with incentives that will finally make clean energy the profitable kind of energy in America. Now, I am grateful to the House for passing such a bill last year. And this year, I'm eager to help advance the bipartisan effort in the Senate.

I know there have been questions about whether we can afford such changes in a tough economy. I know that there are those who disagree with the overwhelming scientific evidence on climate change. But here's the thing: Even if you doubt the evidence, providing incentives for energy efficiency and clean energy are the right thing to do for our future, because the nation that leads the clean energy economy will be the nation that leads the global economy. And America must be that nation.

Third, we need to export more of our goods, because the more products we make and sell to other countries, the more jobs we support right here in America. So tonight we set a new goal: We will double our exports over the next 5 years, an increase that will support 2 million jobs in America. To help meet this goal, we're launching a National Export Initiative that will help farmers and small businesses increase their exports and reform export controls consistent with national security.

We have to seek new markets aggressively, just as our competitors are. If America sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores. But realizing those benefits also means enforcing those agreements so our trading partners play by the rules. And that's why we'll continue to shape a Doha trade agreement that opens global markets and why we will strengthen our trade relations in Asia and with key partners like South Korea and Panama and Colombia.

Fourth, we need to invest in the skills and education of our people. Now, this year, we've broken through the stalemate between left and right by launching a national competition to improve our schools. And the idea here is simple: Instead of rewarding failure, we only reward success. Instead of funding the status quo, we only invest in reform, reform that raises student achievement, inspires students to excel in math and science, and turns around failing schools that steal the future of too many young Americans, from rural communities to the inner city. In the 21st century, the best antipoverty program around is a world-class education. And in this country, the success of our children cannot depend more on where they live than on their potential. When we renew the Elementary and Secondary Education Act, we will work with Congress to expand these reforms to all 50 States.

Still, in this economy, a high school diploma no longer guarantees a good job. That's why I urge the Senate to follow the House and pass a bill that will revitalize our community colleges, which are a career pathway to the children of so many working families.

To make college more affordable, this bill will finally end the unwarranted taxpayer subsidies that go to banks for student loans. Instead, let's take that money and give families a $10,000 tax credit for 4 years of college and increase Pell grants. And let's tell another 1 million students that when they graduate, they will be required to pay only 10 percent of their income on student loans and all of their debt will be forgiven after 20 years and forgiven after 10 years if they choose a career in public service, because in the United States of America, no one should go broke because they chose to go to college. And by the way, it's time for colleges and universities to get serious about cutting their own costs, because they too have a responsibility to help solve this problem.

Now, the price of college tuition is just one of the burdens facing the middle class. That's why last year, I asked Vice President Biden to chair a task force on middle class families. That's why we're nearly doubling the childcare tax credit and making it easier to save for retirement by giving access to every worker a retirement account and expanding the tax credit for those who start a nest egg. That's why we're working to lift the value of a family's single largest investment, their home. The steps we took last year to shore up the housing market have allowed millions of Americans to take out new loans and save an average of $1,500 on mortgage payments. This year, we will step up refinancing so that homeowners can move into more affordable mortgages.

And it is precisely to relieve the burden on middle class families that we still need health insurance reform. Yes, we do.

Now, let's clear a few things up. I didn't choose to tackle this issue to get some legislative victory under my belt. And by now it should be fairly obvious that I didn't take on health care because it was good politics. [*Laughter*] I took on health care because of the stories I've heard from Americans with preexisting conditions whose lives depend on getting coverage, patients who've been denied coverage, families, even those with insurance, who are just one illness away from financial ruin.

After nearly a century of trying--Democratic administrations, Republican administrations--we are closer than ever to bringing more security to the lives of so many Americans. The approach we've taken would protect every American from the worst practices of the insurance industry. It would give small businesses and uninsured Americans a chance to choose an affordable health care plan in a competitive market. It would require every insurance plan to cover preventive care.

And by the way, I want to acknowledge our First Lady, Michelle Obama, who this year is creating a national movement to tackle the epidemic of childhood obesity and make kids healthier. [*Applause*] Thank you, honey. She gets embarrassed. [*Laughter*]

Our approach would preserve the right of Americans who have insurance to keep their doctor and their plan. It would reduce costs and premiums for millions of families and businesses. And according to the Congressional Budget Office, the independent organization that both parties have cited as the official scorekeeper for Congress, our approach would bring down the deficit by as much as $1 trillion over the next two decades.

Still, this is a complex issue, and the longer it was debated, the more skeptical people became. I take my share of the blame for not explaining it more clearly to the American people. And I know that with all the lobbying and horse-trading, the process left most Americans wondering, "What's in it for me?"

But I also know this problem is not going away. By the time I'm finished speaking tonight, more Americans will have lost their health insurance. Millions will lose it this year. Our deficit will grow. Premiums will go up. Patients will be denied the care they need. Small-business owners will continue to drop coverage altogether. I will not walk away from these Americans, and neither should the people in this Chamber.

So as temperatures cool, I want everyone to take another look at the plan we've proposed. There's a reason why many doctors, nurses, and health care experts who know our system best consider this approach a vast improvement over the status quo. But if anyone from either party has a better approach that will bring down premiums, bring down the deficit, cover the uninsured, strengthen Medicare for seniors, and stop insurance company abuses, let me know. Let me know. Let me know. I'm eager to see it.

Here's what I ask Congress, though: Don't walk away from reform. Not now. Not when we are so close. Let us find a way to come together and finish the job for the American people. Let's get it done. Let's get it done.

Now, even as health care reform would reduce our deficit, it's not enough to dig us out of a massive fiscal hole in which we find ourselves. It's a challenge that makes all others that much harder to solve and one that's been subject to a lot of political posturing. So let me start the discussion of Government spending by setting the record straight.

At the beginning of the last decade, the year 2000, America had a budget surplus of over $200 billion. By the time I took office, we had a 1-year deficit of over $1 trillion and projected deficits of $8 trillion over the next decade. Most of this was the result of not paying for two wars, two tax cuts, and an expensive prescription drug program. On top of that, the effects of the recession put a $3 trillion hole in our budget. All this was before I walked in the door. [*Laughter*]

Now--[*applause*]--just stating the facts. Now, if we had taken office in ordinary times, I would have liked nothing more than to start bringing down the deficit. But we took office amid a crisis. And our efforts to prevent a second depression have added another $1 trillion to our national debt. That too is a fact.

I'm absolutely convinced that was the right thing to do. But families across the country are tightening their belts and making tough decisions. The Federal Government should do the same. So tonight I'm proposing specific steps to pay for the trillion dollars that it took to rescue the economy last year.

Starting in 2011, we are prepared to freeze Government spending for 3 years. Spending related to our national security, Medicare, Medicaid, and Social Security will not be affected. But all other discretionary Government programs will. Like any cash-strapped family, we will work within a budget to invest in what we need and sacrifice what we don't. And if I have to enforce this discipline by veto, I will.

We will continue to go through the budget, line by line, page by page, to eliminate programs that we can't afford and don't work. We've already identified $20 billion in savings for next year. To help working families, we'll extend our middle class tax cuts. But at a time of record deficits, we will not continue tax cuts for oil companies, for investment fund managers, and for those making over $250,000 a year. We just can't afford it.

Now, even after paying for what we spent on my watch, we'll still face the massive deficit we had when I took office. More importantly, the cost of Medicare, Medicaid, and Social Security will continue to skyrocket. That's why I've called for a bipartisan fiscal commission, modeled on a proposal by Republican Judd Gregg and Democrat Kent Conrad. This can't be one of those Washington gimmicks that lets us pretend we solve a problem. The commission will have to provide a specific set of solutions by a certain deadline.

Now, yesterday the Senate blocked a bill that would have created this commission, so I'll issue an Executive order that will allow us to go forward, because I refuse to pass this problem on to another generation of Americans. And when the vote comes tomorrow, the Senate should restore the pay-as-you-go law that was a big reason for why we had record surpluses in the 1990s.

Now, I know that some in my own party will argue that we can't address the deficit or freeze Government spending when so many are still hurting. And I agree, which is why this freeze won't take effect until next year, when the economy is stronger. That's how budgeting works. [*Laughter*] But understand, if we don't take meaningful steps to rein in our debt, it could damage our markets, increase the cost of borrowing, and jeopardize our recovery, all of which would have an even worse effect on our job growth and family incomes.

From some on the right, I expect we'll hear a different argument, that if we just make fewer investments in our people, extend tax cuts, including those for the wealthier Americans, eliminate more regulations, maintain the status quo on health care, our deficits will go away. The problem is, that's what we did for 8 years. That's what helped us into this crisis. It's what helped lead to these deficits. We can't do it again.

Rather than fight the same tired battles that have dominated Washington for decades, it's time to try something new. Let's invest in our people without leaving them a mountain of debt. Let's meet our responsibility to the citizens who sent us here. Let's try common sense--[*Laughter*]--a novel concept.

Now, to do that, we have to recognize that we face more than a deficit of dollars right now. We face a deficit of trust, deep and corrosive doubts about how Washington works that have been growing for years. To close that credibility gap, we have to take action on both ends of Pennsylvania Avenue to end the outsized influence of lobbyists, to do our work openly, to give our people the Government they deserve.

Now, that's what I came to Washington to do. That's why, for the first time in history, my administration posts on--our White House visitors online. That's why we've excluded lobbyists from policymaking jobs or seats on Federal boards and commissions. But we can't stop there. It's time to require lobbyists to disclose each contact they make on behalf of a client, with my administration or with Congress. It's time to put strict limits on the contributions that lobbyists give to candidates for Federal office.

With all due deference to separation of powers, last week, the Supreme Court reversed a century of law that I believe will open the floodgates for special interests, including foreign corporations, to spend without limit in our elections. I don't think American elections should be bankrolled by America's most powerful interests, or worse, by foreign entities. They should be decided by the American people. And I'd urge Democrats and Republicans to pass a bill that helps correct some of these problems.

I'm also calling on Congress to continue down the path of earmark reform, Democrats and Republicans--Democrats and Republicans. Look, you've trimmed some of this spending, you've embraced some meaningful change, but restoring the public trust demands more. For example, some Members of Congress post some earmark requests online. Tonight I'm calling on Congress to publish all earmark requests on a single web site before there's a vote so that the American people can see how their money is being spent.

Of course, none of these reforms will even happen if we don't also reform how we work with one another. Now, I'm not naive. I never thought that the mere fact of my election would usher in peace and harmony and--[*Laughter*]--some postpartisan era. I knew that both parties have fed divisions that are deeply entrenched. And on some issues, there are simply philosophical differences that will always cause us to part ways. These disagreements, about the role of government in our lives, about our national priorities and our national security, they've been taking place for over 200 years. They're the very essence of our democracy.

But what frustrates the American people is a Washington where every day is election day. We can't wage a perpetual campaign where the only goal is to see who can get the most embarrassing headlines about the other side, a belief that if you lose, I win. Neither party should delay or obstruct every single bill just because they can. The confirmation of--I'm speaking to both parties now--the confirmation of well-qualified public servants shouldn't be held hostage to the pet projects or grudges of a few individual Senators.

Washington may think that saying anything about the other side, no matter how false, no matter how malicious, is just part of the game. But it's precisely such politics that has stopped either party from helping the American people. Worse yet, it's sowing further division among our citizens, further distrust in our Government. So no, I will not give up on trying to change the tone of our politics. I know it's an election year. And after last week, it's clear that campaign fever has come even earlier than usual. But we still need to govern.

To Democrats, I would remind you that we still have the largest majority in decades and the people expect us to solve problems, not run for the hills. And if the Republican leadership is going to insist that 60 votes in the Senate are required to do any business at all in this town--a supermajority--then the responsibility to govern is now yours as well. Just saying no to everything may be good short-term politics, but it's not leadership. We were sent here to serve our citizens, not our ambitions. So let's show the American people that we can do it together.

This week, I'll be addressing a meeting of the House Republicans. I'd like to begin monthly meetings with both Democratic and Republican leadership. I know you can't wait. [*Laughter*]

Now, throughout our history, no issue has united this country more than our security. Sadly, some of the unity we felt after 9/11 has dissipated. And we can argue all we want about who's to blame for this, but I'm not interested in relitigating the past. I know that all of us love this country. All of us are committed to its defense. So let's put aside the schoolyard taunts about who's tough. Let's reject the false choice between protecting our people and upholding our values. Let's leave behind the fear and division and do what it takes to defend our Nation and forge a more hopeful future for America and for the world.

That's the work we began last year. Since the day I took office, we've renewed our focus on the terrorists who threaten our Nation. We've made substantial investments in our homeland security and disrupted plots that threatened to take American lives. We are filling unacceptable gaps revealed by the failed Christmas attack, with better airline security and swifter action on our intelligence. We've prohibited torture and strengthened partnerships from the Pacific to South Asia to the Arabian Peninsula. And in the last year, hundreds of Al Qaida's fighters and affiliates, including many senior leaders, have been captured or killed, far more than in 2008.

And in Afghanistan, we're increasing our troops and training Afghan security forces so they can begin to take the lead in July of 2011 and our troops can begin to come home. We will reward good governance, work to reduce corruption, and support the rights of all Afghans, men and women alike. We're joined by allies and partners who have increased their own commitments and who will come together tomorrow in London to reaffirm our common purpose. There will be difficult days ahead, but I am absolutely confident we will succeed.

As we take the fight to Al Qaida, we are responsibly leaving Iraq to its people. As a candidate, I promised that I would end this war, and that is what I am doing as President. We will have all of our combat troops out of Iraq by the end of this August. We will support the Iraqi Government as they hold elections, and we will continue to partner with the Iraqi people to promote regional peace and prosperity. But make no mistake: This war is ending, and all of our troops are coming home.

Tonight all of our men and women in uniform, in Iraq, in Afghanistan, and around the world, they have to know that we--that they have our respect, our gratitude, our full support. And just as they must have the resources they need in war, we all have a responsibility to support them when they come home. That's why we made the largest increase in investments for veterans in decades last year. That's why we're building a 21st-century VA. And that's why Michelle has joined with Jill Biden to forge a national commitment to support military families.

Now, even as we prosecute two wars, we're also confronting perhaps the greatest danger to the American people, the threat of nuclear weapons. I've embraced the vision of John F. Kennedy and Ronald Reagan through a strategy that reverses the spread of these weapons and seeks a world without them. To reduce our stockpiles and launchers, while ensuring our deterrent, the United States and Russia are completing negotiations on the farthest reaching arms control treaty in nearly two decades. And at April's Nuclear Security Summit, we will bring 44 nations together here in Washington, DC, behind a clear goal: securing all vulnerable nuclear materials around the world in 4 years so that they never fall into the hands of terrorists.

Now, these diplomatic efforts have also strengthened our hand in dealing with those nations that insist on violating international agreements in pursuit of nuclear weapons. That's why North Korea now faces increased isolation and stronger sanctions, sanctions that are being vigorously enforced. That's why the international community is more united and the Islamic Republic of Iran is more isolated. And as Iran's leaders continue to ignore their obligations, there should be no doubt: They too will face growing consequences. That is a promise.

That's the leadership we are providing: engagement that advances the common security and prosperity of all people. We're working through the G-20 to sustain a lasting global recovery. We're working with Muslim communities around the world to promote science and education and innovation. We have gone from a bystander to a leader in the fight against climate change. We're helping developing countries to feed themselves and continuing the fight against HIV/AIDS. And we are launching a new initiative that will give us the capacity to respond faster and more effectively to bioterrorism or an infectious disease, a plan that will counter threats at home and strengthen public health abroad.

As we have for over 60 years, America takes these actions because our destiny is connected to those beyond our shores. But we also do it because it is right. That's why, as we meet here tonight, over 10,000 Americans are working with many nations to help the people of Haiti recover and rebuild. That's why we stand with the girl who yearns to go to school in Afghanistan, why we support the human rights of the women marching through the streets of Iran, why we advocate for the young man denied a job by corruption in Guinea. For America must always stand on the side of freedom and human dignity--always.

Abroad, America's greatest source of strength has always been our ideals. The same is true at home. We find unity in our incredible diversity, drawing on the promise enshrined in our Constitution: The notion that we're all created equal; that no matter who you are or what you look like, if you abide by the law, you should be protected by it; if you adhere to our common values, you should be treated no different than anyone else.

We must continually renew this promise. My administration has a Division that is once again prosecuting violations and employment discrimination. We finally strengthened our laws to protect against crimes driven by hate. This year, I will work with Congress and our military to finally repeal the law that denies gay Americans the right to serve the country they love because of who they are. It's the right thing to do.

We're going to crack down on violations of equal pay laws so that women get equal pay for an equal day's work. And we should continue the work of fixing our broken immigration system, to secure our borders and enforce our laws and ensure that everyone who plays by the rules can contribute to our economy and enrich our Nation.

In the end, it's our ideals, our values that built America, values that allowed us to forge a nation made up of immigrants from every corner of the globe, values that drive our citizens still. Every day, Americans meet their responsibilities to their families and their employers. Time and again, they lend a hand to their neighbors and give back to their country. They take pride in their labor and are generous in spirit. These aren't Republican values or Democratic values that they're living by, business values or labor values, they're American values.

Unfortunately, too many of our citizens have lost faith that our biggest institutions--our corporations, our media, and, yes, our Government--still reflect these same values. Each of these institutions are full of honorable men and women doing important work that helps our country prosper. But each time a CEO rewards himself for failure or a banker puts the rest of us at risk for his own selfish gain, people's doubts grow. Each time lobbyists game the system or politicians tear each other down instead of lifting this country up, we lose faith. The more that TV pundits reduce serious debates to silly arguments, big issues into sound bites, our citizens turn away. No wonder there's so much cynicism out there. No wonder there's so much disappointment.

I campaigned on the promise of change. Change we can believe in, the slogan went. And right now I know there are many Americans who aren't sure if they still believe we can change or that I can deliver it.

But remember this: I never suggested that change would be easy or that I could do it alone. Democracy in a nation of 300 million people can be noisy and messy and complicated. And when you try to do big things and make big changes, it stirs passions and controversy. That's just how it is.

Those of us in public office can respond to this reality by playing it safe and avoid telling hard truths and pointing fingers. We can do what's necessary to keep our poll numbers high and get through the next election, instead of doing what's best for the next generation.

But I also know this: If people had made that decision 50 years ago or 100 years ago or 200 years ago, we wouldn't be here tonight. The only reason we are here is because generations of Americans were unafraid to do what was hard, to do what was needed even when success was uncertain, to do what it took to keep the dream of this Nation alive for their children and their grandchildren.

Now, our administration has had some political setbacks this year, and some of them were deserved. But I wake up every day knowing that they are nothing compared to the setbacks that families all across this country have faced this year. And what keeps me going, what keeps me fighting, is that despite all these setbacks, that spirit of determination and optimism, that fundamental decency that has always been at the core of the American people, that lives on.

It lives on in the struggling small-business owner who wrote to me of his company, "None of us," he said, ". . . are willing to consider, even slightly, that we might fail." It lives on in the woman who said that even though she and her neighbors have felt the pain of recession, "We are strong. We are resilient. We are American." It lives on in the 8-year-old boy in Louisiana who just sent me his allowance and asked if I would give it to the people of Haiti. And it lives on in all the Americans who've dropped everything to go someplace they've never been and pull people they've never known from the rubble, prompting chants of "U.S.A.! U.S.A.! U.S.A.!" when another life was saved.

The spirit that has sustained this Nation for more than two centuries lives on in you, its people. We have finished a difficult year. We have come through a difficult decade. But a new year has come. A new decade stretches before us. We don't quit. I don't quit. Let's seize this moment to start anew, to carry the dream forward, and to strengthen our Union once more.

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

January 25, 2011

Mr. Speaker, Mr. Vice President, Members of Congress, distinguished guests, and fellow Americans: Tonight I want to begin by congratulating the men and women of the 112th Congress, as well as your new Speaker, John Boehner. And as we mark this occasion, we're also mindful of the empty chair in this Chamber, and we pray for the health of our colleague and our friend Gabby Giffords.

It's no secret that those of us here tonight have had our differences over the last 2 years. The debates have been contentious; we have fought fiercely for our beliefs. And that's a good thing. That's what a robust democracy demands. That's what helps set us apart as a nation.

But there's a reason the tragedy in Tucson gave us pause. Amid all the noise and passion and rancor of our public debate, Tucson reminded us that no matter who we are or where we come from, each of us is a part of something greater, something more consequential than party or political preference.

We are part of the American family. We believe that in a country where every race and faith and point of view can be found, we are still bound together as one people, that we share common hopes and a common creed, that the dreams of a little girl in Tucson are not so different than those of our own children, that they all deserve the chance to be fulfilled. That too is what sets us apart as a nation.

Now, by itself, this simple recognition won't usher in a new era of cooperation. What comes of this moment is up to us. What comes of this moment will be determined not by whether we can sit together tonight, but whether we can work together tomorrow.

I believe we can, and I believe we must. That's what the people who sent us here expect of us. With their votes, they've determined that governing will now be a shared responsibility between parties. New laws will only pass with support from Democrats and Republicans. We will move forward together or not at all, for the challenges we face are bigger than party and bigger than politics.

At stake right now is not who wins the next election. After all, we just had an election. At stake is whether new jobs and industries take root in this country or somewhere else. It's whether the hard work and industry of our people is rewarded. It's whether we sustain the leadership that has made America not just a place on a map, but the light to the world.

We are poised for progress. Two years after the worst recession most of us have ever known, the stock market has come roaring back, corporate profits are up, the economy is growing again.

But we have never measured progress by these yardsticks alone. We measure progress by the success of our people, by the jobs they can find and the quality of life those jobs offer, by the prospects of a small-business owner who dreams of turning a good idea into a thriving enterprise, by the opportunities for a better life that we pass on to our children.

That's the project the American people want us to work on--together.

Now, we did that in December. Thanks to the tax cuts we passed, Americans' paychecks are a little bigger today. Every business can write off the full cost of new investments that they make this year. And these steps, taken by Democrats and Republicans, will grow the economy and add to the more than 1 million private sector jobs created last year.

But we have to do more. These steps we've taken over the last 2 years may have broken the back of this recession, but to win the future, we'll need to take on challenges that have been decades in the making.

Many people watching tonight can probably remember a time when finding a good job meant showing up at a nearby factory or a business downtown. You didn't always need a degree, and your competition was pretty much limited to your neighbors. If you worked hard, chances are you'd have a job for life, with a decent paycheck and good benefits and the occasional promotion. Maybe you'd even have the pride of seeing your kids work at the same company.

That world has changed. And for many, the change has been painful. I've seen it in the shuttered windows of once booming factories and the vacant storefronts on once busy Main Streets. I've heard it in the frustrations of Americans who've seen their paychecks dwindle or their jobs disappear, proud men and women who feel like the rules have been changed in the middle of the game.

They're right. The rules have changed. In a single generation, revolutions in technology have transformed the way we live, work, and do business. Steel mills that once needed 1,000 workers can now do the same work with 100. Today, just about any company can set up shop, hire workers, and sell their products wherever there's an Internet connection.

Meanwhile, nations like China and India realized that with some changes of their own, they could compete in this new world. And so they started educating their children earlier and longer, with greater emphasis on math and science. They're investing in research and new technologies. Just recently, China became the home to the world's largest private solar research facility and the world's fastest computer.

So yes, the world is changed. The competition for jobs is real. But this shouldn't discourage us. It should challenge us. Remember, for all the hits we've taken these last few years, for all the naysayers predicting our decline, America still has the largest, most prosperous economy in the world. No workers are more productive than ours. No country has more successful companies or grants more patents to inventors and entrepreneurs. We're the home to the world's best colleges and universities, where more students come to study than any place on Earth.

What's more, we are the first nation to be founded for the sake of an idea: the idea that each of us deserves the chance to shape our own destiny. That's why centuries of pioneers and immigrants have risked everything to come here. It's why our students don't just memorize equations, but answer questions like: "What do you think of that idea? What would you change about the world? What do you want to be when you grow up?"

The future is ours to win. But to get there, we can't just stand still. As Robert Kennedy told us: "The future is not a gift. It is an achievement." Sustaining the American Dream has never been about standing pat. It has required each generation to sacrifice and struggle and meet the demands of a new age.

And now it's our turn. We know what it takes to compete for the jobs and industries of our time. We need to outinnovate, outeducate, and outbuild the rest of the world. We have to make America the best place on Earth to do business. We need to take responsibility for our deficit and reform our Government. That's how our people will prosper. That's how we'll win the future. And tonight I'd like to talk about how we get there.

The first step in winning the future is encouraging American innovation. None of us can predict with certainty what the next big industry will be or where the new jobs will come from. Thirty years ago, we couldn't know that something called the Internet would lead to an economic revolution. What we can do--what America does better than anyone else--is spark the creativity and imagination of our people. We're the nation that put cars in driveways and computers in offices; the nation of Edison and the Wright brothers, of Google and Facebook. In America, innovation doesn't just change our lives. It is how we make our living.

Our free enterprise system is what drives innovation. But because it's not always profitable for companies to invest in basic research, throughout our history, our Government has provided cutting-edge scientists and inventors with the support that they need. That's what planted the seeds for the Internet. That's what helped make possible things like computer chips and GPS. Just think of all the good jobs--from manufacturing to retail--that have come from these breakthroughs.

Half a century ago, when the Soviets beat us into space with the launch of a satellite called Sputnik, we had no idea how we would beat them to the Moon. The science wasn't even there yet. NASA didn't exist. But after investing in better research and education, we didn't just surpass the Soviets, we unleashed a wave of innovation that created new industries and millions of new jobs.

This is our generation's Sputnik moment. Two years ago, I said that we needed to reach a level of research and development we haven't seen since the height of the space race. And in a few weeks, I will be sending a budget to Congress that helps us meet that goal. We'll invest in biomedical research, information technology, and especially clean energy technology, an investment that will strengthen our security, protect our planet, and create countless new jobs for our people.

Already, we're seeing the promise of renewable energy. Robert and Gary Allen are brothers who run a small Michigan roofing company. After September 11, they volunteered their best roofers to help repair the Pentagon. But half of their factory went unused, and the recession hit them hard. Today, with the help of a Government loan, that empty space is being used to manufacture solar shingles that are being sold all across the country. In Robert's words, "We reinvented ourselves."

That's what Americans have done for over 200 years: reinvented ourselves. And to spur on more success stories like the Allen Brothers, we've begun to reinvent our energy policy. We're not just handing out money. We're issuing a challenge. We're telling America's scientists and engineers that if they assemble teams of the best minds in their fields and focus on the hardest problems in clean energy, we'll fund the Apollo projects of our time.

At the California Institute of Technology, they're developing a way to turn sunlight and water into fuel for our cars. At Oak Ridge National Laboratory, they're using supercomputers to get a lot more power out of our nuclear facilities. With more research and incentives, we can break our dependence on oil with biofuels and become the first country to have a million electric vehicles on the road by 2015.

We need to get behind this innovation. And to help pay for it, I'm asking Congress to eliminate the billions in taxpayer dollars we currently give to oil companies. I don't know if you've noticed, but they're doing just fine on their own. [*Laughter*] So instead of subsidizing yesterday's energy, let's invest in tomorrow's.

Now, clean energy breakthroughs will only translate into clean energy jobs if businesses know there will be a market for what they're selling. So tonight I challenge you to join me in setting a new goal: By 2035, 80 percent of America's electricity will come from clean energy sources.

Some folks want wind and solar. Others want nuclear, clean coal, and natural gas. To meet this goal, we will need them all, and I urge Democrats and Republicans to work together to make it happen.

Maintaining our leadership in research and technology is crucial to America's success. But if we want to win the future, if we want innovation to produce jobs in America and not overseas, then we also have to win the race to educate our kids.

Think about it. Over the next 10 years, nearly half of all new jobs will require education that goes beyond a high school education. And yet as many as a quarter of our students aren't even finishing high school. The quality of our math and science education lags behind many other nations. America has fallen to ninth in the proportion of young people with a college degree. And so the question is whether all of us, as citizens and as parents, are willing to do what's necessary to give every child a chance to succeed.

That responsibility begins not in our classrooms, but in our homes and communities. It's family that first instills the love of learning in a child. Only parents can make sure the TV is turned off and homework gets done. We need to teach our kids that it's not just the winner of the Super Bowl who deserves to be celebrated, but the winner of the science fair. We need to teach them that success is not a function of fame or PR, but of hard work and discipline.

Our schools share this responsibility. When a child walks into a classroom, it should be a place of high expectations and high performance. But too many schools don't meet this test. That's why instead of just pouring money into a system that's not working, we launched a competition called Race to the Top. To all 50 States, we said, "If you show us the most innovative plans to improve teacher quality and student achievement, we'll show you the money."

Race to the Top is the most meaningful reform of our public schools in a generation. For less than 1 percent of what we spend on education each year, it has led over 40 States to raise their standards for teaching and learning. And these standards were developed, by the way, not by Washington, but by Republican and Democratic Governors throughout the country. And Race to the Top should be the approach we follow this year as we replace No Child Left Behind with a law that's more flexible and focused on what's best for our kids.

You see, we know what's possible from our children when reform isn't just a top-down mandate, but the work of local teachers and principals, school boards and communities. Take a school like Bruce Randolph in Denver. Three years ago, it was rated one of the worst schools in Colorado, located on turf between two rival gangs. But last May, 97 percent of the seniors received their diploma. Most will be the first in their families to go to college. And after the first year of the school's transformation, the principal who made it possible wiped away tears when a student said, "Thank you, Ms. Waters, for showing that we are smart and we can make it." That's what good schools can do, and we want good schools all across the country.

Let's also remember that after parents, the biggest impact on a child's success comes from the man or woman at the front of the classroom. In South Korea, teachers are known as nation builders. Here in America, it's time we treated the people who educate our children with the same level of respect. We want to reward good teachers and stop making excuses for bad ones. And over the next 10 years, with so many baby boomers retiring from our classrooms, we want to prepare 100,000 new teachers in the fields of science and technology and engineering and math.

In fact, to every young person listening tonight who's contemplating their career choice: If you want to make a difference in the life of our Nation, if you want to make a difference in the life of a child, become a teacher. Your country needs you.

Of course, the education race doesn't end with a high school diploma. To compete, higher education must be within the reach of every American. That's why we've ended the unwarranted taxpayer subsidies that went to banks and used the savings to make college affordable for millions of students. And this year, I ask Congress to go further and make permanent our tuition tax credit, worth $10,000 for 4 years of college. It's the right thing to do.

Because people need to be able to train for new jobs and careers in today's fast-changing economy, we're also revitalizing America's community colleges. Last month, I saw the promise of these schools at Forsyth Tech in North Carolina. Many of the students there used to work in the surrounding factories that have since left town. One mother of two, a woman named Kathy Proctor, had worked in the furniture industry since she was 18 years old. And she told me she's earning her degree in biotechnology now, at 55 years old, not just because the furniture jobs are gone, but because she wants to inspire her children to pursue their dreams too. As Kathy said, "I hope it tells them to never give up."

If we take these steps, if we raise expectations for every child and give them the best possible chance at an education, from the day they are born until the last job they take, we will reach the goal that I set 2 years ago: By the end of the decade, America will once again have the highest proportion of college graduates in the world.

One last point about education: Today, there are hundreds of thousands of students excelling in our schools who are not American citizens. Some are the children of undocumented workers, who had nothing to do with the actions of their parents. They grew up as Americans and pledge allegiance to our flag, and yet they live every day with the threat of deportation. Others come here from abroad to study in our colleges and universities. But as soon as they obtain advanced degrees, we send them back home to compete against us. It makes no sense.

Now, I strongly believe that we should take on, once and for all, the issue of illegal immigration. And I am prepared to work with Republicans and Democrats to protect our borders, enforce our laws, and address the millions of undocumented workers who are now living in the shadows. I know that debate will be difficult. I know it will take time. But tonight, let's agree to make that effort. And let's stop expelling talented, responsible young people who could be staffing our research labs or starting a new business, who could be further enriching this Nation.

The third step in winning the future is rebuilding America. To attract new businesses to our shores, we need the fastest, most reliable ways to move people, goods, and information, from high-speed rail to high-speed Internet.

Our infrastructure used to be the best, but our lead has slipped. South Korean homes now have greater Internet access than we do. Countries in Europe and Russia invest more in their roads and railways than we do. China is building faster trains and newer airports. Meanwhile, when our own engineers graded our Nation's infrastructure, they gave us a D.

We have to do better. America is the nation that built the transcontinental railroad, brought electricity to rural communities, constructed the Interstate Highway System. The jobs created by these projects didn't just come from laying down track or pavement. They came from businesses that opened near a town's new train station or the new off-ramp.

So over the last 2 years, we've begun rebuilding for the 21st century, a project that has meant thousands of good jobs for the hard-hit construction industry. And tonight I'm proposing that we redouble those efforts.

We'll put more Americans to work repairing crumbling roads and bridges. We'll make sure this is fully paid for, attract private investment, and pick projects based [on]\* what's best for the economy, not politicians.

Within 25 years, our goal is to give 80 percent of Americans access to high-speed rail. This could allow you to go places in half the time it takes to travel by car. For some trips, it will be faster than flying, without the pat-down. [*Laughter*] As we speak, routes in California and the Midwest are already underway.

Within the next 5 years, we'll make it possible for businesses to deploy the next generation of high-speed wireless coverage to 98 percent of all Americans. This isn't just about--this isn't about faster Internet or fewer dropped calls. It's about connecting every part of America to the digital age. It's about a rural community in Iowa or Alabama where farmers and small-business owners will be able to sell their products all over the world. It's about a firefighter who can download the design of a burning building onto a handheld device, a student who can take classes with a digital textbook, or a patient who can have face-to-face video chats with her doctor.

All these investments--in innovation, education, and infrastructure--will make America a better place to do business and create jobs. But to help our companies compete, we also have to knock down barriers that stand in the way of their success.

For example, over the years, a parade of lobbyists has rigged the Tax Code to benefit particular companies and industries. Those with accountants or lawyers to work the system can end up paying no taxes at all. But all the rest are hit with one of the highest corporate tax rates in the world. It makes no sense, and it has to change.

So tonight I'm asking Democrats and Republicans to simplify the system, get rid of the loopholes, level the playing field, and use the savings to lower the corporate tax rate for the first time in 25 years without adding to our deficit. It can be done.

To help businesses sell more products abroad, we set a goal of doubling our exports by 2014. Because the more we export, the more jobs we create here at home. Already, our exports are up. Recently, we signed agreements with India and China that will support more than 250,000 jobs here in the United States. And last month, we finalized a trade agreement with South Korea that will support at least 70,000 American jobs. This agreement has unprecedented support from business and labor, Democrats and Republicans, and I ask this Congress to pass it as soon as possible.

Now, before I took office, I made it clear that we would enforce our trade agreements and that I would only sign deals that keep faith with American workers and promote American jobs. That's what we did with Korea, and that's what I intend to do as we pursue agreements with Panama and Colombia and continue our Asia-Pacific and global trade talks.

To reduce barriers to growth and investment, I've ordered a review of Government regulations. When we find rules that put an unnecessary burden on businesses, we will fix them. But I will not hesitate to create or enforce commonsense safeguards to protect the American people. That's what we've done in this country for more than a century. It's why our food is safe to eat, our water is safe to drink, and our air is safe to breathe. It's why we have speed limits and child labor laws. It's why last year, we put in place consumer protections against hidden fees and penalties by credit card companies and new rules to prevent another financial crisis. And it's why we passed reform that finally prevents the health insurance industry from exploiting patients.

Now, I have heard rumors that a few of you still have concerns about our new health care law. [*Laughter*] So let me be the first to say that anything can be improved. If you have ideas about how to improve this law by making care better or more affordable, I am eager to work with you. We can start right now by correcting a flaw in the legislation that has placed an unnecessary bookkeeping burden on small businesses.

What I'm not willing to do--what I'm not willing to do--is go back to the days when insurance companies could deny someone coverage because of a preexisting condition.

I'm not willing to tell James Howard, a brain cancer patient from Texas, that his treatment might not be covered. I'm not willing to tell Jim Houser, a small-businessman from Oregon, that he has to go back to paying $5,000 more to cover his employees. As we speak, this law is making prescription drugs cheaper for seniors and giving uninsured students a chance to stay on their patients'--parents' coverage.

So I say to this Chamber tonight: Instead of refighting the battles of the last 2 years, let's fix what needs fixing, and let's move forward.

Now, the final critical step in winning the future is to make sure we aren't buried under a mountain of debt.

We are living with a legacy of deficit spending that began almost a decade ago. And in the wake of the financial crisis, some of that was necessary to keep credit flowing, save jobs, and put money in people's pockets.

But now that the worst of the recession is over, we have to confront the fact that our Government spends more than it takes in. That is not sustainable. Every day, families sacrifice to live within their means. They deserve a Government that does the same.

So tonight I am proposing that starting this year, we freeze annual domestic spending for the next 5 years. Now, this would reduce the deficit by more than $400 billion over the next decade and will bring discretionary spending to the lowest share of our economy since Dwight Eisenhower was President.

This freeze will require painful cuts. Already, we've frozen the salaries of hard-working Federal employees for the next 2 years. I've proposed cuts to things I care deeply about, like community action programs. The Secretary of Defense has also agreed to cut tens of billions of dollars in spending that he and his generals believe our military can do without.

Now, I recognize that some in this Chamber have already proposed deeper cuts, and I'm willing to eliminate whatever we can honestly afford to do without. But let's make sure that we're not doing it on the backs of our most vulnerable citizens. And let's make sure that what we're cutting is really excess weight. Cutting the deficit by gutting our investments in innovation and education is like lightening an overloaded airplane by removing its engine. It may make you feel like you're flying high at first, but it won't take long before you feel the impact. [*Laughter*]

Now, most of the cuts and savings I've proposed only address annual domestic spending, which represents a little more than 12 percent of our budget. To make further progress, we have to stop pretending that cutting this kind of spending alone will be enough. It won't.

The bipartisan fiscal commission I created last year made this crystal clear. I don't agree with all their proposals, but they made important progress. And their conclusion is that the only way to tackle our deficit is to cut excessive spending wherever we find it, in domestic spending, defense spending, health care spending, and spending through tax breaks and loopholes.

This means further reducing health care costs, including programs like Medicare and Medicaid, which are the single biggest contributor to our long-term deficit. The health insurance law we passed last year will slow these rising costs, which is part of the reason that nonpartisan economists have said that repealing the health care law would add a quarter of a trillion dollars to our deficit. Still, I'm willing to look at other ideas to bring down costs, including one that Republicans suggested last year: medical malpractice reform to rein in frivolous lawsuits.

To put us on solid ground, we should also find a bipartisan solution to strengthen Social Security for future generations. We must do it without putting at risk current retirees, the most vulnerable, or people with disabilities, without slashing benefits for future generations, and without subjecting Americans' guaranteed retirement income to the whims of the stock market.

And if we truly care about our deficit, we simply can't afford a permanent extension of the tax cuts for the wealthiest 2 percent of Americans. Before we take money away from our schools or scholarships away from our students, we should ask millionaires to give up their tax break. It's not a matter of punishing their success, it's about promoting America's success.

In fact, the best thing we could do on taxes for all Americans is to simplify the individual Tax Code. This will be a tough job, but members of both parties have expressed an interest in doing this, and I am prepared to join them.

So now is the time to act. Now is the time for both sides and both Houses of Congress, Democrats and Republicans, to forge a principled compromise that gets the job done. If we make the hard choices now to rein in our deficits, we can make the investments we need to win the future.

Let me take this one step further. We shouldn't just give our people a Government that's more affordable, we should give them a Government that's more competent and more efficient. We can't win the future with a Government of the past.

We live and do business in the Information Age, but the last major reorganization of the Government happened in the age of black-and-white TV. There are 12 different agencies that deal with exports. There are at least five different agencies that deal with housing policy. Then there's my favorite example: The Interior Department is in charge of salmon while they're in fresh water, but the Commerce Department handles them when they're in saltwater. [*Laughter*] I hear it gets even more complicated once they're smoked. [*Laughter*]

Now, we've made great strides over the last 2 years in using technology and getting rid of waste. Veterans can now download their electronic medical records with a click of the mouse. We're selling acres of Federal office space that hasn't been used in years, and we'll cut through redtape to get rid of more. But we need to think bigger. In the coming months, my administration will develop a proposal to merge, consolidate, and reorganize the Federal Government in a way that best serves the goal of a more competitive America. I will submit that proposal to Congress for a vote, and we will push to get it passed.

In the coming year, we'll also work to rebuild people's faith in the institution of Government. Because you deserve to know exactly how and where your tax dollars are being spent, you'll be able to go to a web site and get that information for the very first time in history. Because you deserve to know when your elected officials are meeting with lobbyists, I ask Congress to do what the White House has already done: put that information online. And because the American people deserve to know that special interests aren't larding up legislation with pet projects, both parties in Congress should know this: If a bill comes to my desk with earmarks inside, I will veto it. I will veto it.

The 21st-century Government that's open and competent, a government that lives within its means, an economy that's driven by new skills and new ideas--our success in this new and changing world will require reform, responsibility, and innovation. It will also require us to approach that world with a new level of engagement in our foreign affairs.

Just as jobs and businesses can now race across borders, so can new threats and new challenges. No single wall separates East and West. No one rival superpower is aligned against us.

And so we must defeat determined enemies, wherever they are, and build coalitions that cut across lines of region and race and religion. And America's moral example must always shine for all who yearn for freedom and justice and dignity. And because we've begun this work, tonight we can say that American leadership has been renewed and America's standing has been restored.

Look to Iraq, where nearly 100,000 of our brave men and women have left with their heads held high. American combat patrols have ended, violence is down, and a new Government has been formed. This year, our civilians will forge a lasting partnership with the Iraqi people, while we finish the job of bringing our troops out of Iraq. America's commitment has been kept. The Iraq war is coming to an end.

Of course, as we speak, Al Qaida and their affiliates continue to plan attacks against us. Thanks to our intelligence and law enforcement professionals, we're disrupting plots and securing our cities and skies. And as extremists try to inspire acts of violence within our borders, we are responding with the strength of our communities, with respect for the rule of law, and with the conviction that American Muslims are a part of our American family.

We've also taken the fight to Al Qaida and their allies abroad. In Afghanistan, our troops have taken Taliban strongholds and trained Afghan security forces. Our purpose is clear: By preventing the Taliban from reestablishing a stranglehold over the Afghan people, we will deny Al Qaida the safe haven that served as a launching pad for 9/11.

Thanks to our heroic troops and civilians, fewer Afghans are under the control of the insurgency. There will be tough fighting ahead, and the Afghan Government will need to deliver better governance. But we are strengthening the capacity of the Afghan people and building an enduring partnership with them. This year, we will work with nearly 50 countries to begin a transition to an Afghan lead, and this July, we will begin to bring our troops home.

In Pakistan, Al Qaida's leadership is under more pressure than at any point since 2001. Their leaders and operatives are being removed from the battlefield. Their safe havens are shrinking. And we've sent a message from the Afghan border to the Arabian Peninsula to all parts of the globe: We will not relent, we will not waver, and we will defeat you.

American leadership can also be seen in the effort to secure the worst weapons of war. Because Republicans and Democrats approved the new START Treaty, far fewer nuclear weapons and launchers will be deployed. Because we rallied the world, nuclear materials are being locked down on every continent so they never fall into the hands of terrorists.

Because of a diplomatic effort to insist that Iran meet its obligations, the Iranian Government now faces tougher sanctions, tighter sanctions than ever before. And on the Korean Peninsula, we stand with our ally South Korea and insist that North Korea keeps its commitment to abandon nuclear weapons.

This is just a part of how we're shaping a world that favors peace and prosperity. With our European allies, we revitalized NATO and increased our cooperation on everything from counterterrorism to missile defense. We've reset our relationship with Russia, strengthened Asian alliances, built new partnerships with nations like India.

This March, I will travel to Brazil, Chile, and El Salvador to forge new alliances across the Americas. Around the globe, we're standing with those who take responsibility, helping farmers grow more food, supporting doctors who care for the sick, and combating the corruption that can rot a society and rob people of opportunity.

Recent events have shown us that what sets us apart must not just be our power; it must also be the purpose behind it. In south Sudan--with our assistance--the people were finally able to vote for independence after years of war. Thousands lined up before dawn. People danced in the streets. One man who lost four of his brothers at war summed up the scene around him. "This was a battlefield for most of my life," he said. "Now we want to be free."

And we saw that same desire to be free in Tunisia, where the will of the people proved more powerful than the writ of a dictator. And tonight let us be clear: The United States of America stands with the people of Tunisia and supports the democratic aspirations of all people.

We must never forget that the things we've struggled for and fought for live in the hearts of people everywhere. And we must always remember that the Americans who have borne the greatest burden in this struggle are the men and women who serve our country.

Tonight let us speak with one voice in reaffirming that our Nation is united in support of our troops and their families. Let us serve them as well as they've served us, by giving them the equipment they need, by providing them with the care and benefits that they have earned, and by enlisting our veterans in the great task of building our own Nation.

Our troops come from every corner of this country. They're Black, White, Latino, Asian, Native American. They are Christian and Hindu, Jewish and Muslim. And yes, we know that some of them are gay. Starting this year, no American will be forbidden from serving the country they love because of who they love. And with that change, I call on all our college campuses to open their doors to our military recruiters and ROTC. It is time to leave behind the divisive battles of the past. It is time to move forward as one Nation.

We should have no illusions about the work ahead of us. Reforming our schools, changing the way we use energy, reducing our deficit, none of this will be easy. All of it will take time. And it will be harder because we will argue about everything: the costs, the details, the letter of every law.

Of course, some countries don't have this problem. If the central government wants a railroad, they build a railroad, no matter how many homes get bulldozed. If they don't want a bad story in the newspaper, it doesn't get written.

And yet, as contentious and frustrating and messy as our democracy can sometimes be, I know there isn't a person here who would trade places with any other nation on Earth.

We may have differences in policy, but we all believe in the rights enshrined in our Constitution. We may have different opinions, but we believe in the same promise that says this is a place where you can make it if you try. We may have different backgrounds, but we believe in the same dream that says this is a country where anything is possible, no matter who you are, no matter where you come from.

That dream is why I can stand here before you tonight. That dream is why a working class kid from Scranton can sit behind me. [*Laughter*] That dream is why someone who began by sweeping the floors of his father's Cincinnati bar can preside as Speaker of the House in the greatest nation on Earth.

That dream--that American Dream--is what drove the Allen Brothers to reinvent their roofing company for a new era. It's what drove those students at Forsyth Tech to learn a new skill and work towards the future. And that dream is the story of a small-business owner named Brandon Fisher.

Brandon started a company in Berlin, Pennsylvania, that specializes in a new kind of drilling technology. And one day last summer, he saw the news that halfway across the world, 33 men were trapped in a Chilean mine, and no one knew how to save them.

But Brandon thought his company could help. And so he designed a rescue that would come to be known as Plan B. His employees worked around the clock to manufacture the necessary drilling equipment, and Brandon left for Chile.

Along with others, he began drilling a 2,000-foot hole into the ground, working 3 or 4 hour--3 or 4 days at a time without any sleep. Thirty-seven days later, Plan B succeeded and the miners were rescued. But because he didn't want all of the attention, Brandon wasn't there when the miners emerged. He'd already gone back home, back to work on his next project.

And later, one of his employees said of the rescue, "We proved that Center Rock is a little company, but we do big things."

We do big things.

From the earliest days of our founding, America has been the story of ordinary people who dare to dream. That's how we win the future.

We're a nation that says, "I might not have a lot of money, but I have this great idea for a new company." "I might not come from a family of college graduates, but I will be the first to get my degree." "I might not know those people in trouble, but I think I can help them, and I need to try." "I'm not sure how we'll reach that better place beyond the horizon, but I know we'll get there. I know we will."

We do big things.

The idea of America endures. Our destiny remains our choice. And tonight, more than two centuries later, it's because of our people that our future is hopeful, our journey goes forward, and the state of our Union is strong.

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

January 24, 2012

Mr. Speaker, Mr. Vice President, Members of Congress, distinguished guests, and fellow Americans: Last month, I went to Andrews Air Force Base and welcomed home some of our last troops to serve in Iraq. Together, we offered a final, proud salute to the colors under which more than a million of our fellow citizens fought and several thousand gave their lives.

We gather tonight knowing that this generation of heroes has made the United States safer and more respected around the world. For the first time in 9 years, there are no Americans fighting in Iraq. For the first time in two decades, Usama bin Laden is not a threat to this country. Most of Al Qaida's top lieutenants have been defeated. The Taliban's momentum has been broken, and some troops in Afghanistan have begun to come home.

These achievements are a testament to the courage, selflessness, and teamwork of America's Armed Forces. At a time when too many of our institutions have let us down, they exceed all expectations. They're not consumed with personal ambition. They don't obsess over their differences. They focus on the mission at hand. They work together.

Imagine what we could accomplish if we followed their example. Think about the America within our reach: a country that leads the world in educating its people; an America that attracts a new generation of high-tech manufacturing and high-paying jobs; a future where we're in control of our own energy and our security and prosperity aren't so tied to unstable parts of the world; an economy built to last, where hard work pays off and responsibility is rewarded.

We can do this. I know we can, because we've done it before. At the end of World War II, when another generation of heroes returned home from combat, they built the strongest economy and middle class the world has ever known. My grandfather, a veteran of Patton's army, got the chance to go to college on the GI bill. My grandmother, who worked on a bomber assembly line, was part of a workforce that turned out the best products on Earth.

The two of them shared the optimism of a nation that had triumphed over a depression and fascism. They understood they were part of something larger, that they were contributing to a story of success that every American had a chance to share, the basic American promise that if you worked hard, you could do well enough to raise a family, own a home, send your kids to college, and put a little away for retirement.

The defining issue of our time is how to keep that promise alive. No challenge is more urgent. No debate is more important. We can either settle for a country where a shrinking number of people do really well while a growing number of Americans barely get by, or we can restore an economy where everyone gets a fair shot and everyone does their fair share and everyone plays by the same set of rules. What's at stake aren't Democratic values or Republican values, but American values. And we have to reclaim them.

Let's remember how we got here. Long before the recession, jobs and manufacturing began leaving our shores. Technology made businesses more efficient, but also made some jobs obsolete. Folks at the top saw their incomes rise like never before, but most hard-working Americans struggled with costs that were growing, paychecks that weren't, and personal debt that kept piling up.

In 2008, the house of cards collapsed. We learned that mortgages had been sold to people who couldn't afford or understand them. Banks had made huge bets and bonuses with other people's money. Regulators had looked the other way or didn't have the authority to stop the bad behavior.

It was wrong, it was irresponsible, and it plunged our economy into a crisis that put millions out of work, saddled us with more debt, and left innocent, hard-working Americans holding the bag. In the 6 months before I took office, we lost nearly 4 million jobs. And we lost another 4 million before our policies were in full effect.

Those are the facts. But so are these: In the last 22 months, businesses have created more than 3 million jobs. Last year, they created the most jobs since 2005. American manufacturers are hiring again, creating jobs for the first time since the late 1990s. Together, we've agreed to cut the deficit by more than $2 trillion. And we've put in place new rules to hold Wall Street accountable so a crisis like this never happens again.

The state of our Union is getting stronger. And we've come too far to turn back now. As long as I'm President, I will work with anyone in this Chamber to build on this momentum. But I intend to fight obstruction with action, and I will oppose any effort to return to the very same policies that brought on this economic crisis in the first place.

No, we will not go back to an economy weakened by outsourcing, bad debt, and phony financial profits. Tonight I want to speak about how we move forward and lay out a blueprint for an economy that's built to last, an economy built on American manufacturing, American energy, skills for American workers, and a renewal of American values.

Now, this blueprint begins with American manufacturing.

On the day I took office, our auto industry was on the verge of collapse. Some even said we should let it die. With a million jobs at stake, I refused to let that happen. In exchange for help, we demanded responsibility. We got workers and automakers to settle their differences. We got the industry to retool and restructure. Today, General Motors is back on top as the world's number-one automaker. Chrysler has grown faster in the U.S. than any major car company. Ford is investing billions in U.S. plants and factories. And together, the entire industry added nearly 160,000 jobs.

We bet on American workers. We bet on American ingenuity. And tonight, the American auto industry is back.

What's happening in Detroit can happen in other industries. It can happen in Cleveland and Pittsburgh and Raleigh. We can't bring every job back that's left our shore. But right now it's getting more expensive to do business in places like China. Meanwhile, America is more productive. A few weeks ago, the CEO of Master Lock told me that it now makes business sense for him to bring jobs back home. Today, for the first time in 15 years, Master Lock's unionized plant in Milwaukee is running at full capacity.

So we have a huge opportunity at this moment to bring manufacturing back. But we have to seize it. Tonight my message to business leaders is simple: Ask yourselves what you can do to bring jobs back to your country, and your country will do everything we can to help you succeed.

We should start with our Tax Code. Right now companies get tax breaks for moving jobs and profits overseas. Meanwhile, companies that choose to stay in America get hit with one of the highest tax rates in the world. It makes no sense, and everyone knows it. So let's change it.

First, if you're a business that wants to outsource jobs, you shouldn't get a tax deduction for doing it. That money should be used to cover moving expenses for companies like Master Lock that decide to bring jobs home.

Second, no American company should be able to avoid paying its fair share of taxes by moving jobs and profits overseas. From now on, every multinational company should have to pay a basic minimum tax. And every penny should go towards lowering taxes for companies that choose to stay here and hire here in America.

Third, if you're an American manufacturer, you should get a bigger tax cut. If you're a high-tech manufacturer, we should double the tax deduction you get for making your products here. And if you want to relocate in a community that was hit hard when a factory left town, you should get help financing a new plant, equipment, or training for new workers.

So my message is simple: It is time to stop rewarding businesses that ship jobs overseas and start rewarding companies that create jobs right here in America. Send me these tax reforms, and I will sign them right away.

We're also making it easier for American businesses to sell products all over the world. Two years ago, I set a goal of doubling U.S. exports over 5 years. With the bipartisan trade agreements we signed into law, we're on track to meet that goal ahead of schedule. And soon there will be millions of new customers for American goods in Panama, Colombia, and South Korea. Soon there will be new cars on the streets of Seoul imported from Detroit and Toledo and Chicago.

I will go anywhere in the world to open new markets for American products. And I will not stand by when our competitors don't play by the rules. We've brought trade cases against China at nearly twice the rate as the last administration, and it's made a difference. Over a thousand Americans are working today because we stopped a surge in Chinese tires. But we need to do more. It's not right when another country lets our movies, music, and software be pirated. It's not fair when foreign manufacturers have a leg up on ours only because they're heavily subsidized.

Tonight I'm announcing the creation of a trade enforcement unit that will be charged with investigating unfair trading practices in countries like China. There will be more inspections to prevent counterfeit or unsafe goods from crossing our borders. And this Congress should make sure that no foreign company has an advantage over American manufacturing when it comes to accessing financing or new markets like Russia. Our workers are the most productive on Earth, and if the playing field is level, I promise you, America will always win.

I also hear from many business leaders who want to hire in the United States, but can't find workers with the right skills. Growing industries in science and technology have twice as many openings as we have workers who can do the job. Think about that: openings at a time when millions of Americans are looking for work. It's inexcusable, and we know how to fix it.

Jackie Bray is a single mom from North Carolina who was laid off from her job as a mechanic. Then, Siemens opened a gas turbine factory in Charlotte and formed a partnership with Central Piedmont Community College. The company helped the college design courses in laser and robotics training. It paid Jackie's tuition, then hired her to help operate their plant.

I want every American looking for work to have the same opportunity as Jackie did. Join me in a national commitment to train 2 million Americans with skills that will lead directly to a job. My administration has already lined up more companies that want to help. Model partnerships between businesses like Siemens and community colleges in places like Charlotte and Orlando and Louisville are up and running. Now you need to give more community colleges the resources they need to become community career centers, places that teach people skills that businesses are looking for right now, from data management to high-tech manufacturing.

And I want to cut through the maze of confusing training programs so that from now on, people like Jackie have one program, one website, and one place to go for all the information and help that they need. It is time to turn our unemployment system into a reemployment system that puts people to work.

These reforms will help people get jobs that are open today. But to prepare for the jobs of tomorrow, our commitment to skills and education has to start earlier.

For less than 1 percent of what our Nation spends on education each year, we've convinced nearly every State in the country to raise their standards for teaching and learning, the first time that's happened in a generation. But challenges remain, and we know how to solve them.

At a time when other countries are doubling down on education, tight budgets have forced States to lay off thousands of teachers. We know a good teacher can increase the lifetime income of a classroom by over $250,000. A great teacher can offer an escape from poverty to the child who dreams beyond his circumstance. Every person in this Chamber can point to a teacher who changed the trajectory of their lives. Most teachers work tirelessly, with modest pay, sometimes digging into their own pocket for school supplies, just to make a difference.

Teachers matter. So, instead of bashing them or defending the status quo, let's offer schools a deal. Give them the resources to keep good teachers on the job and reward the best ones. And in return, grant schools flexibility to teach with creativity and passion, to stop teaching to the test, and to replace teachers who just aren't helping kids learn. That's a bargain worth making.

We also know that when students don't walk away from their education, more of them walk the stage to get their diploma. When students are not allowed to drop out, they do better. So tonight I am proposing that every State--every State--requires that all students stay in high school until they graduate or turn 18.

When kids do graduate, the most daunting challenge can be the cost of college. At a time when Americans owe more in tuition debt than credit card debt, this Congress needs to stop the interest rates on student loans from doubling in July.

Extend the tuition tax credit we started that saves millions of middle class families thousands of dollars, and give more young people the chance to earn their way through college by doubling the number of work-study jobs in the next 5 years.

Of course, it's not enough for us to increase student aid. We can't just keep subsidizing skyrocketing tuition; we'll run out of money. States also need to do their part by making higher education a higher priority in their budgets. And colleges and universities have to do their part by working to keep costs down.

Recently, I spoke with a group of college presidents who have done just that. Some schools redesign courses to help students finish more quickly. Some use better technology. The point is, it's possible. So let me put colleges and universities on notice: If you can't stop tuition from going up, the funding you get from taxpayers will go down. Higher education can't be a luxury. It is an economic imperative that every family in America should be able to afford.

Let's also remember that hundreds of thousands of talented, hard-working students in this country face another challenge: the fact that they aren't yet American citizens. Many were brought here as small children, are American through and through, yet they live every day with the threat of deportation. Others came more recently, to study business and science and engineering, but as soon as they get their degree, we send them home to invent new products and create new jobs somewhere else. That doesn't make sense.

I believe as strongly as ever that we should take on illegal immigration. That's why my administration has put more boots on the border than ever before. That's why there are fewer illegal crossings than when I took office. The opponents of action are out of excuses. We should be working on comprehensive immigration reform right now.

But if election-year politics keeps Congress from acting on a comprehensive plan, let's at least agree to stop expelling responsible young people who want to staff our labs, start new businesses, defend this country. Send me a law that gives them the chance to earn their citizenship. I will sign it right away.

You see, an economy built to last is one where we encourage the talent and ingenuity of every person in this country. That means women should earn equal pay for equal work. It means we should support everyone who's willing to work and every risk taker and entrepreneur who aspires to become the next Steve Jobs.

After all, innovation is what America has always been about. Most new jobs are created in startups and small businesses. So let's pass an agenda that helps them succeed. Tear down regulations that prevent aspiring entrepreneurs from getting the financing to grow. Expand tax relief to small businesses that are raising wages and creating good jobs. Both parties agree on these ideas. So put them in a bill and get it on my desk this year.

Innovation also demands basic research. Today, the discoveries taking place in our federally financed labs and universities could lead to new treatments that kill cancer cells but leave healthy ones untouched, new lightweight vests for cops and soldiers that can stop any bullet. Don't gut these investments in our budget. Don't let other countries win the race for the future. Support the same kind of research and innovation that led to the computer chip and the Internet, to new American jobs and new American industries.

And nowhere is the promise of innovation greater than in American-made energy. Over the last 3 years, we've opened millions of new acres for oil and gas exploration, and tonight I'm directing my administration to open more than 75 percent of our potential offshore oil and gas resources. Right now--right now--American oil production is the highest that it's been in 8 years. That's right, 8 years. Not only that, last year, we relied less on foreign oil than in any of the past 16 years.

But with only 2 percent of the world's oil reserves, oil isn't enough. This country needs an all-out, all-of-the-above strategy that develops every available source of American energy, a strategy that's cleaner, cheaper, and full of new jobs.

We have a supply of natural gas that can last America nearly 100 years. And my administration will take every possible action to safely develop this energy. Experts believe this will support more than 600,000 jobs by the end of the decade. And I'm requiring all companies that drill for gas on public lands to disclose the chemicals they use. Because America will develop this resource without putting the health and safety of our citizens at risk.

The development of natural gas will create jobs and power trucks and factories that are cleaner and cheaper, proving that we don't have to choose between our environment and our economy. And by the way, it was public research dollars, over the course of 30 years, that helped develop the technologies to extract all this natural gas out of shale rock, reminding us that Government support is critical in helping businesses get new energy ideas off the ground.

Now, what's true for natural gas is just as true for clean energy. In 3 years, our partnership with the private sector has already positioned America to be the world's leading manufacturer of high-tech batteries. Because of Federal investments, renewable energy use has nearly doubled, and thousands of Americans have jobs because of it.

When Bryan Ritterby was laid off from his job making furniture, he said he worried that at 55 no one would give him a second chance. But he found work at Energetx, a wind turbine manufacturer in Michigan. Before the recession, the factory only made luxury yachts. Today, it's hiring workers like Bryan, who said, "I'm proud to be working in the industry of the future."

Our experience with shale gas, our experience with natural gas, shows us that the payoffs on these public investments don't always come right away. Some technologies don't pan out, some companies fail. But I will not walk away from the promise of clean energy. I will not walk away from workers like Bryan. I will not cede the wind or solar or battery industry to China or Germany because we refuse to make the same commitment here.

We've subsidized oil companies for a century. That's long enough. It's time to end the taxpayer giveaways to an industry that rarely has been more profitable and double down on a clean energy industry that never has been more promising. Pass clean energy tax credits. Create these jobs.

We can also spur energy innovation with new incentives. The differences in this Chamber may be too deep right now to pass a comprehensive plan to fight climate change. But there's no reason why Congress shouldn't at least set a clean energy standard that creates a market for innovation. So far, you haven't acted. Well, tonight I will. I'm directing my administration to allow the development of clean energy on enough public land to power 3 million homes. And I'm proud to announce that the Department of Defense, working with us, the world's largest consumer of energy, will make one of the largest commitments to clean energy in history, with the Navy purchasing enough capacity to power a quarter of a million homes a year.

Of course, the easiest way to save money is to waste less energy. So here's a proposal: Help manufacturers eliminate energy waste in their factories and give businesses incentives to upgrade their buildings. Their energy bills will be a hundred billion dollars lower over the next decade, and America will have less pollution, more manufacturing, more jobs for construction workers who need them. Send me a bill that creates these jobs.

Building this new energy future should be just one part of a broader agenda to repair America's infrastructure. So much of America needs to be rebuilt. We've got crumbling roads and bridges, a power grid that wastes too much energy, an incomplete high-speed broadband network that prevents a small-business owner in rural America from selling her products all over the world.

During the Great Depression, America built the Hoover Dam and the Golden Gate Bridge. After World War II, we connected our States with a system of highways. Democratic and Republican administrations invested in great projects that benefited everybody, from the workers who built them to the businesses that still use them today.

In the next few weeks, I will sign an Executive order clearing away the redtape that slows down too many construction projects. But you need to fund these projects. Take the money we're no longer spending at war, use half of it to pay down our debt, and use the rest to do some nation-building right here at home.

There's never been a better time to build, especially since the construction industry was one of the hardest hit when the housing bubble burst. Of course, construction workers weren't the only ones who were hurt. So were millions of innocent Americans who've seen their home values decline. And while Government can't fix the problem on its own, responsible homeowners shouldn't have to sit and wait for the housing market to hit bottom to get some relief.

And that's why I'm sending this Congress a plan that gives every responsible homeowner the chance to save about $3,000 a year on their mortgage by refinancing at historically low rates. No more redtape. No more runaround from the banks. A small fee on the largest financial institutions will ensure that it won't add to the deficit and will give those banks that were rescued by taxpayers a chance to repay a deficit of trust.

Let's never forget: Millions of Americans who work hard and play by the rules every day deserve a Government and a financial system that do the same. It's time to apply the same rules from top to bottom. No bailouts, no handouts, and no copouts. An America built to last insists on responsibility from everybody.

We've all paid the price for lenders who sold mortgages to people who couldn't afford them and buyers who knew they couldn't afford them. That's why we need smart regulations to prevent irresponsible behavior. Rules to prevent financial fraud or toxic dumping or faulty medical devices, these don't destroy the free market. They make the free market work better.

There's no question that some regulations are outdated, unnecessary, or too costly. In fact, I've approved fewer regulations in the first 3 years of my Presidency than my Republican predecessor did in his. I've ordered every Federal agency to eliminate rules that don't make sense. We've already announced over 500 reforms, and just a fraction of them will save business and citizens more than $10 billion over the next 5 years. We got rid of one rule from 40 years ago that could have forced some dairy farmers to spend $10,000 a year proving that they could contain a spill, because milk was somehow classified as an oil. With a rule like that, I guess it was worth crying over spilled milk. [*Laughter*]

Now, I'm confident a farmer can contain a milk spill without a Federal agency looking over his shoulder. Absolutely. But I will not back down from making sure an oil company can contain the kind of oil spill we saw in the Gulf 2 years ago. I will not back down from protecting our kids from mercury poisoning or making sure that our food is safe and our water is clean. I will not go back to the days when health insurance companies had unchecked power to cancel your policy, deny your coverage, or charge women differently than men.

And I will not go back to the days when Wall Street was allowed to play by its own set of rules. The new rules we passed restore what should be any financial system's core purpose: getting funding to entrepreneurs with the best ideas and getting loans to responsible families who want to buy a home or start a business or send their kids to college.

So, if you are a big bank or financial institution, you're no longer allowed to make risky bets with your customers' deposits. You're required to write out a "living will" that details exactly how you'll pay the bills if you fail, because the rest of us are not bailing you out ever again. And if you're a mortgage lender or a payday lender or a credit card company, the days of signing people up for products they can't afford with confusing forms and deceptive practices, those days are over. Today, American consumers finally have a watchdog in Richard Cordray, with one job: to look out for them.

We'll also establish a financial crimes unit of highly trained investigators to crack down on large-scale fraud and protect people's investments. Some financial firms violate major antifraud laws because there's no real penalty for being a repeat offender. That's bad for consumers, and it's bad for the vast majority of bankers and financial service professionals who do the right thing. So pass legislation that makes the penalties for fraud count.

And tonight I'm asking my Attorney General to create a special unit of Federal prosecutors and leading State attorney general to expand our investigations into the abusive lending and packaging of risky mortgages that led to the housing crisis. This new unit will hold accountable those who broke the law, speed assistance to homeowners, and help turn the page on an era of recklessness that hurt so many Americans.

Now, a return to the American values of fair play and shared responsibility will help protect our people and our economy. But it should also guide us as we look to pay down our debt and invest in our future.

Right now our most immediate priority is stopping a tax hike on 160 million working Americans while the recovery is still fragile. People cannot afford losing $40 out of each paycheck this year. There are plenty of ways to get this done. So let's agree right here, right now. No side issues. No drama. Pass the payroll tax cut without delay. Let's get it done.

When it comes to the deficit, we've already agreed to more than $2 trillion in cuts and savings. But we need to do more, and that means making choices. Right now we're poised to spend nearly $1 trillion more on what was supposed to be a temporary tax break for the wealthiest 2 percent of Americans. Right now, because of loopholes and shelters in the Tax Code, a quarter of all millionaires pay lower tax rates than millions of middle class households. Right now Warren Buffett pays a lower tax rate than his secretary.

Do we want to keep these tax cuts for the wealthiest Americans? Or do we want to keep our investments in everything else, like education and medical research, a strong military and care for our veterans? Because if we're serious about paying down our debt, we can't do both.

The American people know what the right choice is. So do I. As I told the Speaker this summer, I'm prepared to make more reforms that rein in the long-term costs of Medicare and Medicaid and strengthen Social Security, so long as those programs remain a guarantee of security for seniors. But in return, we need to change our Tax Code so that people like me, and an awful lot of Members of Congress, pay our fair share of taxes.

Tax reform should follow the Buffett rule. If you make more than a million dollars a year, you should not pay less than 30 percent in taxes. And my Republican friend Tom Coburn is right: Washington should stop subsidizing millionaires. In fact, if you're earning a million dollars a year, you shouldn't get special tax subsidies or deductions. On the other hand, if you make under $250,000 a year, like 98 percent of American families, your taxes shouldn't go up. You're the ones struggling with rising costs and stagnant wages. You're the ones who need relief.

Now, you can call this class warfare all you want. But asking a billionaire to pay at least as much as his secretary in taxes? Most Americans would call that common sense.

We don't begrudge financial success in this country. We admire it. When Americans talk about folks like me paying my fair share of taxes, it's not because they envy the rich. It's because they understand that when I get a tax break I don't need and the country can't afford, it either adds to the deficit or somebody else has to make up the difference, like a senior on a fixed income or a student trying to get through school or a family trying to make ends meet. That's not right. Americans know that's not right. They know that this generation's success is only possible because past generations felt a responsibility to each other and to the future of their country, and they know our way of life will only endure if we feel that same sense of shared responsibility. That's how we'll reduce our deficit. That's an America built to last.

Now, I recognize that people watching tonight have differing views about taxes and debt, energy and health care. But no matter what party they belong to, I bet most Americans are thinking the same thing right about now: Nothing will get done in Washington this year or next year or maybe even the year after that, because Washington is broken.

Can you blame them for feeling a little cynical?

The greatest blow to our confidence in our economy last year didn't come from events beyond our control. It came from a debate in Washington over whether the United States would pay its bills or not. Who benefited from that fiasco?

I've talked tonight about the deficit of trust between Main Street and Wall Street. But the divide between this city and the rest of the country is at least as bad, and it seems to get worse every year.

Now, some of this has to do with the corrosive influence of money in politics. So together, let's take some steps to fix that. Send me a bill that bans insider trading by Members of Congress. I will sign it tomorrow. Let's limit any elected official from owning stocks in industries they impact. Let's make sure people who bundle campaign contributions for Congress can't lobby Congress and vice versa, an idea that has bipartisan support, at least outside of Washington.

Some of what's broken has to do with the way Congress does its business these days. A simple majority is no longer enough to get anything--even routine business--passed through the Senate. Neither party has been blameless in these tactics. Now both parties should put an end to it. For starters, I ask the Senate to pass a simple rule that all judicial and public service nominations receive a simple up-or-down vote within 90 days.

The executive branch also needs to change. Too often, it's inefficient, outdated, and remote. That's why I've asked this Congress to grant me the authority to consolidate the Federal bureaucracy so that our Government is leaner, quicker, and more responsive to the needs of the American people.

Finally, none of this can happen unless we also lower the temperature in this town. We need to end the notion that the two parties must be locked in a perpetual campaign of mutual destruction, that politics is about clinging to rigid ideologies instead of building consensus around commonsense ideas.

I'm a Democrat, but I believe what Republican Abraham Lincoln believed: that Government should do for people only what they cannot do better by themselves and no more. That's why my education reform offers more competition and more control for schools and States. That's why we're getting rid of regulations that don't work. That's why our health care law relies on a reformed private market, not a Government program.

On the other hand, even my Republican friends who complain the most about Government spending have supported federally financed roads and clean energy projects and Federal offices for the folks back home.

The point is, we should all want a smarter, more effective Government. And while we may not be able to bridge our biggest philosophical differences this year, we can make real progress. With or without this Congress, I will keep taking actions that help the economy grow. But I can do a whole lot more with your help. Because when we act together, there's nothing the United States of America can't achieve.

That's the lesson we've learned from our actions abroad over the last few years. Ending the Iraq war has allowed us to strike decisive blows against our enemies. From Pakistan to Yemen, the Al Qaida operatives who remain are scrambling, knowing that they can't escape the reach of the United States of America.

From this position of strength, we've begun to wind down the war in Afghanistan. Ten thousand of our troops have come home. Twenty-three thousand more will leave by the end of this summer. This transition to Afghan lead will continue, and we will build an enduring partnership with Afghanistan so that it is never again a source of attacks against America.

As the tide of war recedes, a wave of change has washed across the Middle East and North Africa, from Tunis to Cairo, from Sana'a to Tripoli. A year ago, Qadhafi was one of the world's longest serving dictators, a murderer with American blood on his hands. Today, he is gone. And in Syria, I have no doubt that the Asad regime will soon discover that the forces of change cannot be reversed and that human dignity cannot be denied.

How this incredible transformation will end remains uncertain. But we have a huge stake in the outcome. And while it's ultimately up to the people of the region to decide their fate, we will advocate for those values that have served our own country so well. We will stand against violence and intimidation. We will stand for the rights and dignity of all human beings: men and women; Christians, Muslims, and Jews. We will support policies that lead to strong and stable democracies and open markets, because tyranny is no match for liberty.

And we will safeguard America's own security against those who threaten our citizens, our friends, and our interests. Look at Iran. Through the power of our diplomacy, a world that was once divided about how to deal with Iran's nuclear program now stands as one. The regime is more isolated than ever before. Its leaders are faced with crippling sanctions, and as long as they shirk their responsibilities, this pressure will not relent.

Let there be no doubt: America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal. But a peaceful resolution of this issue is still possible, and far better. And if Iran changes course and meets its obligations, it can rejoin the community of nations.

The renewal of American leadership can be felt across the globe. Our oldest alliances in Europe and Asia are stronger than ever. Our ties to the Americas are deeper. Our ironclad commitment--and I mean ironclad--to Israel's security has meant the closest military cooperation between our two countries in history.

We've made it clear that America is a Pacific power, and a new beginning in Burma has lit a new hope. From the coalitions we've built to secure nuclear materials to the missions we've led against hunger and disease, from the blows we've dealt to our enemies to the enduring power of our moral example, America is back.

Anyone who tells you otherwise, anyone who tells you that America is in decline or that our influence has waned, doesn't know what they're talking about. That's not the message we get from leaders around the world who are eager to work with us. That's not how people feel from Tokyo to Berlin, from Cape Town to Rio, where opinions of America are higher than they've been in years. Yes, the world is changing. No, we can't control every event. But America remains the one indispensable nation in world affairs, and as long as I'm President, I intend to keep it that way.

That's why, working with our military leaders, I've proposed a new defense strategy that ensures we maintain the finest military in the world, while saving nearly half a trillion dollars in our budget. To stay one step ahead of our adversaries, I've already sent this Congress legislation that will secure our country from the growing dangers of cyber threats.

Above all, our freedom endures because of the men and women in uniform who defend it. As they come home, we must serve them as well as they've served us. That includes giving them the care and the benefits they have earned, which is why we've increased annual VA spending every year I've been President. And it means enlisting our veterans in the work of rebuilding our Nation.

With the bipartisan support of this Congress, we're providing new tax credits to companies that hire vets. Michelle and Jill Biden have worked with American businesses to secure a pledge of 135,000 jobs for veterans and their families. And tonight I'm proposing a veterans jobs corps that will help our communities hire veterans as cops and firefighters, so that America is as strong as those who defend her.

Which brings me back to where I began. Those of us who've been sent here to serve can learn a thing or two from the service of our troops. When you put on that uniform, it doesn't matter if you're Black or White, Asian, Latino, Native American; conservative, liberal; rich, poor; gay, straight. When you're marching into battle, you look out for the person next to you or the mission fails. When you're in the thick of the fight, you rise or fall as one unit, serving one Nation, leaving no one behind.

You know, one of my proudest possessions is the flag that the SEAL team took with them on the mission to get bin Laden. On it are each of their names. Some may be Democrats, some may be Republicans, but that doesn't matter. Just like it didn't matter that day in the Situation Room, when I sat next to Bob Gates, a man who was George Bush's Defense Secretary, and Hillary Clinton, a woman who ran against me for President.

All that mattered that day was the mission. No one thought about politics. No one thought about themselves. One of the young men involved in the raid later told me that he didn't deserve credit for the mission. It only succeeded, he said, because every single member of that unit did their job: the pilot who landed the helicopter that spun out of control, the translator who kept others from entering the compound, the troops who separated the women and children from the fight, the SEALs who charged up the stairs. More than that, the mission only succeeded because every member of that unit trusted each other. Because you can't charge up those stairs into darkness and danger unless you know that there's somebody behind you, watching your back.

So it is with America. Each time I look at that flag, I'm reminded that our destiny is stitched together like those 50 stars and those 13 stripes. No one built this country on their own. This Nation is great because we built it together. This Nation is great because we worked as a team. This Nation is great because we get each other's backs. And if we hold fast to that truth, in this moment of trial, there is no challenge too great, no mission too hard. As long as we are joined in common purpose, as long as we maintain our common resolve, our journey moves forward, and our future is hopeful, and the state of our Union will always be strong.

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

February 12, 2013

Please, everybody, have a seat. Mr. Speaker, Mr. Vice President, Members of Congress, fellow Americans: Fifty-one years ago, John F. Kennedy declared to this Chamber that "the Constitution makes us not rivals for power, but partners for progress." "It is my task," he said, "to report the state of the Union; to improve it is the task of us all."

Tonight, thanks to the grit and determination of the American people, there is much progress to report. After a decade of grinding war, our brave men and women in uniform are coming home. After years of grueling recession, our businesses have created over 6 million new jobs. We buy more American cars than we have in 5 years and less foreign oil than we have in 20. Our housing market is healing, our stock market is rebounding, and consumers, patients, and homeowners enjoy stronger protections than ever before.

So together, we have cleared away the rubble of crisis, and we can say with renewed confidence that the state of our Union is stronger.

But we gather here knowing that there are millions of Americans whose hard work and dedication have not yet been rewarded. Our economy is adding jobs, but too many people still can't find full-time employment. Corporate profits have skyrocketed to alltime highs, but for more than a decade, wages and incomes have barely budged.

It is our generation's task, then, to reignite the true engine of America's economic growth: a rising, thriving middle class.

It is our unfinished task to restore the basic bargain that built this country: the idea that if you work hard and meet your responsibilities, you can get ahead, no matter where you come from, no matter what you look like or who you love.

It is our unfinished task to make sure that this Government works on behalf of the many, and not just the few; that it encourages free enterprise, rewards individual initiative, and opens the doors of opportunity to every child across this great Nation.

The American people don't expect government to solve every problem. They don't expect those of us in this Chamber to agree on every issue. But they do expect us to put the Nation's interests before party. They do expect us to forge reasonable compromise where we can. For they know that America moves forward only when we do so together and that the responsibility of improving this Union remains the task of us all.

Now, our work must begin by making some basic decisions about our budget, decisions that will have a huge impact on the strength of our recovery.

Over the last few years, both parties have worked together to reduce the deficit by more than $2.5 trillion, mostly through spending cuts, but also by raising tax rates on the wealthiest 1 percent of Americans. As a result, we are more than halfway towards the goal of $4 trillion in deficit reduction that economists say we need to stabilize our finances.

Now we need to finish the job. And the question is, how?

In 2011, Congress passed a law saying that if both parties couldn't agree on a plan to reach our deficit goal, about a trillion dollars' worth of budget cuts would automatically go into effect this year. These sudden, harsh, arbitrary cuts would jeopardize our military readiness. They'd devastate priorities like education and energy and medical research. They would certainly slow our recovery and cost us hundreds of thousands of jobs. And that's why Democrats, Republicans, business leaders, and economists have already said that these cuts—known here in Washington as the sequester—are a really bad idea.

Now, some in Congress have proposed preventing only the defense cuts by making even bigger cuts to things like education and job training, Medicare, and Social Security benefits. That idea is even worse.

Yes, the biggest driver of our long-term debt is the rising cost of health care for an aging population. And those of us who care deeply about programs like Medicare must embrace the need for modest reforms; otherwise, our retirement programs will crowd out the investments we need for our children and jeopardize the promise of a secure retirement for future generations.

But we can't ask senior citizens and working families to shoulder the entire burden of deficit reduction while asking nothing more from the wealthiest and the most powerful. We won't grow the middle class simply by shifting the cost of health care or college onto families that are already struggling or by forcing communities to lay off more teachers and more cops and more firefighters. Most Americans—Democrats, Republicans, and Independents—understand that we can't just cut our way to prosperity. They know that broad-based economic growth requires a balanced approach to deficit reduction, with spending cuts and revenue and with everybody doing their fair share. And that's the approach I offer tonight.

On Medicare, I'm prepared to enact reforms that will achieve the same amount of health care savings by the beginning of the next decade as the reforms proposed by the bipartisan Simpson-Bowles Commission.

Already, the Affordable Care Act is helping to slow the growth of health care costs. And the reforms I'm proposing go even further. We'll reduce taxpayer subsidies to prescription drug companies and ask more from the wealthiest seniors. We'll bring down costs by changing the way our Government pays for Medicare, because our medical bills shouldn't be based on the number of tests ordered or days spent in the hospital; they should be based on the quality of care that our seniors receive. And I am open to additional reforms from both parties, so long as they don't violate the guarantee of a secure retirement. Our Government shouldn't make promises we cannot keep, but we must keep the promises we've already made.

To hit the rest of our deficit reduction target, we should do what leaders in both parties have already suggested and save hundreds of billions of dollars by getting rid of tax loopholes and deductions for the well-off and the well-connected. After all, why would we choose to make deeper cuts to education and Medicare just to protect special interest tax breaks? How is that fair? Why is it that deficit reduction is a big emergency justifying making cuts in Social Security benefits, but not closing some loopholes? How does that promote growth?

Now is our best chance for bipartisan, comprehensive tax reform that encourages job creation and helps bring down the deficit. We can get this done. The American people deserve a Tax Code that helps small businesses spend less time filling out complicated forms and more time expanding and hiring; a Tax Code that ensures billionaires with high-powered accountants can't work the system and pay a lower rate than their hard-working secretaries; a Tax Code that lowers incentives to move jobs overseas and lowers tax rates for businesses and manufacturers that are creating jobs right here in the United States of America. That's what tax reform can deliver. That's what we can do together.

I realize that tax reform and entitlement reform will not be easy. The politics will be hard for both sides. None of us will get a hundred percent of what we want. But the alternative will cost us jobs, hurt our economy, visit hardship on millions of hard-working Americans. So let's set party interests aside and work to pass a budget that replaces reckless cuts with smart savings and wise investments in our future. And let's do it without the brinksmanship that stresses consumers and scares off investors. The greatest nation on Earth cannot keep conducting its business by drifting from one manufactured crisis to the next. We can't do it.

Let's agree right here, right now to keep the people's Government open and pay our bills on time and always uphold the full faith and credit of the United States of America. The American people have worked too hard, for too long, rebuilding from one crisis to see their elected officials cause another.

Now, most of us agree that a plan to reduce the deficit must be part of our agenda. But let's be clear: Deficit reduction alone is not an economic plan. A growing economy that creates good, middle class jobs, that must be the north star that guides our efforts. Every day, we should ask ourselves three questions as a nation: How do we attract more jobs to our shores? How do we equip our people with the skills they need to get those jobs? And how do we make sure that hard work leads to a decent living?

Now, a year and a half ago, I put forward an American Jobs Act that independent economists said would create more than 1 million new jobs. And I thank the last Congress for passing some of that agenda. I urge this Congress to pass the rest. But tonight I'll lay out additional proposals that are fully paid for and fully consistent with the budget framework both parties agreed to just 18 months ago. Let me repeat: Nothing I'm proposing tonight should increase our deficit by a single dime. It is not a bigger Government we need, but a smarter Government that sets priorities and invests in broad-based growth. That's what we should be looking for.

Our first priority is making America a magnet for new jobs and manufacturing. After shedding jobs for more than 10 years, our manufacturers have added about 500,000 jobs over the past 3. Caterpillar is bringing jobs back from Japan. Ford is bringing jobs back from Mexico. And this year, Apple will start making Macs in America again.

There are things we can do right now to accelerate this trend. Last year, we created our first manufacturing innovation institute in Youngstown, Ohio. A once-shuttered warehouse is now a state-of-the-art lab where new workers are mastering the 3-D printing that has the potential to revolutionize the way we make almost everything. There's no reason this can't happen in other towns.

So tonight I'm announcing the launch of three more of these manufacturing hubs, where businesses will partner with the Department of Defense and Energy to turn regions left behind by globalization into global centers of high-tech jobs. And I ask this Congress to help create a network of 15 of these hubs and guarantee that the next revolution in manufacturing is made right here in America. We can get that done.

Now, if we want to make the best products, we also have to invest in the best ideas. Every dollar we invested to map the human genome returned $140 to our economy—every dollar. Today, our scientists are mapping the human brain to unlock the answers to Alzheimer's. They're developing drugs to regenerate damaged organs, devising new materials to make batteries 10 times more powerful. Now is not the time to gut these job-creating investments in science and innovation, now is the time to reach a level of research and development not seen since the height of the space race. We need to make those investments.

Today, no area holds more promise than our investments in American energy. After years of talking about it, we're finally poised to control our own energy future. We produce more oil at home than we have in 15 years. We have doubled the distance our cars will go on a gallon of gas and the amount of renewable energy we generate from sources like wind and solar, with tens of thousands of good American jobs to show for it. We produce more natural gas than ever before, and nearly everyone's energy bill is lower because of it. And over the last 4 years, our emissions of the dangerous carbon pollution that threatens our planet have actually fallen.

But for the sake of our children and our future, we must do more to combat climate change. Now, it's true that no single event makes a trend. But the fact is, the 12 hottest years on record have all come in the last 15. Heat waves, droughts, wildfires, floods—all are now more frequent and more intense. We can choose to believe that Superstorm Sandy and the most severe drought in decades and the worst wildfires some States have ever seen were all just a freak coincidence. Or we can choose to believe in the overwhelming judgment of science and act before it's too late.

Now, the good news is we can make meaningful progress on this issue while driving strong economic growth. I urge this Congress to get together, pursue a bipartisan, market-based solution to climate change, like the one John McCain and Joe Lieberman worked on together a few years ago. But if Congress won't act soon to protect future generations, I will. I will direct my Cabinet to come up with executive actions we can take, now and in the future, to reduce pollution, prepare our communities for the consequences of climate change, and speed the transition to more sustainable sources of energy.

And 4 years ago, other countries dominated the clean energy market and the jobs that came with it. And we've begun to change that. Last year, wind energy added nearly half of all new power capacity in America. So let's generate even more. Solar energy gets cheaper by the year; let's drive down costs even further. As long as countries like China keep going all in on clean energy, so must we.

Now, in the meantime, the natural gas boom has led to cleaner power and greater energy independence. We need to encourage that. And that's why my administration will keep cutting redtape and speeding up new oil and gas permits. That's got to be part of an all-of-the-above plan. But I also want to work with this Congress to encourage the research and technology that helps natural gas burn even cleaner and protects our air and our water.

In fact, much of our new-found energy is drawn from lands and waters that we, the public, own together. So tonight I propose we use some of our oil and gas revenues to fund an energy security trust that will drive new research and technology to shift our cars and trucks off oil for good. If a nonpartisan coalition of CEOs and retired generals and admirals can get behind this idea, then so can we. Let's take their advice and free our families and businesses from the painful spikes in gas prices we've put up with for far too long.

I'm also issuing a new goal for America: Let's cut in half the energy wasted by our homes and businesses over the next 20 years. We'll work with the States to do it. Those States with the best ideas to create jobs and lower energy bills by constructing more efficient buildings will receive Federal support to help make that happen.

America's energy sector is just one part of an aging infrastructure badly in need of repair. Ask any CEO where they'd rather locate and hire, a country with deteriorating roads and bridges or one with high-speed rail and Internet, high-tech schools, self-healing power grids. The CEO of Siemens America—a company that brought hundreds of new jobs to North Carolina—said that if we upgrade our infrastructure, they'll bring even more jobs. And that's the attitude of a lot of companies all around the world. And I know you want these job-creating projects in your district. I've seen all those ribbon-cuttings. [*Laughter*]

So tonight I propose a Fix-It-First program to put people to work as soon as possible on our most urgent repairs, like the nearly 70,000 structurally deficient bridges across the country. And to make sure taxpayers don't shoulder the whole burden, I'm also proposing a partnership to rebuild America that attracts private capital to upgrade what our businesses need most: modern ports to move our goods, modern pipelines to withstand a storm, modern schools worthy of our children. Let's prove there's no better place to do business than here in the United States of America, and let's start right away. We can get this done.

And part of our rebuilding effort must also involve our housing sector. The good news is, our housing market is finally healing from the collapse of 2007. Home prices are rising at the fastest pace in 6 years. Home purchases are up nearly 50 percent, and construction is expanding again.

But even with mortgage rates near a 50-year low, too many families with solid credit who want to buy a home are being rejected. Too many families who never missed a payment and want to refinance are being told no. That's holding our entire economy back. We need to fix it.

Right now there's a bill in this Congress that would give every responsible homeowner in America the chance to save $3,000 a year by refinancing at today's rates. Democrats and Republicans have supported it before, so what are we waiting for? Take a vote and send me that bill. Why are—why would we be against that? Why would that be a partisan issue, helping folks refinance? Right now overlapping regulations keep responsible young families from buying their first home. What's holding us back? Let's streamline the process and help our economy grow.

These initiatives in manufacturing, energy, infrastructure, housing, all these things will help entrepreneurs and small-business owners expand and create new jobs. But none of it will matter unless we also equip our citizens with the skills and training to fill those jobs.

And that has to start at the earliest possible age. Study after study shows that the sooner a child begins learning, the better he or she does down the road. But today, fewer than 3 in 10 4-year-olds are enrolled in a high-quality preschool program. Most middle class parents can't afford a few hundred bucks a week for a private preschool. And for poor kids who need help the most, this lack of access to preschool education can shadow them for the rest of their lives. So tonight I propose working with States to make high-quality preschool available to every single child in America. That's something we should be able to do.

Every dollar we invest in high-quality early childhood education can save more than 7 dollars later on: by boosting graduation rates, reducing teen pregnancy, even reducing violent crime. In States that make it a priority to educate our youngest children, like Georgia or Oklahoma, studies show students grow up more likely to read and do math at grade level, graduate high school, hold a job, form more stable families of their own. We know this works. So let's do what works and make sure none of our children start the race of life already behind. Let's give our kids that chance.

Let's also make sure that a high school diploma puts our kids on a path to a good job. Right now countries like Germany focus on graduating their high school students with the equivalent of a technical degree from one of our community colleges. So those German kids, they're ready for a job when they graduate high school. They've been trained for the jobs that are there. Now at schools like P-TECH in Brooklyn, a collaboration between New York Public Schools and City University of New York and IBM, students will graduate with a high school diploma and an associate's degree in computers or engineering. We need to give every American student opportunities like this.

And 4 years ago, we started Race to the Top, a competition that convinced almost every State to develop smarter curricula and higher standards, all for about 1 percent of what we spend on education each year. Tonight I'm announcing a new challenge to redesign America's high schools so they better equip graduates for the demands of a high-tech economy. And we'll reward schools that develop new partnerships with colleges and employers and create classes that focus on science, technology, engineering, and math: the skills today's employers are looking for to fill the jobs that are there right now and will be there in the future.

Now, even with better high schools, most young people will need some higher education. It's a simple fact: The more education you've got, the more likely you are to have a good job and work your way into the middle class. But today, skyrocketing costs price too many young people out of a higher education or saddle them with unsustainable debt.

Through tax credits, grants, and better loans, we've made college more affordable for millions of students and families over the last few years. But taxpayers can't keep on subsidizing higher and higher and higher costs for higher education. Colleges must do their part to keep costs down, and it's our job to make sure that they do.

So tonight I ask Congress to change the Higher Education Act so that affordability and value are included in determining which colleges receive certain types of Federal aid. And tomorrow my administration will release a new college scorecard that parents and students can use to compare schools based on a simple criterion: where you can get the most bang for your educational buck.

Now, to grow our middle class, our citizens have to have access to the education and training that today's jobs require. But we also have to make sure that America remains a place where everyone who's willing to work—everybody who's willing to work hard—has the chance to get ahead.

Our economy is stronger when we harness the talents and ingenuity of striving, hopeful immigrants. And right now leaders from the business, labor, law enforcement, faith communities, they all agree that the time has come to pass comprehensive immigration reform. Now is the time to do it. Now is the time to get it done. [*Applause*] Now is the time to get it done.

Real reform means stronger border security, and we can build on the progress my administration has already made: putting more boots on the southern border than at any time in our history and reducing illegal crossings to their lowest levels in 40 years.

Real reform means establishing a responsible pathway to earned citizenship, a path that includes passing a background check, paying taxes and a meaningful penalty, learning English, and going to the back of the line behind the folks trying to come here legally.

And real reform means fixing the legal immigration system to cut waiting periods and attract the highly skilled entrepreneurs and engineers that will help create jobs and grow our economy.

In other words, we know what needs to be done. And as we speak, bipartisan groups in both Chambers are working diligently to draft a bill, and I applaud their efforts. So let's get this done. Send me a comprehensive immigration reform bill in the next few months, and I will sign it right away. And America will be better for it. Let's get it done. [*Applause*] Let's get it done.

But we can't stop there. We know our economy is stronger when our wives, our mothers, our daughters can live their lives free from discrimination in the workplace and free from the fear of domestic violence. Today the Senate passed the "Violence Against Women's Act" that Joe Biden originally wrote almost 20 years ago. And I now urge the House to do the same. Good job, Joe. And I ask this Congress to declare that women should earn a living equal to their efforts, and finally pass the "Paycheck Fairness Act" this year.

We know our economy is stronger when we reward an honest day's work with honest wages. But today, a full-time worker making the minimum wage earns $14,500 a year. Even with the tax relief we put in place, a family with two kids that earns the minimum wage still lives below the poverty line. That's wrong. That's why, since the last time this Congress raised the minimum wage, 19 States have chosen to bump theirs even higher.

Tonight let's declare that in the wealthiest nation on Earth, no one who works full-time should have to live in poverty and raise the Federal minimum wage to $9 an hour. We should be able to get that done.

This single step would raise the incomes of millions of working families. It could mean the difference between groceries or the food bank, rent or eviction, scraping by or finally getting ahead. For businesses across the country, it would mean customers with more money in their pockets. And a whole lot of folks out there would probably need less help from government. In fact, working folks shouldn't have to wait year after year for the minimum wage to go up while CEO pay has never been higher. So here's an idea that Governor Romney and I actually agreed on last year: Let's tie the minimum wage to the cost of living so that it finally becomes a wage you can live on.

Tonight let's also recognize that there are communities in this country where no matter how hard you work, it is virtually impossible to get ahead: factory towns decimated from years of plants packing up; inescapable pockets of poverty, urban and rural, where young adults are still fighting for their first job. America is not a place where the chance of birth or circumstance should decide our destiny. And that's why we need to build new ladders of opportunity into the middle class for all who are willing to climb them.

Let's offer incentives to companies that hire Americans who've got what it takes to fill that job opening, but have been out of work so long that no one will give them a chance anymore. Let's put people back to work rebuilding vacant homes in rundown neighborhoods. And this year, my administration will begin to partner with 20 of the hardest hit towns in America to get these communities back on their feet. Now, we'll work with local leaders to target resources at public safety and education and housing.

We'll give new tax credits to businesses that hire and invest. And we'll work to strengthen families by removing the financial deterrents to marriage for low-income couples and do more to encourage fatherhood, because what makes you a man isn't the ability to conceive a child, it's having the courage to raise one. And we want to encourage that. We want to help that.

Stronger families. Stronger communities. A stronger America. It is this kind of prosperity—broad, shared, built on a thriving middle class—that has always been the source of our progress at home. It's also the foundation of our power and influence throughout the world.

Tonight we stand united in saluting the troops and civilians who sacrifice every day to protect us. Because of them, we can say with confidence that America will complete its mission in Afghanistan and achieve our objective of defeating the core of Al Qaida.

Already, we have brought home 33,000 of our brave service men and women. This spring, our forces will move into a support role, while Afghan security forces take the lead. Tonight I can announce that over the next year, another 34,000 American troops will come home from Afghanistan. This drawdown will continue, and by the end of next year, our war in Afghanistan will be over.

Beyond 2014, America's commitment to a unified and sovereign Afghanistan will endure, but the nature of our commitment will change. We're negotiating an agreement with the Afghan Government that focuses on two missions: training and equipping Afghan forces so that the country does not again slip into chaos and counterterrorism efforts that allow us to pursue the remnants of Al Qaida and their affiliates.

Today, the organization that attacked us on 9/11 is a shadow of its former self. It's true, different Al Qaida affiliates and extremist groups have emerged, from the Arabian Peninsula to Africa. The threat these groups pose is evolving. But to meet this threat, we don't need to send tens of thousands of our sons and daughters abroad or occupy other nations. Instead, we'll need to help countries like Yemen and Libya and Somalia provide for their own security and help allies who take the fight to terrorists, as we have in Mali. And where necessary, through a range of capabilities, we will continue to take direct action against those terrorists who pose the gravest threat to Americans.

Now, as we do, we must enlist our values in the fight. That's why my administration has worked tirelessly to forge a durable legal and policy framework to guide our counterterrorism efforts. Throughout, we have kept Congress fully informed of our efforts. I recognize that in our democracy, no one should just take my word for it that we're doing things the right way. So, in the months ahead, I will continue to engage Congress to ensure not only that our targeting, detention, and prosecution of terrorists remains consistent with our laws and system of checks and balances, but that our efforts are even more transparent to the American people and to the world.

Of course, our challenges don't end with Al Qaida. America will continue to lead the effort to prevent the spread of the world's most dangerous weapons. The regime in North Korea must know they will only achieve security and prosperity by meeting their international obligations. Provocations of the sort we saw last night will only further isolate them, as we stand by our allies, strengthen our own missile defense, and lead the world in taking firm action in response to these threats.

Likewise, the leaders of Iran must recognize that now is the time for a diplomatic solution, because a coalition stands united in demanding that they meet their obligations, and we will do what is necessary to prevent them from getting a nuclear weapon.

At the same time, we'll engage Russia to seek further reductions in our nuclear arsenals and continue leading the global effort to secure nuclear materials that could fall into the wrong hands, because our ability to influence others depends on our willingness to lead and meet our obligations.

America must also face the rapidly growing threat from cyber attacks. Now, we know hackers steal people's identities and infiltrate private e-mails. We know foreign countries and companies swipe our corporate secrets. Now our enemies are also seeking the ability to sabotage our power grid, our financial institutions, our air traffic control systems. We cannot look back years from now and wonder why we did nothing in the face of real threats to our security and our economy.

And that's why, earlier today, I signed a new Executive order that will strengthen our cyber defenses by increasing information sharing and developing standards to protect our national security, our jobs, and our privacy.

But now Congress must act as well, by passing legislation to give our Government a greater capacity to secure our networks and deter attacks. This is something we should be able to get done on a bipartisan basis.

Now, even as we protect our people, we should remember that today's world presents not just dangers, not just threats, it presents opportunities. To boost American exports, support American jobs and level the playing field in the growing markets of Asia, we intend to complete negotiations on a Trans-Pacific Partnership. And tonight I'm announcing that we will launch talks on a comprehensive transatlantic trade and investment partnership with the European Union, because trade that is fair and free across the Atlantic supports millions of good-paying American jobs.

We also know that progress in the most impoverished parts of our world enriches us all, not only because it creates new markets, more stable order in certain regions of the world, but also because it's the right thing to do. In many places, people live on little more than a dollar a day. So the United States will join with our allies to eradicate such extreme poverty in the next two decades by connecting more people to the global economy, by empowering women, by giving our young and brightest minds new opportunities to serve and helping communities to feed and power and educate themselves, by saving the world's children from preventable deaths, and by realizing the promise of an AIDS-free generation, which is within our reach.

You see, America must remain a beacon to all who seek freedom during this period of historic change. I saw the power of hope last year in Rangoon, in Burma, when Aung San Suu Kyi welcomed an American President into the home where she had been imprisoned for years; when thousands of Burmese lined the streets, waving American flags, including a man who said: "There is justice and law in the United States. I want our country to be like that."

In defense of freedom, we'll remain the anchor of strong alliances from the Americas to Africa, from Europe to Asia. In the Middle East, we will stand with citizens as they demand their universal rights and support stable transitions to democracy.

We know the process will be messy, and we cannot presume to dictate the course of change in countries like Egypt, but we can and will insist on respect for the fundamental rights of all people. We'll keep the pressure on a Syrian regime that has murdered its own people and support opposition leaders that respect the rights of every Syrian. And we will stand steadfast with Israel in pursuit of security and a lasting peace.

These are the messages I'll deliver when I travel to the Middle East next month. And all this work depends on the courage and sacrifice of those who serve in dangerous places at great personal risk: our diplomats, our intelligence officers, and the men and women of the United States Armed Forces. As long as I'm Commander in Chief, we will do whatever we must to protect those who serve their country abroad, and we will maintain the best military the world has ever known.

We'll invest in new capabilities, even as we reduce waste and wartime spending. We will ensure equal treatment for all servicemembers and equal benefits for their families, gay and straight. We will draw upon the courage and skills of our sisters and daughters and moms, because women have proven under fire that they are ready for combat.

We will keep faith with our veterans, investing in world-class care—including mental health care—for our wounded warriors, supporting our military families, giving our veterans the benefits and education and job opportunities that they have earned. And I want to thank my wife Michelle and Dr. Jill Biden for their continued dedication to serving our military families as well as they have served us. Thank you, honey. Thank you, Jill.

Defending our freedom, though, is not just the job of our military alone. We must all do our part to make sure our God-given rights are protected here at home. That includes one of the most fundamental rights of a democracy: the right to vote. Now, when any American, no matter where they live or what their party, are denied that right because they can't afford to wait for 5 or 6 or 7 hours just to cast their ballot, we are betraying our ideals.

So tonight I'm announcing a nonpartisan commission to improve the voting experience in America. And it definitely needs improvement. I'm asking two long-time experts in the field—who, by the way, recently served as the top attorneys for my campaign and for Governor Romney's campaign—to lead it. We can fix this, and we will. The American people demand it, and so does our democracy.

Of course, what I've said tonight matters little if we don't come together to protect our most precious resource: our children. It has been 2 months since Newtown. I know this is not the first time this country has debated how to reduce gun violence. But this time is different. Overwhelming majorities of Americans—Americans who believe in the Second Amendment—have come together around commonsense reform, like background checks that will make it harder for criminals to get their hands on a gun. Senators of both parties are working together on tough new laws to prevent anyone from buying guns for resale to criminals. Police chiefs are asking our help to get weapons of war and massive ammunition magazines off our streets, because these police chiefs, they're tired of seeing their guys and gals being outgunned.

Each of these proposals deserves a vote in Congress. Now, if you want to vote no, that's your choice. But these proposals deserve a vote. Because in the 2 months since Newtown, more than a thousand birthdays, graduations, anniversaries have been stolen from our lives by a bullet from a gun—more than a thousand.

One of those we lost was a young girl named Hadiya Pendleton. She was 15 years old. She loved Fig Newtons and lip gloss. She was a majorette. She was so good to her friends, they all thought they were her best friend. Just 3 weeks ago, she was here, in Washington, with her classmates, performing for her country at my Inauguration. And a week later, she was shot and killed in a Chicago park after school, just a mile away from my house.

Hadiya's parents, Nate and Cleo, are in this Chamber tonight, along with more than two dozen Americans whose lives have been torn apart by gun violence. They deserve a vote. They deserve a vote. [*Applause*] They deserve a vote. Gabby Giffords deserves a vote. The families of Newtown deserve a vote. The families of Aurora deserve a vote. The families of Oak Creek and Tucson and Blacksburg, and the countless other communities ripped open by gun violence, they deserve a simple vote. They deserve a simple vote.

Our actions will not prevent every senseless act of violence in this country. In fact, no laws, no initiatives, no administrative acts will perfectly solve all the challenges I've outlined tonight. But we were never sent here to be perfect. We were sent here to make what difference we can, to secure this Nation, expand opportunity, uphold our ideals through the hard, often frustrating, but absolutely necessary work of self-government.

We were sent here to look out for our fellow Americans the same way they look out for one another, every single day, usually without fanfare, all across this country. We should follow their example.

We should follow the example of a New York City nurse named Menchu Sanchez. When Hurricane Sandy plunged her hospital into darkness, she wasn't thinking about how her own home was faring. Her mind was on the 20 precious newborns in her care and the rescue plan she devised that kept them all safe.

We should follow the example of a North Miami woman named Desiline Victor. When Desiline arrived at her polling place, she was told the wait to vote might be 6 hours. And as time ticked by, her concern was not with her tired body or aching feet, but whether folks like her would get to have their say. And hour after hour, a throng of people stayed in line to support her, because Desiline is 102 years old. And they erupted in cheers when she finally put on a sticker that read, "I voted." [*Applause*] There's Desiline.

We should follow the example of a police officer named Brian Murphy. When a gunman opened fire on a Sikh temple in Wisconsin and Brian was the first to arrive—and he did not consider his own safety. He fought back until help arrived and ordered his fellow officers to protect the safety of the Americans worshiping inside, even as he lay bleeding from 12 bullet wounds. And when asked how he did that, Brian said, "That's just the way we're made."

That's just the way we're made. We may do different jobs and wear different uniforms and hold different views than the person beside us. But as Americans, we all share the same proud title: We are citizens. It's a word that doesn't just describe our nationality or legal status. It describes the way we're made. It describes what we believe. It captures the enduring idea that this country only works when we accept certain obligations to one another and to future generations; that our rights are wrapped up in the rights of others; and that well into our third century as a nation, it remains the task of us all, as citizens of these United States, to be the authors of the next great chapter of our American story.

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

January 28, 2014

*The President.* Mr. Speaker, Mr. Vice President, Members of Congress, my fellow Americans: Today in America, a teacher spent extra time with a student who needed it and did her part to lift America's graduation rate to its highest levels in more than three decades. An entrepreneur flipped on the lights in her tech startup and did her part to add to the more than 8 million new jobs our businesses have created over the past 4 years. An autoworker fine-tuned some of the best, most fuel-efficient cars in the world and did his part to help America wean itself off foreign oil.

A farmer prepared for the spring after the strongest 5-year stretch of farm exports in our history. A rural doctor gave a young child the first prescription to treat asthma that his mother could afford. A man took the bus home from the graveyard shift, bone-tired, but dreaming big dreams for his son. And in tight-knit communities all across America, fathers and mothers will tuck in their kids, put an arm around their spouse, remember fallen comrades, and give thanks for being home from a war that after 12 long years is finally coming to an end.

Tonight this Chamber speaks with one voice to the people we represent: It is you, our citizens, who make the state of our Union strong.

And here are the results of your efforts: the lowest unemployment rate in over 5 years; a rebounding housing market; a manufacturing sector that's adding jobs for the first time since the 1990s; more oil produced at home than we buy from the rest of the world, the first time that's happened in nearly 20 years; our deficits cut by more than half. And for the first time in over a decade, business leaders around the world have declared that China is no longer the world's number-one place to invest, America is.

That's why I believe this can be a breakthrough year for America. After 5 years of grit and determined effort, the United States is better positioned for the 21st century than any other nation on Earth.

The question for everyone in this Chamber, running through every decision we make this year, is whether we are going to help or hinder this progress. For several years now, this town has been consumed by a rancorous argument over the proper size of the Federal Government. It's an important debate, one that dates back to our very founding. But when that debate prevents us from carrying out even the most basic functions of our democracy—when our differences shut down Government or threaten the full faith and credit of the United States—then we are not doing right by the American people.

Now, as President, I'm committed to making Washington work better and rebuilding the trust of the people who sent us here. And I believe most of you are too. Last month, thanks to the work of Democrats and Republicans, Congress finally produced a budget that undoes some of last year's severe cuts to priorities like education. Nobody got everything they wanted, and we can still do more to invest in this country's future while bringing down our deficit in a balanced way, but the budget compromise should leave us freer to focus on creating new jobs, not creating new crises.

And in the coming months, let's see where else we can make progress together. Let's make this a year of action. That's what most Americans want: for all of us in this Chamber to focus on their lives, their hopes, their aspirations. And what I believe unites the people of this Nation—regardless of race or region or party, young or old, rich or poor—is the simple, profound belief in opportunity for all: the notion that if you work hard and take responsibility, you can get ahead in America.

Now, let's face it, that belief has suffered some serious blows. Over more than three decades, even before the great recession hit, massive shifts in technology and global competition had eliminated a lot of good, middle class jobs and weakened the economic foundations that families depend on.

Today, after 4 years of economic growth, corporate profits and stock prices have rarely been higher, and those at the top have never done better. But average wages have barely budged. Inequality has deepened. Upward mobility has stalled. The cold, hard fact is that even in the midst of recovery, too many Americans are working more than ever just to get by, let alone to get ahead. And too many still aren't working at all.

So our job is to reverse these trends. It won't happen right away, and we won't agree on everything. But what I offer tonight is a set of concrete, practical proposals to speed up growth, strengthen the middle class, and build new ladders of opportunity into the middle class. Some require congressional action, and I am eager to work with all of you. But America does not stand still, and neither will I. So wherever and whenever I can take steps without legislation to expand opportunity for more American families, that's what I'm going to do.

As usual, our First Lady sets a good example. [*Applause*] Well—[*applause*]. Michelle's "Let's Move!" partnership with schools, businesses, local leaders has helped bring down childhood obesity rates for the first time in 30 years. And that's an achievement that will improve lives and reduce health care costs for decades to come. The Joining Forces alliance that Michelle and Jill Biden launched has already encouraged employers to hire or train nearly 400,000 veterans and military spouses.

Taking a page from that playbook, the White House just organized a College Opportunity Summit, where already, 150 universities, businesses, nonprofits have made concrete commitments to reduce inequality in access to higher education and to help every hard-working kid go to college and succeed when they get to campus. And across the country, we're partnering with mayors, Governors, and State legislatures on issues from homelessness to marriage equality.

The point is, there are millions of Americans outside of Washington who are tired of stale political arguments and are moving this country forward. They believe—and I believe—that here in America, our success should depend not on accident of birth, but the strength of our work ethic and the scope of our dreams. That's what drew our forebears here. That's how the daughter of a factory worker is CEO of America's largest automaker; how the son of a barkeep is Speaker of the House; how the son of a single mom can be President of the greatest nation on Earth.

Opportunity is who we are. And the defining project of our generation must be to restore that promise. We know where to start: The best measure of opportunity is access to a good job. With the economy picking up speed, companies say they intend to hire more people this year. And over half of big manufacturers say they're thinking of insourcing jobs from abroad.

So let's make that decision easier for more companies. Both Democrats and Republicans have argued that our Tax Code is riddled with wasteful, complicated loopholes that punish businesses investing here and reward companies that keep profits abroad. Let's flip that equation. Let's work together to close those loopholes, end those incentives to ship jobs overseas, and lower tax rates for businesses that create jobs right here at home.

Moreover, we can take the money we save from this transition to tax reform to create jobs rebuilding our roads, upgrading our ports, unclogging our commutes, because in today's global economy, first-class jobs gravitate to first-class infrastructure. We'll need Congress to protect more than 3 million jobs by finishing transportation and waterways bills this summer. That can happen. But I'll act on my own to slash bureaucracy and streamline the permitting process for key projects so we can get more construction workers on the job as fast as possible.

We also have the chance, right now, to beat other countries in the race for the next wave of high-tech manufacturing jobs. My administration has launched two hubs for high-tech manufacturing in Raleigh, North Carolina, and Youngstown, Ohio, where we've connected businesses to research universities that can help America lead the world in advanced technologies. Tonight I'm announcing, we'll launch six more this year. Bipartisan bills in both Houses could double the number of these hubs and the jobs they create. So get those bills to my desk. Put more Americans back to work.

Let's do more to help the entrepreneurs and small-business owners who create most new jobs in America. Over the past 5 years, my administration has made more loans to small-business owners than any other. And when 98 percent of our exporters are small businesses, new trade partnerships with Europe and Asia—the Asia-Pacific will help them create more jobs. We need to work together on tools like bipartisan trade promotion authority to protect our workers, protect our environment, and open new markets to new goods stamped "Made in the U.S.A."

Listen, China and Europe aren't standing on the sidelines, and neither should we. We know that the nation that goes all-in on innovation today will own the global economy tomorrow. This is an edge America cannot surrender. Federally funded research helped lead to the ideas and inventions behind Google and smartphones. And that's why Congress should undo the damage done by last year's cuts to basic research so we can unleash the next great American discovery. There are entire industries to be built based on vaccines that stay ahead of drug-resistant bacteria or paper-thin material that's stronger than steel. And let's pass a patent reform bill that allows our businesses to stay focused on innovation, not costly and needless litigation.

Now, one of the biggest factors in bringing more jobs back is our commitment to American energy. The all-of-the-above energy strategy I announced a few years ago is working, and today, America is closer to energy independence than we have been in decades.

One of the reasons why is natural gas. If extracted safely, it's the bridge fuel that can power our economy with less of the carbon pollution that causes climate change. Businesses plan to invest almost $100 billion in new factories that use natural gas. I'll cut redtape to help States get those factories built and put folks to work, and this Congress can help by putting people to work building fueling stations that shift more cars and trucks from foreign oil to American natural gas.

Meanwhile, my administration will keep working with the industry to sustain production and jobs growth while strengthening protection of our air, our water, our communities. And while we're at it, I'll use my authority to protect more of our pristine Federal lands for future generations.

Well, it's not just oil and natural gas production that's booming, we're becoming a global leader in solar too. Every 4 minutes, another American home or business goes solar, every panel pounded into place by a worker whose job cannot be outsourced. Let's continue that progress with a smarter tax policy that stops giving $4 billion a year to fossil fuel industries that don't need it so we can invest more in fuels of the future that do.

And even as we've increased energy production, we've partnered with businesses, builders, and local communities to reduce the energy we consume. When we rescued our automakers, for example, we worked with them to set higher fuel efficiency standards for our cars. In the coming months, I'll build on that success by setting new standards for our trucks so we can keep driving down oil imports and what we pay at the pump.

And taken together, our energy policy is creating jobs and leading to a cleaner, safer planet. Over the past 8 years, the United States has reduced our total carbon pollution more than any other nation on Earth. But we have to act with more urgency, because a changing climate is already harming Western communities struggling with drought and coastal cities dealing with floods. That's why I directed my administration to work with States, utilities, and others to set new standards on the amount of carbon pollution our power plants are allowed to dump into the air.

The shift to a cleaner energy economy won't happen overnight, and it will require some tough choices along the way. But the debate is settled. Climate change is a fact. And when our children's children look us in the eye and ask if we did all we could to leave them a safer, more stable world, with new sources of energy, I want us to be able to say, yes, we did.

Finally, if we're serious about economic growth, it is time to heed the call of business leaders, labor leaders, faith leaders, law enforcement and fix our broken immigration system. Republicans and Democrats in the Senate have acted, and I know that members of both parties in the House want to do the same. Independent economists say immigration reform will grow our economy and shrink our deficits by almost $1 trillion in the next two decades. And for good reason: When people come here to fulfill their dreams—to study, invent, contribute to our culture—they make our country a more attractive place for businesses to locate and create jobs for everybody. So let's get immigration reform done this year. [*Applause*] Let's get it done. It's time.

The ideas I've outlined so far can speed up growth and create more jobs. But in this rapidly changing economy, we have to make sure that every American has the skills to fill those jobs. The good news is, we know how to do it.

Two years ago, as the auto industry came roaring back, Andra Rush opened up a manufacturing firm in Detroit. She knew that Ford needed parts for the best selling truck in America, and she knew how to make those parts. She just needed the workforce. So she dialed up what we call an American Job Center, places where folks can walk in to get the help or training they need to find a new job or a better job. She was flooded with new workers. And today, Detroit Manufacturing Systems has more than 700 employees. And what Andra and her employees experienced is how it should be for every employer and every job seeker.

So tonight I've asked Vice President Biden to lead an across-the-board reform of America's training programs to make sure they have one mission: train Americans with the skills employers need and match them to good jobs that need to be filled right now. That means more on-the-job training and more apprenticeships that set a young worker on an upward trajectory for life. It means connecting companies to community colleges that can help design training to fill their specific needs. And if Congress wants to help, you can concentrate funding on proven programs that connect more ready-to-work Americans with ready-to-be-filled jobs.

I'm also convinced we can help Americans return to the workforce faster by reforming unemployment insurance so that it's more effective in today's economy. But first, this Congress needs to restore the unemployment insurance you just let expire for 1.6 million people.

Let me tell you why. Misty DeMars is a mother of two young boys. She'd been steadily employed since she was a teenager, put herself through college. She'd never collected unemployment benefits, but she'd been paying taxes. In May, she and her husband used their life savings to buy their first home. A week later, budget cuts claimed the job she loved. Last month, when their unemployment insurance was cut off, she sat down and wrote me a letter, the kind I get every day. "We are the face of the unemployment crisis," she wrote. "I'm not dependent on the government. Our country depends on people like us who build careers, contribute to society, care about our neighbors. I'm confident that in time, I will find a job, I will pay my taxes, and we will raise our children in their own home in the community we love. Please give us this chance."

Congress, give these hard-working, responsible Americans that chance. Give them that chance. [*Applause*] Give them the chance. They need our help right now. But more important, this country needs them in the game. That's why I've been asking CEOs to give more long-term unemployed workers a fair shot at new jobs, a new chance to support their families. And in fact, this week, many will come to the White House to make that commitment real. Tonight I ask every business leader in America to join us and to do the same, because we are stronger when America fields a full team.

Of course, it's not enough to train today's workforce. We also have to prepare tomorrow's workforce, by guaranteeing every child access to a world-class education. Estiven Rodriguez couldn't speak a word of English when he moved to New York City at age 9. But last month, thanks to the support of great teachers and an innovative tutoring program, he led a march of his classmates through a crowd of cheering parents and neighbors from their high school to the post office, where they mailed off their college applications. And this son of a factory worker just found out, he's going to college this fall.

Five years ago, we set out to change the odds for all our kids. We worked with lenders to reform student loans, and today, more young people are earning college degrees than ever before. Race to the Top, with the help of Governors from both parties, has helped States raise expectations and performance. Teachers and principals in schools from Tennessee to Washington, DC, are making big strides in preparing students with the skills for the new economy: problem solving, critical thinking, science, technology, engineering, math.

Now, some of this change is hard. It requires everything from more challenging curriculums and more demanding parents to better support for teachers and new ways to measure how well our kids think, not how well they can fill in a bubble on a test. But it is worth it, and it is working. The problem is, we're still not reaching enough kids, and we're not reaching them in time. And that has to change.

Research shows that one of the best investments we can make in a child's life is high-quality early education. Last year, I asked this Congress to help States make high-quality pre-K available to every 4-year-old. And as a parent as well as a President, I repeat that request tonight. But in the meantime, 30 States have raised pre-K funding on their own. They know we can't wait. So just as we worked with States to reform our schools, this year, we'll invest in new partnerships with States and communities across the country in a Race to the Top for our youngest children. And as Congress decides what it's going to do, I'm going to pull together a coalition of elected officials, business leaders, and philanthropists willing to help more kids access the high-quality pre-K that they need. It is right for America. We need to get this done.

Last year, I also pledged to connect 99 percent of our students to high-speed broadband over the next 4 years. Tonight I can announce that with the support of the FCC and companies like Apple, Microsoft, Sprint, and Verizon, we've got a down payment to start connecting more than 15,000 schools and 20 million students over the next 2 years, without adding a dime to the deficit.

We're working to redesign high schools and partner them with colleges and employers that offer the real-world education and hands-on training that can lead directly to a job and career. We're shaking up our system of higher education to give parents more information and colleges more incentive to offer better value so that no middle class kid is priced out of a college education.

We're offering millions the opportunity to cap their monthly student loan payments to 10 percent of their income, and I want to work with Congress to see how we can help even more Americans who feel trapped by student loan debt. And I'm reaching out to some of America's leading foundations and corporations on a new initiative to help more young men of color facing especially tough odds to stay on track and reach their full potential.

The bottom line is, Michelle and I want every child to have the same chance this country gave us. But we know our opportunity agenda won't be complete, and too many young people entering the workforce today will see the American Dream as an empty promise, unless we also do more to make sure our economy honors the dignity of work and hard work pays off for every single American.

Today, women make up about half our workforce, but they still make 77 cents for every dollar a man earns. That is wrong, and in 2014, it's an embarrassment. Women deserve equal pay for equal work. She deserves to have a baby without sacrificing her job. A mother deserves a day off to care for a sick child or a sick parent without running into hardship. And you know what, a father does too. It is time to do away with workplace policies that belong in a "Mad Men" episode. [*Laughter*] This year, let's all come together—Congress, the White House, businesses from Wall Street to Main Street—to give every woman the opportunity she deserves. Because I believe when women succeed, America succeeds.

Now, women hold a majority of lower wage jobs, but they're not the only ones stifled by stagnant wages. Americans understand that some people will earn more money than others, and we don't resent those who, by virtue of their efforts, achieve incredible success. That's what America is all about. But Americans overwhelmingly agree that no one who works full-time should ever have to raise a family in poverty.

In the year since I asked this Congress to raise the minimum wage, five States have passed laws to raise theirs. Many businesses have done it on their own. Nick Chute is here today with his boss, John Soranno. John's an owner of Punch Pizza in Minneapolis, and Nick helps make the dough. [*Laughter*] Only now he makes more of it. [*Laughter*] John just gave his employees a raise to 10 bucks an hour, and that's a decision that has eased their financial stress and boosted their morale.

Tonight I ask more of America's business leaders to follow John's lead: Do what you can to raise your employees' wages. It's good for the economy. It's good for America. To every mayor, Governor, State legislator in America, I say: You don't have to wait for Congress to act; Americans will support you if you take this on.

And as a chief executive, I intend to lead by example. Profitable corporations like Costco see higher wages as the smart way to boost productivity and reduce turnover. We should too. In the coming weeks, I will issue an Executive order requiring Federal contractors to pay their federally funded employees a fair wage of at least 10 dollars and 10 cents an hour. Because if you cook our troops' meals or wash their dishes, you should not have to live in poverty.

Of course, to reach millions more, Congress does need to get on board. Today, the Federal minimum wage is worth about 20 percent less than it was when Ronald Reagan first stood here. And Tom Harkin and George Miller have a bill to fix that by lifting the minimum wage to 10 dollars and 10 cents. It's easy to remember: 10-10. This will help families. It will give businesses customers with more money to spend. It does not involve any new bureaucratic program. So join the rest of the country. Say yes. Give America a raise. Give them a raise.

There are other steps we can take to help families make ends meet, and few are more effective at reducing inequality and helping families pull themselves up through hard work than the earned-income tax credit. Right now it helps about half of all parents at some point. Think about that: It helps about half of all parents in America at some point in their lives. But I agree with Republicans like Senator Rubio that it doesn't do enough for single workers who don't have kids. So let's work together to strengthen the credit, reward work, help more Americans get ahead.

Let's do more to help Americans save for retirement. Today, most workers don't have a pension. A Social Security check often isn't enough on its own. And while the stock market has doubled over the last 5 years, that doesn't help folks who don't have 401(k)s. That's why, tomorrow, I will direct the Treasury to create a new way for working Americans to start their own retirement savings: MyI—MyRA.

It's a new savings bond that encourages folks to build a nest egg. MyRA guarantees a decent return with no risk of losing what you put in. And if this Congress wants to help, work with me to fix an upside-down Tax Code that gives big tax breaks to help the wealthy save, but does little or nothing for middle class Americans. Offer every American access to an automatic IRA on the job so they can save at work just like everybody in this Chamber can.

And since the most important investment many families make is their home, send me legislation that protects taxpayers from footing the bill for a housing crisis ever again and keeps the dream of homeownership alive for future generations.

One last point on financial security: For decades, few things exposed hard-working families to economic hardship more than a broken health care system. And in case you haven't heard, we're in the process of fixing that. Now, a preexisting condition used to mean that someone like Amanda Shelley, a physician's assistant and single mom from Arizona, couldn't get health insurance. But on January 1, she got covered. On January 3, she felt a sharp pain. On January 6, she had emergency surgery. Just one week earlier, Amanda said, and that surgery would have meant bankruptcy.

That's what health insurance reform is all about: the peace of mind that if misfortune strikes, you don't have to lose everything. Already, because of the Affordable Care Act, more than 3 million Americans under age 26 have gained coverage under their parent's plan. More than 9 million Americans have signed up for private health insurance or Medicaid coverage. Nine million.

And here's another number: zero. Because of this law, no American—none, zero—can ever again be dropped or denied coverage for a preexisting condition like asthma or back pain or cancer. No woman can ever be charged more just because she's a woman. And we did all this while adding years to Medicare's finances, keeping Medicare premiums flat, and lowering prescription costs for millions of seniors.

Now, I do not expect to convince my Republican friends on the merits of this law. [*Laughter*] But I know that the American people are not interested in refighting old battles. So again, if you have specific plans to cut costs, cover more people, increase choice, tell America what you'd do differently. Let's see if the numbers add up. But let's not have another 40-something votes to repeal a law that's already helping millions of Americans like Amanda. The first 40 were plenty. [*Laughter*]

We all owe it to the American people to say what we're for, not just what we're against. And if you want to know the real impact this law is having, just talk to Governor Steve Beshear of Kentucky, who's here tonight. Now, Kentucky is not the most liberal part of the country. That's not where I got my highest vote totals. [*Laughter*] But he's like a man possessed when it comes to covering his Commonwealth's families. They're our neighbors and our friends, he said: "They're people we shop and go to church with, farmers out on the tractor, grocery clerks. They're people who go to work every morning praying they don't get sick. No one deserves to live that way."

Steve's right. That's why tonight I ask every American who knows someone without health insurance to help them get covered by March 31. [*Applause*] Help them get covered. Moms, get on your kids to sign up. Kids, call your mom and walk her through the application. It will give her some peace of mind, and plus, she'll appreciate hearing from you. [*Laughter*]

After all, that's the spirit that has always moved this Nation forward. It's the spirit of citizenship, the recognition that through hard work and responsibility, we can pursue our individual dreams, but still come together as one American family to make sure the next generation can pursue its dreams as well.

Citizenship means standing up for everyone's right to vote. Last year, part of the Voting Rights Act was weakened, but conservative Republicans and liberal Democrats are working together to strengthen it. And the bipartisan Commission I appointed, chaired by my campaign lawyer and Governor Romney's campaign lawyer, came together and have offered reforms so that no one has to wait more than a half hour to vote. Let's support these efforts. It should be the power of our vote, not the size of our bank accounts, that drives our democracy.

Citizenship means standing up for the lives that gun violence steals from us each day. I've seen the courage of parents, students, pastors, police officers all over this country who say, "We are not afraid." And I intend to keep trying, with or without Congress, to help stop more tragedies from visiting innocent Americans in our movie theaters, in our shopping malls, or schools like Sandy Hook.

Citizenship demands a sense of common purpose, participation in the hard work of self-government, an obligation to serve our communities. And I know this Chamber agrees that few Americans give more to their country than our diplomats and the men and women of the United States Armed Forces. Thank you. Tonight, because of the extraordinary troops and civilians who risk and lay down their lives to keep us free, the United States is more secure. When I took office, nearly 180,000 Americans were serving in Iraq and Afghanistan. Today, all our troops are out of Iraq. More than 60,000 of our troops have already come home from Afghanistan. With Afghan forces now in the lead for their own security, our troops have moved to a support role. Together with our allies, we will complete our mission there by the end of this year, and America's longest war will finally be over.

After 2014, we will support a unified Afghanistan as it takes responsibility for its own future. If the Afghan Government signs a security agreement that we have negotiated, a small force of Americans could remain in Afghanistan with NATO allies to carry out two narrow missions: training and assisting Afghan forces and counterterrorism operations to pursue any remnants of Al Qaida. For while our relationship with Afghanistan will change, one thing will not: our resolve that terrorists do not launch attacks against our country.

The fact is, that danger remains. While we've put Al Qaida's core leadership on a path to defeat, the threat has evolved as Al Qaida affiliates and other extremists take root in different parts of the world. In Yemen, Somalia, Iraq, Mali, we have to keep working with partners to disrupt and disable those networks. In Syria, we'll support the opposition that rejects the agenda of terrorist networks. Here at home, we'll keep strengthening our defenses and combat new threats like cyber attacks. And as we reform our defense budget, we will have to keep faith with our men and women in uniform and invest in the capabilities they need to succeed in future missions.

We have to remain vigilant. But I strongly believe our leadership and our security cannot depend on our outstanding military alone. As Commander in Chief, I have used force when needed to protect the American people, and I will never hesitate to do so as long as I hold this office. But I will not send our troops into harm's way unless it is truly necessary, nor will I allow our sons and daughters to be mired in open-ended conflicts. We must fight the battles that need to be fought, not those that terrorists prefer from us: large-scale deployments that drain our strength and may ultimately feed extremism.

So even as we actively and aggressively pursue terrorist networks through more targeted efforts and by building the capacity of our foreign partners, America must move off a permanent war footing. That's why I've imposed prudent limits on the use of drones. For we will not be safer if people abroad believe we strike within their countries without regard for the consequence.

That's why, working with this Congress, I will reform our surveillance programs, because the vital work of our intelligence community depends on public confidence, here and abroad, that privacy of ordinary people is not being violated.

And with the Afghan war ending, this needs to be the year Congress lifts the remaining restrictions on detainee transfers and we close the prison at Guantanamo Bay. Because we counter terrorism not just through intelligence and military actions, but by remaining true to our constitutional ideals and setting an example for the rest of the world.

You see, in a world of complex threats, our security, our leadership, depends on all elements of our power, including strong and principled diplomacy. American diplomacy has rallied more than 50 countries to prevent nuclear materials from falling into the wrong hands and allowed us to reduce our own reliance on cold war stockpiles. American diplomacy, backed by the threat of force, is why Syria's chemical weapons are being eliminated.

And we will continue to work with the international community to usher in the future the Syrian people deserve, a future free of dictatorship, terror, and fear. As we speak, American diplomacy is supporting Israelis and Palestinians as they engage in the difficult but necessary talks to end the conflict there, to achieve dignity and an independent state for Palestinians and lasting peace and security for the State of Israel, a Jewish state that knows America will always be at their side.

And it is American diplomacy, backed by pressure, that has halted the progress of Iran's nuclear program and rolled back parts of that program for the very first time in a decade. As we gather here tonight, Iran has begun to eliminate its stockpile of higher levels of enriched uranium. It's not installing advanced centrifuges. Unprecedented inspections help the world verify every day that Iran is not building a bomb. And with our allies and partners, we're engaged in negotiations to see if we can peacefully achieve a goal we all share: preventing Iran from obtaining a nuclear weapon.

These negotiations will be difficult. They may not succeed. We are clear eyed about Iran's support for terrorist organizations like Hizballah, which threatens our allies. And we're clear about the mistrust between our nations, mistrust that cannot be wished away. But these negotiations don't rely on trust. Any long-term deal we agree to must be based on verifiable action that convinces us and the international community that Iran is not building a nuclear bomb. If John F. Kennedy and Ronald Reagan could negotiate with the Soviet Union, then surely a strong and confident America can negotiate with less powerful adversaries today.

The sanctions that we put in place helped make this opportunity possible. But let me be clear: If this Congress sends me a new sanctions bill now that threatens to derail these talks, I will veto it. For the sake of our national security, we must give diplomacy a chance to succeed. If Iran's leaders do not seize this opportunity, then I will be the first to call for more sanctions and stand ready to exercise all options to make sure Iran does not build a nuclear weapon. But if Iran's leaders do seize the chance—and we'll know soon enough—then Iran could take an important step to rejoin the community of nations, and we will have resolved one of the leading security challenges of our time without the risks of war.

Now, finally, let's remember that our leadership is defined not just by our defense against threats, but by the enormous opportunities to do good and promote understanding around the globe: to forge greater cooperation, to expand new markets, to free people from fear and want. And no one is better positioned to take advantage of those opportunities than America.

Our alliance with Europe remains the strongest the world has ever known. From Tunisia to Burma, we're supporting those who are willing to do the hard work of building democracy. In Ukraine, we stand for the principle that all people have the right to express themselves freely and peacefully and to have a say in their country's future. Across Africa, we're bringing together businesses and governments to double access to electricity and help end extreme poverty. In the Americas, we're building new ties of commerce, but we're also expanding cultural and educational exchanges among young people. And we will continue to focus on the Asia-Pacific, where we support our allies, shape a future of greater security and prosperity, and extend a hand to those devastated by disaster, as we did in the Philippines, when our Marines and civilians rushed to aid those battered by a typhoon, and who were greeted with words like, "We will never forget your kindness" and "God bless America."

We do these things because they help promote our long-term security, and we do them because we believe in the inherent dignity and equality of every human being, regardless of race or religion, creed or sexual orientation. And next week, the world will see one expression of that commitment, when Team U.S.A. marches the red, white, and blue into the Olympic Stadium and brings home the gold. [*Laughter*]

*Audience members.* U.S.A.! U.S.A.! U.S.A.!

*The President.* My fellow Americans, no other country in the world does what we do. On every issue, the world turns to us, not simply because of the size of our economy or our military might, but because of the ideals we stand for and the burdens we bear to advance them. No one knows this better than those who serve in uniform.

As this time of war draws to a close, a new generation of heroes returns to civilian life. We'll keep slashing that backlog so our veterans receive the benefits they've earned and our wounded warriors receive the health care—including the mental health care—that they need. We'll keep working to help all our veterans translate their skills and leadership into jobs here at home. And we will all continue to join forces to honor and support our remarkable military families.

Let me tell you about one of those families I've come to know. I first met Cory Remsburg, a proud Army Ranger, at Omaha Beach on the 65th anniversary of D-day. Along with some of his fellow Rangers, he walked me through the program and the ceremony. He was a strong, impressive young man, had an easy manner, he was sharp as a tack. And we joked around and took pictures, and I told him to stay in touch.

A few months later, on his 10th deployment, Cory was nearly killed by a massive roadside bomb in Afghanistan. His comrades found him in a canal, face down, underwater, shrapnel in his brain. For months, he lay in a coma. And the next time I met him, in the hospital, he couldn't speak, could barely move. Over the years, he's endured dozens of surgeries and procedures, hours of grueling rehab every day.

Even now, Cory is still blind in one eye, still struggles on his left side. But slowly, steadily, with the support of caregivers like his dad Craig and the community around him, Cory has grown stronger. And day by day, he's learned to speak again and stand again and walk again. And he's working toward the day when he can serve his country again. "My recovery has not been easy," he says. "Nothing in life that's worth anything is easy." Cory is here tonight. And like the Army he loves, like the America he serves, Sergeant First Class Cory Remsburg never gives up, and he does not quit. Cory.

My fellow Americans, men and women like Cory remind us that America has never come easy. Our freedom, our democracy, has never been easy. Sometimes, we stumble, we make mistakes; we get frustrated or discouraged. But for more than 200 years, we have put those things aside and placed our collective shoulder to the wheel of progress: to create and build and expand the possibilities of individual achievement, to free other nations from tyranny and fear, to promote justice and fairness and equality under the law so that the words set to paper by our Founders are made real for every citizen. The America we want for our kids—a rising America where honest work is plentiful and communities are strong, where prosperity is widely shared and opportunity for all lets us go as far as our dreams and toil will take us—none of it is easy. But if we work together—if we summon what is best in us, the way Cory summoned what is best in him—with our feet planted firmly in today, but our eyes cast toward tomorrow, I know it is within our reach. Believe it.

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

January 20, 2015

*The President.* Mr. Speaker, Mr. Vice President, Members of Congress, my fellow Americans: We are 15 years into this new century. Fifteen years that dawned with terror touching our shores, that unfolded with a new generation fighting two long and costly wars, that saw a vicious recession spread across our Nation and the world. It has been and still is a hard time for many.

But tonight we turn the page. Tonight, after a breakthrough year for America, our economy is growing and creating jobs at the fastest pace since 1999. Our unemployment rate is now lower than it was before the financial crisis. More of our kids are graduating than ever before. More of our people are insured than ever before. And we are as free from the grip of foreign oil as we've been in almost 30 years.

Tonight, for the first time since 9/11, our combat mission in Afghanistan is over. Six years ago, nearly 180,000 American troops served in Iraq and Afghanistan. Today, fewer than 15,000 remain. And we salute the courage and sacrifice of every man and woman in this 9/11 generation who has served to keep us safe. We are humbled and grateful for your service.

America, for all that we have endured, for all the grit and hard work required to come back, for all the tasks that lie ahead, know this: The shadow of crisis has passed, and the State of the Union is strong.

At this moment—with a growing economy, shrinking deficits, bustling industry, booming energy production—we have risen from recession freer to write our own future than any other nation on Earth. It's now up to us to choose who we want to be over the next 15 years and for decades to come.

Will we accept an economy where only a few of us do spectacularly well? Or will we commit ourselves to an economy that generates rising incomes and chances for everyone who makes the effort?

Will we approach the world fearful and reactive, dragged into costly conflicts that strain our military and set back our standing? Or will we lead wisely, using all elements of our power to defeat new threats and protect our planet?

Will we allow ourselves to be sorted into factions and turned against one another? Or will we recapture the sense of common purpose that has always propelled America forward?

In 2 weeks, I will send this Congress a budget filled with ideas that are practical, not partisan. And in the months ahead, I'll crisscross the country making a case for those ideas. So tonight I want to focus less on a checklist of proposals and focus more on the values at stake in the choices before us.

It begins with our economy. Seven years ago, Rebekah and Ben Erler of Minneapolis were newlyweds. [*Laughter*] She waited tables. He worked construction. Their first child Jack was on the way. They were young and in love in America. And it doesn't get much better than that. "If only we had known," Rebekah wrote to me last spring, "what was about to happen to the housing and construction market." As the crisis worsened, Ben's business dried up, so he took what jobs he could find, even if they kept him on the road for long stretches of time. Rebekah took out student loans and enrolled in community college and retrained for a new career. They sacrificed for each other. And slowly, it paid off. They bought their first home. They had a second son Henry. Rebekah got a better job and then a raise. Ben is back in construction and home for dinner every night.

"It is amazing," Rebekah wrote, "what you can bounce back from when you have to. . . . We are a strong, tight-knit family who has made it through some very, very hard times." We are a strong, tight-knit family who has made it through some very, very hard times.

America, Rebekah and Ben's story is our story. They represent the millions who have worked hard and scrimped and sacrificed and retooled. You are the reason that I ran for this office. You are the people I was thinking of 6 years ago today, in the darkest months of the crisis, when I stood on the steps of this Capitol and promised we would rebuild our economy on a new foundation. And it has been your resilience, your effort that has made it possible for our country to emerge stronger.

We believed we could reverse the tide of outsourcing and draw new jobs to our shores. And over the past 5 years, our businesses have created more than 11 million new jobs.

We believed we could reduce our dependence on foreign oil and protect our planet. And today, America is number one in oil and gas. America is number one in wind power. Every 3 weeks, we bring online as much solar power as we did in all of 2008. And thanks to lower gas prices and higher fuel standards, the typical family this year should save about $750 at the pump.

We believed we could prepare our kids for a more competitive world. And today, our younger students have earned the highest math and reading scores on record. Our high school graduation rate has hit an alltime high. More Americans finish college than ever before.

We believed that sensible regulations could prevent another crisis, shield families from ruin, and encourage fair competition. Today, we have new tools to stop taxpayer-funded bailouts and a new consumer watchdog to protect us from predatory lending and abusive credit card practices. And in the past year alone, about 10 million uninsured Americans finally gained the security of health coverage.

At every step, we were told our goals were misguided or too ambitious, that we would crush jobs and explode deficits. Instead, we've seen the fastest economic growth in over a decade, our deficits cut by two-thirds, a stock market that has doubled, and health care inflation at its lowest rate in 50 years. This is good news, people. [*Laughter*]

So the verdict is clear. Middle class economics works. Expanding opportunity works. And these policies will continue to work as long as politics don't get in the way. We can't slow down businesses or put our economy at risk with Government shutdowns or fiscal showdowns. We can't put the security of families at risk by taking away their health insurance or unraveling the new rules on Wall Street or refighting past battles on immigration when we've got to fix a broken system. And if a bill comes to my desk that tries to do any of these things, I will veto it. It will have earned my veto.

Today, thanks to a growing economy, the recovery is touching more and more lives. Wages are finally starting to rise again. We know that more small-business owners plan to raise their employees' pay than at any time since 2007. But here's the thing: Those of us here tonight, we need to set our sights higher than just making sure Government doesn't screw things up—[*laughter*]—that Government doesn't halt the progress we're making. We need to do more than just do no harm. Tonight, together, let's do more to restore the link between hard work and growing opportunity for every American.

Because families like Rebekah's still need our help. She and Ben are working as hard as ever, but they've had to forego vacations and a new car so that they can pay off student loans and save for retirement. Friday night pizza, that's a big splurge. Basic childcare for Jack and Henry costs more than their mortgage and almost as much as a year at the University of Minnesota. Like millions of hard-working Americans, Rebekah isn't asking for a handout, but she is asking that we look for more ways to help families get ahead.

And in fact, at every moment of economic change throughout our history, this country has taken bold action to adapt to new circumstances and to make sure everyone gets a fair shot. We set up worker protections, Social Security, Medicare, Medicaid to protect ourselves from the harshest adversity. We gave our citizens schools and colleges, infrastructure and the Internet, tools they needed to go as far as their efforts and their dreams will take them.

That's what middle class economics is: the idea that this country does best when everyone gets their fair shot, everyone does their fair share, everyone plays by the same set of rules. We don't just want everyone to share in America's success, we want everyone to contribute to our success.

So what does middle class economics require in our time? First, middle class economics means helping working families feel more secure in a world of constant change. That means helping folks afford childcare, college, health care, a home, retirement. And my budget will address each of these issues, lowering the taxes of working families and putting thousands of dollars back into their pockets each year.

Here's one example. During World War II, when men like my grandfather went off to war, having women like my grandmother in the workforce was a national security priority, so this country provided universal childcare. In today's economy, when having both parents in the workforce is an economic necessity for many families, we need affordable, high-quality childcare more than ever.

It's not a nice-to-have, it's a must-have. So it's time we stop treating childcare as a side issue, or as a women's issue, and treat it like the national economic priority that it is for all of us. And that's why my plan will make quality childcare more available and more affordable for every middle class and low-income family with young children in America, by creating more slots and a new tax cut of up to $3,000 per child, per year.

Here's another example. Today, we are the only advanced country on Earth that doesn't guarantee paid sick leave or paid maternity leave to our workers. Forty-three million workers have no paid sick leave—43 million. Think about that. And that forces too many parents to make the gut-wrenching choice between a paycheck and a sick kid at home. So I'll be taking new action to help States adopt paid leave laws of their own. And since paid sick leave won where it was on the ballot last November, let's put it to a vote right here in Washington. Send me a bill that gives every worker in America the opportunity to earn 7 days of paid sick leave. It's the right thing to do. [*Applause*] It's the right thing to do.

Of course, nothing helps families make ends meet like higher wages. That's why this Congress still needs to pass a law that makes sure a woman is paid the same as a man for doing the same work. I mean, it's 2015. [*Laughter*] It's time. We still need to make sure employees get the overtime they've earned. And to everyone in this Congress who still refuses to raise the minimum wage, I say this: If you truly believe you could work full time and support a family on less than $15,000 a year, try it. If not, vote to give millions of the hardest working people in America a raise.

Now, these ideas won't make everybody rich, won't relieve every hardship. That's not the job of government. To give working families a fair shot, we still need more employers to see beyond next quarter's earnings and recognize that investing in their workforce is in their company's long-term interest. We still need laws that strengthen rather than weaken unions, and give American workers a voice.

But you know, things like childcare and sick leave and equal pay, things like lower mortgage premiums and a higher minimum wage—these ideas will make a meaningful difference in the lives of millions of families. That's a fact. And that's what all of us, Republicans and Democrats alike, were sent here to do.

Now, second, to make sure folks keep earning higher wages down the road, we have to do more to help Americans upgrade their skills. America thrived in the 20th century because we made high school free, sent a generation of GIs to college, trained the best workforce in the world. We were ahead of the curve. But other countries caught on. And in a 21st-century economy that rewards knowledge like never before, we need to up our game. We need to do more.

By the end of this decade, two in three job openings will require some higher education—two in three. And yet we still live in a country where too many bright, striving Americans are priced out of the education they need. It's not fair to them, and it's sure not smart for our future. And that's why I'm sending this Congress a bold new plan to lower the cost of community college to zero.

Keep in mind, 40 percent of our college students choose community college. Some are young and starting out. Some are older and looking for a better job. Some are veterans and single parents trying to transition back into the job market. Whoever you are, this plan is your chance to graduate ready for the new economy without a load of debt. Understand, you've got to earn it. You've got to keep your grades up and graduate on time.

Tennessee, a State with Republican leadership, and Chicago, a city with Democratic leadership, are showing that free community college is possible. I want to spread that idea all across America so that 2 years of college becomes as free and universal in America as high school is today. Let's stay ahead of the curve. And I want to work with this Congress to make sure those already burdened with student loans can reduce their monthly payments so that student debt doesn't derail anyone's dreams.

Thanks to Vice President Biden's great work to update our job training system, we're connecting community colleges with local employers to train workers to fill high-paying jobs like coding and nursing and robotics. Tonight I'm also asking more businesses to follow the lead of companies like CVS and UPS and offer more educational benefits and paid apprenticeships, opportunities that give workers the chance to earn higher paying jobs even if they don't have a higher education.

And as a new generation of veterans comes home, we owe them every opportunity to live the American Dream they helped defend. Already, we've made strides towards ensuring that every veteran has access to the highest quality care. We're slashing the backlog that had too many veterans waiting years to get the benefits they need. And we're making it easier for vets to translate their training and experience into civilian jobs. And Joining Forces, the national campaign launched by Michelle and Jill Biden—[*applause*]—thank you, Michelle; thank you, Jill—has helped nearly 700,000 veterans and military spouses get a new job. So to every CEO in America, let me repeat: If you want somebody who's going to get the job done and done right, hire a veteran.

Finally, as we better train our workers, we need the new economy to keep churning out high-wage jobs for our workers to fill. Since 2010, America has put more people back to work than Europe, Japan, and all advanced economies combined.

Our manufacturers have added almost 800,000 new jobs. Some of our bedrock sectors, like our auto industry, are booming. But there are also millions of Americans who work in jobs that didn't even exist 10 or 20 years ago, jobs at companies like Google and eBay and Tesla.

So no one knows for certain which industries will generate the jobs of the future. But we do know we want them here in America. We know that. And that's why the third part of middle class economics is all about building the most competitive economy anywhere, the place where businesses want to locate and hire.

Twenty-first century businesses need 21st-century infrastructure: modern ports and stronger bridges, faster trains and the fastest Internet. Democrats and Republicans used to agree on this. So let's set our sights higher than a single oil pipeline. Let's pass a bipartisan infrastructure plan that could create more than 30 times as many jobs per year and make this country stronger for decades to come. Let's do it. Let's get it done. [*Applause*] Let's get it done.

Twenty-first century businesses, including small businesses, need to sell more American products overseas. Today, our businesses export more than ever, and exporters tend to pay their workers higher wages. But as we speak, China wants to write the rules for the world's fastest growing region. That would put our workers and our businesses at a disadvantage. Why would we let that happen? We should write those rules. We should level the playing field. And that's why I'm asking both parties to give me trade promotion authority to protect American workers, with strong new trade deals from Asia to Europe that aren't just free, but are also fair. It's the right thing to do.

Look, I'm the first one to admit that past trade deals haven't always lived up to the hype, and that's why we've gone after countries that break the rules at our expense. But 95 percent of the world's customers live outside our borders. We can't close ourselves off from those opportunities. More than half of manufacturing executives have said they're actively looking to bring jobs back from China. So let's give them one more reason to get it done.

Twenty-first century businesses will rely on American science and technology, research and development. I want the country that eliminated polio and mapped the human genome to lead a new era of medicine, one that delivers the right treatment at the right time.

In some patients with cystic fibrosis, this approach has reversed a disease once thought unstoppable. So tonight I'm launching a new precision medicine initiative to bring us closer to curing diseases like cancer and diabetes and to give all of us access to the personalized information we need to keep ourselves and our families healthier. We can do this.

I intend to protect a free and open Internet, extend its reach to every classroom and every community and help folks build the fastest networks so that the next generation of digital innovators and entrepreneurs have the platform to keep reshaping our world. I want Americans to win the race for the kinds of discoveries that unleash new jobs: converting sunlight into liquid fuel; creating revolutionary prosthetics so that a veteran who gave his arms for his country can play catch with his kids again; pushing out into the solar system not just to visit, but to stay. Last month, we launched a new spacecraft as part of a reenergized space program that will send American astronauts to Mars. And in 2 months, to prepare us for those missions, Scott Kelly will begin a year-long stay in space. So good luck, Captain. Make sure to Instagram it. We're proud of you.

Now, the truth is, when it comes to issues like infrastructure and basic research, I know there's bipartisan support in this Chamber. Members of both parties have told me so. Where we too often run onto the rocks is how to pay for these investments. As Americans, we don't mind paying our fair share of taxes as long as everybody else does too. But for far too long, lobbyists have rigged the Tax Code with loopholes that let some corporations pay nothing while others pay full freight. They've riddled it with giveaways that the super-rich don't need, while denying a break to middle class families who do.

This year, we have an opportunity to change that. Let's close loopholes so we stop rewarding companies that keep profits abroad and reward those that invest here in America. Let's use those savings to rebuild our infrastructure and to make it more attractive for companies to bring jobs home. Let's simplify the system and let a small-business owner file based on her actual bank statement, instead of the number of accountants she can afford. And let's close the loopholes that lead to inequality by allowing the top 1 percent to avoid paying taxes on their accumulated wealth. We can use that money to help more families pay for childcare and send their kids to college. We need a Tax Code that truly helps working Americans trying to get a leg up in the new economy, and we can achieve that together. [*Applause*] We can achieve it together.

Helping hard-working families make ends meet, giving them the tools they need for good-paying jobs in this new economy, maintaining the conditions of growth and competitiveness—this is where America needs to go. I believe it's where the American people want to go. It will make our economy stronger a year from now, 15 years from now, and deep into the century ahead.

Of course, if there's one thing this new century has taught us, it's that we cannot separate our work here at home from challenges beyond our shores. My first duty as Commander in Chief is to defend the United States of America. In doing so, the question is not whether America leads in the world, but how. When we make rash decisions, reacting to the headlines instead of using our heads, when the first response to a challenge is to send in our military, then we risk getting drawn into unnecessary conflicts and neglect the broader strategy we need for a safer, more prosperous world. That's what our enemies want us to do.

I believe in a smarter kind of American leadership. We lead best when we combine military power with strong diplomacy, when we leverage our power with coalition building, when we don't let our fears blind us to the opportunities that this new century presents. That's exactly what we're doing right now. And around the globe, it is making a difference.

First, we stand united with people around the world who have been targeted by terrorists, from a school in Pakistan to the streets of Paris. We will continue to hunt down terrorists and dismantle their networks, and we reserve the right to act unilaterally, as we have done relentlessly since I took office, to take out terrorists who pose a direct threat to us and our allies. At the same time, we've learned some costly lessons over the last 13 years. Instead of Americans patrolling the valleys of Afghanistan, we've trained their security forces, who have now taken the lead, and we've honored our troops' sacrifice by supporting that country's first democratic transition. Instead of sending large ground forces overseas, we're partnering with nations from South Asia to North Africa to deny safe haven to terrorists who threaten America.

In Iraq and Syria, American leadership—including our military power—is stopping ISIL's advance. Instead of getting dragged into another ground war in the Middle East, we are leading a broad coalition, including Arab nations, to degrade and ultimately destroy this terrorist group. We're also supporting a moderate opposition in Syria that can help us in this effort and assisting people everywhere who stand up to the bankrupt ideology of violent extremism.

Now, this effort will take time. It will require focus. But we will succeed. And tonight I call on this Congress to show the world that we are united in this mission by passing a resolution to authorize the use of force against ISIL. We need that authority.

Second, we're demonstrating the power of American strength and diplomacy. We're upholding the principle that bigger nations can't bully the small, by opposing Russian aggression and supporting Ukraine's democracy and reassuring our NATO allies.

Last year, as we were doing the hard work of imposing sanctions along with our allies, as we were reinforcing our presence with frontline states, Mr. Putin's aggression, it was suggested, was a masterful display of strategy and strength. That's what I heard from some folks. [*Laughter*] Well, today, it is America that stands strong and united with our allies, while Russia is isolated with its economy in tatters. That's how America leads: not with bluster, but with persistent, steady resolve.

In Cuba, we are ending a policy that was long past its expiration date. When what you're doing doesn't work for 50 years, it's time to try something new. [*Laughter*] And our shift in Cuba policy has the potential to end a legacy of mistrust in our hemisphere. It removes a phony excuse for restrictions in Cuba. It stands up for democratic values and extends the hand of friendship to the Cuban people. And this year, Congress should begin the work of ending the embargo.

As His Holiness Pope Francis has said, diplomacy is the work of "small steps." And these small steps have added up to new hope for the future in Cuba. And after years in prison, we are overjoyed that Alan Gross is back where he belongs. Welcome home, Alan. We're glad you're here.

Our diplomacy is at work with respect to Iran, where, for the first time in a decade, we've halted the progress of its nuclear program and reduced its stockpile of nuclear material. Between now and this spring, we have a chance to negotiate a comprehensive agreement that prevents a nuclear-armed Iran, secures America and our allies, including Israel, while avoiding yet another Middle East conflict. There are no guarantees that negotiations will succeed, and I keep all options on the table to prevent a nuclear Iran.

But new sanctions passed by this Congress, at this moment in time, will all but guarantee that diplomacy fails: alienating America from its allies, making it harder to maintain sanctions, and ensuring that Iran starts up its nuclear program again. It doesn't make sense. And that's why I will veto any new sanctions bill that threatens to undo this progress. The American people expect us only to go to war as a last resort, and I intend to stay true to that wisdom. Third, we're looking beyond the issues that have consumed us in the past to shape the coming century. No foreign nation, no hacker, should be able to shut down our networks, steal our trade secrets, or invade the privacy of American families, especially our kids. So we're making sure our Government integrates intelligence to combat cyber threats, just as we have done to combat terrorism.

And tonight I urge this Congress to finally pass the legislation we need to better meet the evolving threat of cyber attacks, combat identity theft, and protect our children's information. That should be a bipartisan effort. If we don't act, we'll leave our Nation and our economy vulnerable. If we do, we can continue to protect the technologies that have unleashed untold opportunities for people around the globe.

In West Africa, our troops, our scientists, our doctors, our nurses, our health care workers are rolling back Ebola, saving countless lives and stopping the spread of disease. I could not be prouder of them, and I thank this Congress for your bipartisan support of their efforts. But the job is not yet done, and the world needs to use this lesson to build a more effective global effort to prevent the spread of future pandemics, invest in smart development, and eradicate extreme poverty.

In the Asia-Pacific, we are modernizing alliances while making sure that other nations play by the rules: in how they trade, how they resolve maritime disputes, how they participate in meeting common international challenges like nonproliferation and disaster relief. And no challenge—no challenge—poses a greater threat to future generations than climate change.

Two thousand fourteen was the planet's warmest year on record. Now, 1 year doesn't make a trend, but this does: 14 of the 15 warmest years on record have all fallen in the first 15 years of this century.

Now, I've heard some folks try to dodge the evidence by saying they're not scientists, that we don't have enough information to act. Well, I'm not a scientist, either. But you know what, I know a lot of really good scientists—[*laughter*]—at NASA and at NOAA and at our major universities. And the best scientists in the world are all telling us that our activities are changing the climate, and if we don't act forcefully, we'll continue to see rising oceans, longer, hotter heat waves, dangerous droughts and floods, and massive disruptions that can trigger greater migration and conflict and hunger around the globe. The Pentagon says that climate change poses immediate risks to our national security. We should act like it.

And that's why, over the past 6 years, we've done more than ever to combat climate change, from the way we produce energy to the way we use it. That's why we've set aside more public lands and waters than any administration in history. And that's why I will not let this Congress endanger the health of our children by turning back the clock on our efforts. I am determined to make sure that American leadership drives international action.

In Beijing, we made a historic announcement: The United States will double the pace at which we cut carbon pollution. And China committed, for the first time, to limiting their emissions. And because the world's two largest economies came together, other nations are now stepping up and offering hope that this year the world will finally reach an agreement to protect the one planet we've got.

And there's one last pillar of our leadership, and that's the example of our values. As Americans, we respect human dignity, even when we're threatened, which is why I have prohibited torture and worked to make sure our use of new technology like drones is properly constrained. It's why we speak out against the deplorable anti-Semitism that has resurfaced in certain parts of the world. It's why we continue to reject offensive stereotypes of Muslims, the vast majority of whom share our commitment to peace. That's why we defend free speech and advocate for political prisoners and condemn the persecution of women or religious minorities or people who are lesbian, gay, bisexual, or transgender. We do these things not only because they are the right thing to do, but because ultimately, they will make us safer.

As Americans, we have a profound commitment to justice. So it makes no sense to spend $3 million per prisoner to keep open a prison that the world condemns and terrorists use to recruit. Since I've been President, we've worked responsibly to cut the population of Gitmo in half. Now it is time to finish the job. And I will not relent in my determination to shut it down. It is not who we are. It's time to close Gitmo.

As Americans, we cherish our civil liberties, and we need to uphold that commitment if we want maximum cooperation from other countries and industry in our fight against terrorist networks. So while some have moved on from the debates over our surveillance programs, I have not. As promised, our intelligence agencies have worked hard, with the recommendations of privacy advocates, to increase transparency and build more safeguards against potential abuse. And next month, we'll issue a report on how we're keeping our promise to keep our country safe while strengthening privacy.

Looking to the future instead of the past, making sure we match our power with diplomacy and use force wisely, building coalitions to meet new challenges and opportunities, leading always with the example of our values—that's what makes us exceptional. That's what keeps us strong. That's why we have to keep striving to hold ourselves to the highest of standards: our own.

You know, just over a decade ago, I gave a speech in Boston where I said there wasn't a liberal America or a conservative America, a Black America or a White America, but a United States of America. I said this because I had seen it in my own life, in a nation that gave someone like me a chance; because I grew up in Hawaii, a melting pot of races and customs; because I made Illinois my home, a State of small towns, rich farmland, one of the world's great cities, a microcosm of the country where Democrats and Republicans and Independents, good people of every ethnicity and every faith, share certain bedrock values.

Over the past 6 years, the pundits have pointed out more than once that my Presidency hasn't delivered on this vision. How ironic, they say, that our politics seems more divided than ever. It's held up as proof not just of my own flaws—of which there are many—but also as proof that the vision itself is misguided, naive, that there are too many people in this town who actually benefit from partisanship and gridlock for us to ever do anything about it.

I know how tempting such cynicism may be. But I still think the cynics are wrong. I still believe that we are one people. I still believe that together, we can do great things, even when the odds are long.

I believe this because over and over in my 6 years in office, I have seen America at its best. I've seen the hopeful faces of young graduates from New York to California and our newest officers at West Point, Annapolis, Colorado Springs, New London. I've mourned with grieving families in Tucson and Newtown, in Boston, in West, Texas, and West Virginia. I've watched Americans beat back adversity from the Gulf Coast to the Great Plains, from Midwest assembly lines to the Mid-Atlantic seaboard. I've seen something like gay marriage go from a wedge issue used to drive us apart to a story of freedom across our country, a civil right now legal in States that 7 in 10 Americans call home. So I know the good and optimistic and big-hearted generosity of the American people who every day live the idea that we are our brother's keeper and our sister's keeper. And I know they expect those of us who serve here to set a better example.

So the question for those of us here tonight is how we, all of us, can better reflect America's hopes. I've served in Congress with many of you. I know many of you well. There are a lot of good people here on both sides of the aisle. And many of you have told me that this isn't what you signed up for: arguing past each other on cable shows, the constant fundraising, always looking over your shoulder at how the base will react to every decision.

Imagine if we broke out of these tired old patterns. Imagine if we did something different. Understand, a better politics isn't one where Democrats abandon their agenda or Republicans simply embrace mine. A better politics is one where we appeal to each other's basic decency instead of our basest fears. A better politics is one where we debate without demonizing each other, where we talk issues and values and principles and facts rather than "gotcha" moments or trivial gaffes or fake controversies that have nothing to do with people's daily lives.

A politics—a better politics is one where we spend less time drowning in dark money for ads that pull us into the gutter and spend more time lifting young people up with a sense of purpose and possibility, asking them to join in the great mission of building America.

If we're going to have arguments, let's have arguments, but let's make them debates worthy of this body and worthy of this country. We still may not agree on a woman's right to choose, but surely we can agree it's a good thing that teen pregnancies and abortions are nearing alltime lows and that every woman should have access to the health care that she needs.

Yes, passions still fly on immigration, but surely we can all see something of ourselves in the striving young student and agree that no one benefits when a hard-working mom is snatched from her child and that it's possible to shape a law that upholds our tradition as a nation of laws and a nation of immigrants. I've talked to Republicans and Democrats about that. That's something that we can share.

We may go at it in campaign season, but surely we can agree that the right to vote is sacred, that it's being denied to too many, and that on this 50th anniversary of the great march from Selma to Montgomery and the passage of the Voting Rights Act, we can come together, Democrats and Republicans, to make voting easier for every single American.

We may have different takes on the events of Ferguson and New York. But surely we can understand a father who fears his son can't walk home without being harassed. And surely we can understand the wife who won't rest until the police officer she married walks through the front door at the end of his shift. And surely we can agree that it's a good thing that for the first time in 40 years, the crime rate and the incarceration rate have come down together, and use that as a starting point for Democrats and Republicans, community leaders and law enforcement, to reform America's criminal justice system so that it protects and serves all of us.

That's a better politics. That's how we start rebuilding trust. That's how we move this country forward. That's what the American people want. And that's what they deserve.

I have no more campaigns to run.

[*At this point, some audience members applauded.*]

My only agenda—[*laughter*]. *Audience member*. [*Inaudible*]

*The President.* I know because I won both of them. [*Laughter*] My only agenda for the next 2 years is the same as the one I've had since the day I swore an oath on the steps of this Capitol: to do what I believe is best for America. If you share the broad vision I outlined tonight, I ask you to join me in the work at hand. If you disagree with parts of it, I hope you'll at least work with me where you do agree. And I commit to every Republican here tonight that I will not only seek out your ideas, I will seek to work with you to make this country stronger.

Because I want this Chamber, I want this city to reflect the truth: that for all our blind spots and shortcomings, we are a people with the strength and generosity of spirit to bridge divides, to unite in common effort, to help our neighbors, whether down the street or on the other side of the world.

I want our actions to tell every child in every neighborhood, your life matters, and we are committed to improving your life chances, as committed as we are to working on behalf of our own kids. I want future generations to know that we are a people who see our differences as a great gift, that we're a people who value the dignity and worth of every citizen: man and woman, young and old, Black and White, Latino, Asian, immigrant, Native American, gay, straight, Americans with mental illness or physical disability. Everybody matters. I want them to grow up in a country that shows the world what we still know to be true: that we are still more than a collection of red States and blue States, that we are the United States of America.

I want them to grow up in a country where a young mom can sit down and write a letter to her President with a story that sums up these past 6 years: "It's amazing what you can bounce back from when you have to. . . . We are a strong, tight-knit family who's made it through some very, very hard times."

My fellow Americans, we too are a strong, tight-knit family. We too have made it through some hard times. Fifteen years into this new century, we have picked ourselves up, dusted ourselves off, and begun again the work of remaking America. We have laid a new foundation. A brighter future is ours to write. Let's begin this new chapter together, and let's start the work right now.

Thank you. God bless you. God bless this country we love. Thank you.

January 12, 2016

Thank you. Mr. Speaker, Mr. Vice President, Members of Congress, my fellow Americans: Tonight marks the eighth year that I've come here to report on the State of the Union. And for this final one, I'm going to try to make it a little shorter. I know some of you are antsy to get back to Iowa. [*Laughter*] I've been there. I'll be shaking hands afterwards if you want some tips. [*Laughter*]

Now, I understand that because it's an election season, expectations for what we will achieve this year are low. But, Mr. Speaker, I appreciate the constructive approach that you and other leaders took at the end of last year to pass a budget and make tax cuts permanent for working families. So I hope we can work together this year on some bipartisan priorities like criminal justice reform and helping people who are battling prescription drug abuse and heroin abuse. So, who knows, we might surprise the cynics again.

But tonight I want to go easy on the traditional list of proposals for the year ahead. Don't worry, I've got plenty—[*laughter*]—from helping students learn to write computer code to personalizing medical treatments for patients. And I will keep pushing for progress on the work that I believe still needs to be done: fixing a broken immigration system, protecting our kids from gun violence, equal pay for equal work, paid leave, raising the minimum wage. All these things still matter to hard-working families. They're still the right thing to do. And I won't let up until they get done.

But for my final address to this Chamber, I don't want to just talk about next year. I want to focus on the next 5 years, the next 10 years, and beyond. I want to focus on our future.

We live in a time of extraordinary change, change that's reshaping the way we live, the way we work, our planet, our place in the world. It's change that promises amazing medical breakthroughs, but also economic disruptions that strain working families. It promises this education for girls in the most remote villages, but also connects terrorists plotting an ocean away. It's change that can broaden opportunity or widen inequality. And whether we like it or not, the pace of this change will only accelerate.

America has been through big changes before: wars and depression, the influx of new immigrants, workers fighting for a fair deal, movements to expand civil rights. Each time, there have been those who told us to fear the future; who claimed we could slam the brakes on change; who promised to restore past glory if we just got some group or idea that was threatening America under control. And each time, we overcame those fears. We did not, in the words of Lincoln, adhere to the "dogmas of the quiet past." Instead, we thought anew and acted anew. We made change work for us, always extending America's promise outward, to the next frontier, to more people. And because we did, because we saw opportunity with a—where others saw peril, we emerged stronger and better than before.

What was true then can be true now. Our unique strengths as a nation—our optimism and work ethic, our spirit of discovery, our diversity, our commitment to rule of law—these things give us everything we need to ensure prosperity and security for generations to come.

In fact, it's in that spirit that we have made progress these past 7 years. That's how we recovered from the worst economic crisis in generations. That's how we reformed our health care system and reinvented our energy sector. That's how we delivered more care and benefits to our troops coming home and our veterans. That's how we secured the freedom in every State to marry the person we love.

But such progress is not inevitable. It's the result of choices we make together. And we face such choices right now. Will we respond to the changes of our time with fear, turning inward as a nation, turning against each other as a people? Or will we face the future with confidence in who we are, in what we stand for, in the incredible things that we can do together?

So let's talk about the future and four big questions that I believe we as a country have to answer, regardless of who the next President is or who controls the next Congress. First, how do we give everyone a fair shot at opportunity and security in this new economy? Second, how do we make technology work for us and not against us, especially when it comes to solving urgent challenges like climate change? Third, how do we keep America safe and lead the world without becoming its policeman? And finally, how can we make our politics reflect what's best in us and not what's worst?

Let me start with the economy and a basic fact: The United States of America right now has the strongest, most durable economy in the world. We're in the middle of the longest streak of private sector job creation in history. More than 14 million new jobs, the strongest 2 years of job growth since the 1990s, an unemployment rate cut in half. Our auto industry just had its best year ever. That's just part of a manufacturing surge that's created nearly 900,000 new jobs in the past 6 years. And we've done all this while cutting our deficits by almost three-quarters.

Anyone claiming that America's economy is in decline is peddling fiction. Now, what is true—and the reason that a lot of Americans feel anxious—is that the economy has been changing in profound ways, changes that started long before the great recession hit, changes that have not let up.

Today, technology doesn't just replace jobs on the assembly line, but any job where work can be automated. Companies in a global economy can locate anywhere, and they face tougher competition. As a result, workers have less leverage for a raise. Companies have less loyalty to their communities. And more and more wealth and income is concentrated at the very top.

All these trends have squeezed workers, even when they have jobs, even when the economy is growing. It's made it harder for a hard-working family to pull itself out of poverty, harder for young people to start their careers, tougher for workers to retire when they want to. And although none of these trends are unique to America, they do offend our uniquely American belief that everybody who works hard should get a fair shot.

For the past 7 years, our goal has been a growing economy that also works better for everybody. We've made progress, but we need to make more. And despite all the political arguments that we've had these past few years, there are actually some areas where Americans broadly agree.

We agree that real opportunity requires every American to get the education and training they need to land a good-paying job. The bipartisan reform of No Child Left Behind was an important start, and together, we've increased early childhood education, lifted high school graduation rates to new highs, boosted graduates in fields like engineering. In the coming years, we should build on that progress, by providing pre-K for all and offering every student the hands-on computer science and math classes that make them job-ready on day one. We should recruit and support more great teachers for our kids.

And we have to make college affordable for every American. No hard-working student should be stuck in the red. We've already reduced student loan payments by—to 10 percent of a borrower's income. And that's good. But now we've actually got to cut the cost of college. Providing 2 years of community college at no cost for every responsible student is one of the best ways to do that, and I'm going to keep fighting to get that started this year. It's the right thing to do.

But a great education isn't all we need in this new economy. We also need benefits and protections that provide a basic measure of security. It's not too much of a stretch to say that some of the only people in America who are going to work the same job, in the same place, with a health and retirement package for 30 years are sitting in this Chamber. [*Laughter*] For everyone else, especially folks in their forties and fifties, saving for retirement or bouncing back from job loss has gotten a lot tougher. Americans understand that at some point in their careers, in this new economy, they may have to retool, they may have to retrain. But they shouldn't lose what they've already worked so hard to build in the process.

That's why Social Security and Medicare are more important than ever. We shouldn't weaken them, we should strengthen them. And for Americans short of retirement, basic benefits should be just as mobile as everything else is today. That, by the way, is what the Affordable Care Act is all about. It's about filling the gaps in employer-based care so that when you lose a job or you go back to school or you strike out and launch that new business, you'll still have coverage. Nearly 18 million people have gained coverage so far. And in the process, health care inflation has slowed. And our businesses have created jobs every single month since it became law.

Now, I'm guessing we won't agree on health care anytime soon, but—[*laughter*]—a little applause back there. [*Laughter*] Just a guess. But there should be other ways parties can work together to improve economic security. Say a hard-working American loses his job. We shouldn't just make sure that he can get unemployment insurance, we should make sure that program encourages him to retrain for a business that's ready to hire him. If that new job doesn't pay as much, there should be a system of wage insurance in place so that he can still pay his bills. And even if he's going from job to job, he should still be able to save for retirement and take his savings with him. That's the way we make the new economy work better for everybody.

I also know Speaker Ryan has talked about his interest in tackling poverty. America is about giving everybody willing to work a chance, a hand up. And I'd welcome a serious discussion about strategies we can all support, like expanding tax cuts for low-income workers who don't have children.

But there are some areas where—we just have to be honest—it has been difficult to find agreement over the last 7 years. And a lot of them fall under the category of what role the Government should play in making sure the system's not rigged in favor of the wealthiest and biggest corporations. And it's an honest disagreement, and the American people have a choice to make.

I believe a thriving private sector is the lifeblood of our economy. I think there are outdated regulations that need to be changed. There is redtape that needs to be cut. [*Applause*] There you go! Yes! See? But after years now of record corporate profits, working families won't get more opportunity or bigger paychecks just by letting big banks or big oil or hedge funds make their own rules at everybody else's expense. Middle class families are not going to feel more secure because we allowed attacks on collective bargaining to go unanswered. Food stamp recipients did not cause the financial crisis; recklessness on Wall Street did. Immigrants aren't the principal reason wages haven't gone up; those decisions are made in the boardrooms that all too often put quarterly earnings over long-term returns. It's sure not the average family watching tonight that avoids paying taxes through offshore accounts. [*Laughter*]

The point is, I believe that in this new economy, workers and startups and small businesses need more of a voice, not less. The rules should work for them. And I'm not alone in this. This year, I plan to lift up the many businesses who have figured out that doing right by their workers or their customers or their communities ends up being good for their shareholders. And I want to spread those best practices across America. That's part of a brighter future.

In fact, it turns, out many of our best corporate citizens are also our most creative. And this brings me to the second big question we as a country have to answer: How do we reignite that spirit of innovation to meet our biggest challenges?

Sixty years ago, when the Russians beat us into space, we didn't deny Sputnik was up there. [*Laughter*] We didn't argue about the science or shrink our research and development budget. We built a space program almost overnight. And 12 years later, we were walking on the Moon.

Now, that spirit of discovery is in our DNA. America is Thomas Edison and the Wright Brothers and George Washington Carver. America is Grace Hopper and Katherine Johnson and Sally Ride. America is every immigrant and entrepreneur from Boston to Austin to Silicon Valley, racing to shape a better future. That's who we are.

And over the past 7 years, we've nurtured that spirit. We've protected an open Internet and taken bold new steps to get more students and low-income Americans online. We've launched next-generation manufacturing hubs and online tools that give an entrepreneur everything he or she needs to start a business in a single day. But we can do so much more.

Last year, Vice President Biden said that with a new moonshot, America can cure cancer. Last month, he worked with this Congress to give scientists at the National Institutes of Health the strongest resources that they've had in over a decade. Well—so tonight I'm announcing a new national effort to get it done. And because he's gone to the mat for all of us on so many issues over the past 40 years, I'm putting Joe in charge of mission control. For the loved ones we've all lost, for the families that we can still save, let's make America the country that cures cancer once and for all. What do you say, Joe? Let's make it happen.

Now, medical research is critical. We need the same level of commitment when it comes to developing clean energy sources. Look, if anybody still wants to dispute the science around climate change, have at it. [*Laughter*] You will be pretty lonely, because you'll be debating our military, most of America's business leaders, the majority of the American people, almost the entire scientific community, and 200 nations around the world who agree it's a problem and intend to solve it. But even if the planet wasn't at stake, even if 2014 wasn't the warmest year on record—until 2015 turned out to be even hotter—why would we want to pass up the chance for American businesses to produce and sell the energy of the future? Listen, 7 years ago, we made the single biggest investment in clean energy in our history. Here are the results. In fields from Iowa to Texas, wind power is now cheaper than dirtier, conventional power. On rooftops from Arizona to New York, solar is saving Americans tens of millions of dollars a year on their energy bills and employs more Americans than coal in jobs that pay better than average. We're taking steps to give homeowners the freedom to generate and store their own energy, something, by the way, that environmentalists and Tea Partiers have teamed up to support. And meanwhile, we've cut our imports of foreign oil by nearly 60 percent and cut carbon pollution more than any other country on Earth. Gas under 2 bucks a gallon ain't bad either. [*Laughter*]

Now we've got to accelerate the transition away from old, dirtier energy sources. Rather than subsidize the past, we should invest in the future, especially in communities that rely on fossil fuels. We do them no favor when we don't show them where the trends are going. And that's why I'm going to push to change the way we manage our oil and coal resources so that they better reflect the costs they impose on taxpayers and our planet. And that way, we put money back into those communities and put tens of thousands of Americans to work building a 21st-century transportation system.

Now, none of this is going to happen overnight. And yes, there are plenty of entrenched interests who want to protect the status quo. But the jobs we'll create, the money we'll save, the planet we'll preserve—that is the kind of future our kids and our grandkids deserve. And it's within our grasp.

Now, climate change is just one of many issues where our security is linked to the rest of the world. And that's why the third big question that we have to answer together is how to keep America safe and strong without either isolating ourselves or trying to nation-build everywhere there's a problem.

Now, I told you earlier all the talk of America's economic decline is political hot air. Well, so is all the rhetoric you hear about our enemies getting stronger and America getting weaker. Let me tell you something: The United States of America is the most powerful nation on Earth. Period. [*Applause*] Period. It's not even close. [*Applause*] It's not even close. It's not even close. We spend more on our military than the next eight nations combined. Our troops are the finest fighting force in the history of the world. [*Applause*] All right. No nation attacks us directly, or our allies, because they know that's the path to ruin. Surveys show our standing around the world is higher than when I was elected to this office, and when it comes to every important international issue, people of the world do not look to Beijing or Moscow to lead. They call us. So I think it's useful to level set here, because when we don't, we don't make good decisions.

Now, as someone who begins every day with an intelligence briefing, I know this is a dangerous time. But that's not primarily because of some looming superpower out there, and it's certainly not because of diminished American strength. In today's world, we're threatened less by evil empires and more by failing states.

The Middle East is going through a transformation that will play out for a generation, rooted in conflicts that date back millennia. Economic headwinds are blowing in from a Chinese economy that is in significant transition. Even as their economy severely contracts, Russia is pouring resources in to prop up Ukraine and Syria, client states that they saw slipping away from their orbit. And the international system we built after World War II is now struggling to keep pace with this new reality. It's up to us, the United States of America, to help remake that system. And to do that well, it means that we've got to set priorities. Priority number one is protecting the American people and going after terrorist networks. Both Al Qaida and now ISIL pose a direct threat to our people, because in today's world, even a handful of terrorists who place no value on human life, including their own, can do a lot of damage. They use the Internet to poison the minds of individuals inside our country. Their actions undermine and destabilize our allies. We have to take them out.

But as we focus on destroying ISIL, over-the-top claims that this is world war III just play into their hands. Masses of fighters on the back of pickup trucks, twisted souls plotting in apartments or garages, they pose an enormous danger to civilians; they have to be stopped. But they do not threaten our national existence. That is the story ISIL wants to tell. That's the kind of propaganda they use to recruit. We don't need to build them up to show that we're serious, and we sure don't need to push away vital allies in this fight by echoing the lie that ISIL is somehow representative of one of the world's largest religions. We just need to call them what they are: killers and fanatics who have to be rooted out, hunted down, and destroyed.

And that's exactly what we're doing. For more than a year, America has led a coalition of more than 60 countries to cut off ISIL's financing, disrupt their plots, stop the flow of terrorist fighters, and stamp out their vicious ideology. With nearly 10,000 airstrikes, we're taking out their leadership, their oil, their training camps, their weapons. We're training, arming, and supporting forces who are steadily reclaiming territory in Iraq and Syria.

If this Congress is serious about winning this war and wants to send a message to our troops and the world, authorize the use of military force against ISIL. Take a vote. [*Applause*] Take a vote. But the American people should know that with or without congressional action, ISIL will learn the same lessons as terrorists before them. If you doubt America's commitment—or mine—to see that justice is done, just ask Usama bin Laden. Ask the leader of Al Qaida in Yemen, who was taken out last year, or the perpetrator of the Benghazi attacks, who sits in a prison cell. When you come after Americans, we go after you. And it may take time, but we have long memories, and our reach has no limits.

Our foreign policy has to be focused on the threat from ISIL and Al Qaida, but it can't stop there. For even without ISIL, even without Al Qaida, instability will continue for decades in many parts of the world: in the Middle East, in Afghanistan and parts of Pakistan, in parts of Central America, in Africa and Asia. Some of these places may become safe havens for new terrorist networks. Others will just fall victim to ethnic conflict or famine, feeding the next wave of refugees. The world will look to us to help solve these problems, and our answer needs to be more than tough talk or calls to carpet-bomb civilians. That may work as a TV sound bite, but it doesn't pass muster on the world stage.

We also can't try to take over and rebuild every country that falls into crisis, even if it's done with the best of intentions. That's not leadership; that's a recipe for quagmire, spilling American blood and treasure that ultimately will weaken us. It's the lesson of Vietnam; it's the lesson of Iraq. And we should have learned it by now.

Now, fortunately there is a smarter approach: a patient and disciplined strategy that uses every element of our national power. It says America will always act, alone if necessary, to protect our people and our allies, but on issues of global concern, we will mobilize the world to work with us and make sure other countries pull their own weight. That's our approach to conflicts like Syria, where we're partnering with local forces and leading international efforts to help that broken society pursue a lasting peace. That's why we built a global coalition, with sanctions and principled diplomacy, to prevent a nuclear-armed Iran. And as we speak, Iran has rolled back its nuclear program, shipped out its uranium stockpile, and the world has avoided another war.

That's how we stopped the spread of Ebola in West Africa. Our military, our doctors, our development workers—they were heroic; they set up the platform that then allowed other countries to join in behind us and stamp out that epidemic. Hundreds of thousands, maybe a couple million, lives were saved.

That's how we forged a Trans-Pacific Partnership to open markets and protect workers and the environment and advance American leadership in Asia. It cuts 18,000 taxes on products made in America, which will then support more good jobs here in America. With TPP, China does not set the rules in that region, we do. You want to show our strength in this new century? Approve this agreement. Give us the tools to enforce it. It's the right thing to do.

Let me give you another example. Fifty years of isolating Cuba had failed to promote democracy. It set us back in Latin America. That's why we restored diplomatic relations, opened the door to travel and commerce, positioned ourselves to improve the lives of the Cuban people. So if you want to consolidate our leadership and credibility in the hemisphere, recognize that the cold war is over. Lift the embargo.

The point is, American leadership in the 21st century is not a choice between ignoring the rest of the world—except when we kill terrorists—or occupying and rebuilding whatever society is unraveling. Leadership means a wise application of military power and rallying the world behind causes that are right. It means seeing our foreign assistance as a part of our national security, not something separate, not charity.

When we lead nearly 200 nations to the most ambitious agreement in history to fight climate change, yes, that helps vulnerable countries, but it also protects our kids. When we help Ukraine defend its democracy or Colombia resolve a decades-long war, that strengthens the international order we depend on. When we help African countries feed their people and care for the sick, it's the right thing to do, and it prevents the next pandemic from reaching our shores. Right now we're on track to end the scourge of HIV/AIDS. That's within our grasp. And we have the chance to accomplish the same thing with malaria, something I'll be pushing this Congress to fund this year.

That's American strength. That's American leadership. And that kind of leadership depends on the power of our example. That's why I will keep working to shut down the prison at Guantanamo. It is expensive, it is unnecessary, and it only serves as a recruitment brochure for our enemies. There's a better way.

And that's why we need to reject any politics—any politics—that targets people because of race or religion. Let me just say this. This is not a matter of political correctness, this is a matter of understanding just what it is that makes us strong. The world respects us not just for our arsenal, it respects us for our diversity and our openness and the way we respect every faith.

His Holiness Pope Francis told this body from the very spot that I'm standing on tonight that "to imitate the hatred and violence of tyrants and murderers is the best way to take their place." When politicians insult Muslims, whether abroad or our fellow citizens, when a mosque is vandalized or a kid is called names, that doesn't make us safer. That's not telling it what—telling it like it is. It's just wrong. It diminishes us in the eyes of the world. It makes it harder to achieve our goals. It betrays who we are as a country. "We the People." Our Constitution begins with those three simple words, words we've come to recognize mean all the people, not just some; words that insist we rise and fall together, that that's how we might perfect our Union. And that brings me to the fourth and maybe most important thing that I want to say tonight.

The future we want—all of us want—opportunity and security for our families, a rising standard of living, a sustainable, peaceful planet for our kids—all that is within our reach. But it will only happen if we work together. It will only happen if we can have rational, constructive debates. It will only happen if we fix our politics.

A better politics doesn't mean we have to agree on everything. This is a big country: different regions, different attitudes, different interests. That's one of our strengths too. Our Founders distributed power between States and branches of government and expected us to argue, just as they did, fiercely, over the size and shape of government, over commerce and foreign relations, over the meaning of liberty and the imperatives of security.

But democracy does require basic bonds of trust between its citizens. It doesn't work if we think the people who disagree with us are all motivated by malice. It doesn't work if we think that our political opponents are unpatriotic or trying to weaken America. Democracy grinds to a halt without a willingness to compromise or when even basic facts are contested or when we listen only to those who agree with us. Our public life withers when only the most extreme voices get all the attention. And most of all, democracy breaks down when the average person feels their voice doesn't matter, that the system is rigged in favor of the rich or the powerful or some special interest.

Too many Americans feel that way right now. It's one of the few regrets of my Presidency: that the rancor and suspicion between the parties has gotten worse instead of better. I have no doubt, a President with the gifts of Lincoln or Roosevelt might have better bridged the divide, and I guarantee, I'll keep trying to be better so long as I hold this office.

But, my fellow Americans, this cannot be my task—or any President's—alone. There are a whole lot of folks in this Chamber, good people, who would like to see more cooperation, would like to see a more elevated debate in Washington, but feel trapped by the imperatives of getting elected, by the noise coming out of your base. I know; you've told me. It's the worst kept secret in Washington. And a lot of you aren't enjoying being trapped in that kind of rancor.

But that means if we want a better politics—and I'm addressing the American people now—if we want a better politics, it's not enough just to change a Congressman or change a Senator or even change a President. We have to change the system to reflect our better selves.

I think we've got to end the practice of drawing our congressional districts so that politicians can pick their voters and not the other way around. Let a bipartisan group do it.

I believe we've got to reduce the influence of money in our politics so that a handful of families or hidden interests can't bankroll our elections. And if our existing approach to campaign finance reform can't pass muster in the courts, we need to work together to find a real solution. Because it's a problem. And most of you don't like raising money. [*Laughter*] I know. I've done it.

We've got to make it easier to vote, not harder. We need to modernize it for the way we live now. This is America: We want to make it easier for people to participate. And over the course of this year, I intend to travel the country to push for reforms that do just that. But I can't do these things on my own. Changes in our political process—in not just who gets elected, but how they get elected—that will only happen when the American people demand it. It depends on you. That's what's meant by a government of, by, and for the people.

What I'm suggesting is hard. It's a lot easier to be cynical; to accept that change is not possible and politics is hopeless and the problem is, all the folks who are elected don't care; and to believe that our voices and our actions don't matter. But if we give up now, then we forsake a better future. Those with money and power will gain greater control over the decisions that could send a young soldier to war or allow another economic disaster or roll back the equal rights and voting rights that generations of Americans have fought, even died, to secure. And then, as frustration grows, there will be voices urging us to fall back into our respective tribes, to scapegoat fellow citizens who don't look like us or pray like us or vote like we do or share the same background.

We can't afford to go down that path. It won't deliver the economy we want. It will not produce the security we want. But most of all, it contradicts everything that makes us the envy of the world.

So, my fellow Americans, whatever you may believe, whether you prefer one party or no party, whether you supported my agenda or fought as hard as you could against it, our collective futures depends on your willingness to uphold your duties as a citizen. To vote. To speak out. To stand up for others, especially the weak, especially the vulnerable, knowing that each of us is only here because somebody, somewhere, stood up for us. We need every American to stay active in our public life—and not just during election time—so that our public life reflects the goodness and the decency that I see in the American people every single day.

It is not easy. Our brand of democracy is hard. But I can promise that a little over a year from now, when I no longer hold this office, I will be right there with you as a citizen, inspired by those voices of fairness and vision, of grit and good humor and kindness, that have helped America travel so far. Voices that help us see ourselves not, first and foremost, as Black or White or Asian or Latino, not as gay or straight, immigrant or native born, not Democrat or Republican, but as Americans first, bound by a common creed. Voices Dr. King believed would have the final word: voices of "unarmed truth and unconditional love."

And they're out there, those voices. They don't get a lot of attention; they don't seek a lot of fanfare; but they're busy doing the work this country needs doing. I see them everywhere I travel in this incredible country of ours. I see you, the American people. And in your daily acts of citizenship, I see our future unfolding.

I see it in the worker on the assembly line who clocked extra shifts to keep his company open and the boss who pays him higher wages instead of laying him off. I see it in the dreamer who stays up late at night to finish her science project and the teacher who comes in early, maybe with some extra supplies that she bought because she knows that that young girl might someday cure a disease.

I see it in the American who served his time, made bad mistakes as a child, but now is dreaming of starting over. And I see it in the business owner who gives him that second chance. The protester determined to prove that justice matters and the young cop walking the beat, treating everybody with respect, doing the brave, quiet work of keeping us safe.

I see it in the soldier who gives almost everything to save his brothers, the nurse who tends to him till he can run a marathon, the community that lines up to cheer him on. It's the son who finds the courage to come out as who he is and the father whose love for that son overrides everything he's been taught.

I see it in the elderly woman who will wait in line to cast her vote as long as she has to, the new citizen who casts his vote for the first time, the volunteers at the polls who believe every vote should count. Because each of them, in different ways, know how much that precious right is worth.

That's the America I know. That's the country we love: clear eyed, big hearted, undaunted by challenge. Optimistic that unarmed truth and unconditional love will have the final word. That's what makes me so hopeful about our future. I believe in change because I believe in you, the American people. And that's why I stand here as confident as I have ever been that the state of our Union is strong.

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

March 01, 2022

*The President.* Thank you all very, very much. Thank you, please. Thank you so much. Madam Speaker, Madam Vice President, and our First Lady and Second Gentleman, Members of Congress and the Cabinet, Justices of the Supreme Court, my fellow Americans: Last year, COVID-19 kept us apart. This year, we're finally together again.

Tonight we meet as Democrats, Republicans, and Independents, but most importantly, as Americans with a duty to one another, to America, to the American people, and to the Constitution, and an unwavering resolve that freedom will always triumph over tyranny.

Six—[*applause*]—thank you. Six days ago, Russia's Vladimir Putin sought to shake the very foundations of the free world, thinking he could make it bend to his menacing ways. But he badly miscalculated. He thought he could roll into Ukraine and the world would roll over. Instead, he met with a wall of strength he never anticipated or imagined. He met the Ukrainian people.

From President Zelenskiy, their—to every Ukrainian, their fearlessness, their courage, their determination literally inspires the world. Groups of citizens blocking tanks with their bodies. Everyone from students to retirees, to teachers turned soldiers defending their homeland. And in this struggle—President Zelenskiy said in his speech to the European Parliament, "Light will win over darkness."

The Ukrainian Ambassador to the United States is here tonight sitting with the First Lady. Let each of us, if you're able to stand, stand and send an unmistakable signal to the world and Ukraine. Thank you. Thank you, thank you, thank you. She's bright, she's strong, and she's resolved. Yes. We, the United States of America, stand with the Ukrainian people.

Throughout our history, we've learned this lesson: When dictators do not pay a price for their aggression, they cause more chaos; they keep moving; and the costs, the threats to the America—and America, to the world keeps rising. That's why the NATO alliance was created: to secure peace and stability in Europe after World War II. The United States is a member, along with 29 other nations. It matters. American diplomacy matters. American resolve matters.

Putin's latest attack on Ukraine was premeditated and totally unprovoked. He rejected repeated—repeated—efforts at diplomacy. He thought the West and NATO wouldn't respond. He thought he could divide us at home, in this Chamber, in this Nation. He thought he could divide us in Europe as well.

But Putin was wrong. We are ready. We are united. And that's what we did: We stayed united. We prepared extensively and carefully. We spent months building coalitions of other freedom-loving nations in Europe and the Americas to—from America to the Asian and African continents to confront Putin.

Like many of you, I spent countless hours unifying our European allies. We shared with the world in advance what we knew Putin was planning and precisely how he would try to falsify and justify his aggression. We countered Russia's lies with the truth. And now—now that he's acted, the free world is holding him accountable, along with 27 members of the European Union—including France, Germany, Italy—as well as countries like the United Kingdom, Canada, Japan, Korea, Australia, New Zealand, and many others—even Switzerland—are inflicting pain on Russia and supporting the people of Ukraine. Putin is now isolated from the world more than he has ever been.

Together, along with our allies, we are right now enforcing powerful economic sanctions. We're cutting off Russia's largest banks from the international financial system; preventing Russia's Central Bank from defending the Russian ruble, making Putin's $630 billion war fund worthless. We're choking Russia's access to technology that will sap its economic strength and weaken its military for years to come.

Tonight I say to the Russian oligarchs and the corrupt leaders who have bilked billions of dollars off this violent regime: No more. The United States—[*applause*]—I mean it. The United States Department of Justice is assembling a dedicated task force to go after the crimes of the Russian oligarchs.

We're joining with European allies to find and seize their yachts, their luxury apartments, their private jets. We're coming for your ill-begotten gains. And tonight I'm announcing that we will join our allies in closing off American air space to all Russian flights, further isolating Russia and adding an additional squeeze on their economy.

He has no idea what's coming. The ruble has already lost 30 percent of its value, the Russian stock market has lost 40 percent of its value, and trading remains suspended. The Russian economy is reeling, and Putin alone is the one to blame.

Together with our allies, we're providing support to the Ukrainians in their fight for freedom: military assistance, economic assistance, humanitarian assistance. We're giving more than a billion dollars in direct assistance to Ukraine. And we'll continue to aid the Ukrainian people as they defend their country and help ease their suffering.

But let me be clear: Our Forces are not engaged and will not engage in the conflict with Russian forces in Ukraine. Our Forces are not going to Europe to fight [in]\* Ukraine but to defend our NATO allies in the event that Putin decides to keep moving west. For that purpose, we have mobilized American ground forces, air squadrons, ship deployments to protect NATO countries, including Poland, Romania, Latvia, Lithuania, and Estonia. And as I've made crystal clear, the United States and our allies will defend every inch of territory that is NATO territory with the full force of our collective power—every single inch.

And we're clear eyed. The Ukrainians are fighting back with pure courage. But the next few days, weeks, and months will be hard on them. Putin has unleashed violence and chaos. But while he may make gains on the battlefield, he'll pay a continuing high price over the long run. And a pound of Ukrainian people—the proud, proud people—pound for pound, ready to fight with every inch ofenergy they have. They've known 30 years of independence—have repeatedly shown that they will not tolerate anyone who tries to take their country backwards.

To all Americans, I'll be honest with you, as I've always promised I would be. A Russian dictator invading a foreign country has costs around the world. And I'm taking robust action to make sure the pain of our sanctions is targeted at Russian economy and that we use every tool at our disposal to protect American businesses and consumers.

Tonight I can announce the United States has worked with 30 other countries to release 60 million barrels of oil from reserves around the world. America will lead that effort, releasing 30 million barrels of our own Strategic Petroleum Reserve. And we stand ready to do more if necessary, united with our allies.

These steps will help blunt gas prices here at home. But I know news about what's happening can seem alarming to all Americans. But I want you to know: We're going to be okay. We're going to be okay.

When the history of this era is written, Putin's war on Ukraine will have left Russia weaker and the rest of the world stronger.

While it shouldn't have taken something so terrible for people around the world to see what's at stake, now everyone sees it clearly. We see the unity among leaders of nations, a more unified Europe, a more unified West. We see unity among the people who are gathering in cities in large crowds around the world, even in Russia, to demonstrate their support for the people of Ukraine.

In the battle between democracy and autocracies, democracies are rising to the moment, and the world is clearly choosing the side of peace and security. This is the real test, and it's going to take time. So let us continue to draw inspiration from the iron will of the Ukrainian people.

To our fellow Ukrainian Americans who forged a deep bond that connects our two nations: We stand with you. We stand with you. Putin may circle Kiev with tanks, but he'll never gain the hearts and souls of the Uranian [Ukrainian]\* people. He'll never extinguish their love of freedom. And he will never, never weaken the resolve of the free world.

We meet tonight in an America that has lived through 2 of the hardest years this Nation has ever faced. The pandemic has been punishing. And so many families are living paycheck to paycheck, struggling to keep up with the rising cost of food, gas, housing, and so much more.

I understand, like many of you did. My dad had to leave his home in Scranton, Pennsylvania, to find work. So, like many of you, I grew up in a family when the price of food went up, it was felt throughout the family; it had an impact. That's why one of the first things I did as President was fight to pass the American Rescue Plan, because people were hurting. We needed to act, and we did.

Few pieces of legislation have done more at a critical moment in our history to lift us out of a crisis. It fueled our efforts to vaccinate the Nation and combat COVID-19. It delivered immediate economic relief to tens of millions of Americans. It helped put food on the table. Remember those long lines of cars waiting for hours just to get a box of food put in their trunk? It cut the cost of health care insurance. And as my dad used to say, it gave the people "just a little bit of breathing room."

And unlike the $2 trillion tax cut passed in the previous administration that benefited the top 1 percent of Americans, the American Rescue Plan——

*Audience members.* Boo!

*The President.*——the American Rescue Plan helped working people and left no one behind. And, folks—and it worked. It worked. It worked and created jobs, lots of jobs. In fact, our economy created over 6.5 million new jobs just last year, more jobs in 1 year than ever before in the history of the United States of America. The economy grew at a rate of 5.7 last year, the strongest growth rate in 40 years and the first step in bringing fundamental change to our economy that hasn't worked for working people in this Nation for too long.

For the past 40 years, we were told that tax breaks for those at the top and benefits would trickle down and everyone would benefit. But that trickle-down theory led to a weaker economic growth, lower wages, bigger deficits, and a widening gap between the top and everyone else in the—in nearly a century.

Look, Vice President Harris and I ran for office—and I realize we have fundamental disagreements on this—but ran for office with a new economic vision for America: invest in America; educate Americans; grow the workforce; build the economy from the bottom up and the middle out, not from the top down. Because we know—because we know—when the middle class grows, the poor go way up, and the wealthy do very well.

America used to have the best roads, bridges, and airports on Earth. And now our infrastructure is ranked 13th in the world. We won't be able to compete for the jobs of the 21st century if we don't fix it. That's why it was so important to pass the bipartisan infrastructure law. And I thank my Republican friends who joined to invest and rebuild America, the single biggest investment in history.

It was a bipartisan effort, and I want to thank the members of both parties who worked to make it happen. We're done talking about infrastructure weeks. We're now talking about an infrastructure decade. And look, it's going to transform America to put us on a path to win the economic competition of the 21st century that we face with the rest of the world, particularly China. I've told Xi Jinping: It's never been a good bet to bet against the American people.

We'll create good jobs for millions of Americans—modernizing roads, airports, ports, waterways—all across America. And we'll do it to withstand the devastating effects of climate crisis and promote environmental justice. We'll build a national network of 500,000 electric vehicle charging stations; begin to replace the poisonous lead pipes so every child, every American has clean water to drink at home and at school.

We're going to provide affordable high-speed internet for every American—rural, suburban, urban, and Tribal communities. Four thousand projects have already been announced. Many of you have announced them in your districts. And tonight I'm announcing that, this year, we will start fixing over 65,000 miles of highway and 1,500 bridges in disrepair. And, folks, when we use taxpayers' dollars to rebuild America, we're going to do it by buying American. Buy American products. Support American jobs.

The Federal Government spends about $600 billion a year to keep this country safe and secure. There's been a law on the books for almost a century to make sure taxpayers' dollars support American jobs and businesses. Every administration—Democrat and Republican—says they'll do it, but we're actually doing it. We'll buy American to make sure everything from the deck of an aircraft carrier to the steel on highway guardrails is made in America from beginning to end. All of it. All of it.

But, folks, to compete for the jobs of the future, we also need to level the playing field with China and other competitors. That's why it's so important to pass the bipartisan innovation act sitting in Congress that will make record investments in emerging technologies and American manufacturing. We used to invest almost 2 percent of our GDP in research and development. We don't now. Can't—China is.

Let me give you one example why it's so important to pass. If you travel 20 miles east of Columbus, Ohio, you'll find a thousand empty acres of land. It won't look like much. But if you stop and look closely, you'll see a "field of dreams," the ground on which America's future will be built. That's where Intel, the American company that helped build Silicon Valley, is going to build a $20 billion semiconductor "mega site," up to eight state-of-the-art factories in one place. Ten thousand new jobs. And in those factories, the average job—about $135—$135,000 a year.

Some of the most sophisticated manufacturing in the world to make computer chips the size of a fingertip that power the world and everyday lives, from smartphones, technology that—the internet—technology that's yet to be invented. But that's just the beginning.

Intel's CEO, Pat Gelsinger, who is here tonight—and I don't know where Pat is. Pat? There you go, Pat. Stand up. Pat came to see me, and he told me they're ready to increase their investment from $20 billion to $100 billion. That would be the biggest investment in manufacturing in American history. And all they're waiting for is for you to pass this bill. So let's not wait any longer. Send it to my desk, I'll sign it, and we will really take off in a big way.

And, folks, Intel is not alone. There's something happening in America. Just look around, and you'll see an amazing story—the rebirth of pride that comes from stamping products "Made in America," the revitalization of American manufacturing. Companies are choosing to build new factories here when just a few years ago, they would have gone overseas. That's what is happening. Ford is investing $11 billion in electric vehicles, creating 11,000 jobs across the country. GM is making the largest investment in its history—$7 billion to build electric vehicles, creating 4,000 jobs in Michigan. All told, 369,000 new manufacturing jobs were created in America last year alone.

And, folks, powered by people I've met—like JoJo Burgess from generations of union steelworkers in Pittsburgh, who's here with us tonight. Where are you, JoJo? There you go. Thanks, buddy. As Ohio—as Ohio Senator Sherrod Brown says—[*applause*]—as Sherrod Brown says, "It's time to bury the label 'Rust Belt.'" It's time to see the—what used to be called the Rust Belt become the home of a significant resurgence of manufacturing.

And with all the bright spots in our economy—record job growth, higher wages—too many families are struggling to keep up with their bills. Inflation is robbing them of gains they thought otherwise they would be able to feel. I get it. That's why my top priority is getting prices under control.

Look, our economy roared back faster than almost anyone predicted, but the pandemic meant that businesses had a hard time hiring enough people because of the pandemic to keep up production in their factories. So you didn't have people making those beams that went into buildings because they were out—the factory was closed. The panic [pandemic]\* also disrupted the global supply chain. Factories close. When that happens, it takes longer to make goods and get them to the warehouses, to the stores, and go—prices go up.

Look at cars last year. One-third of all the inflation was because of automobile sales. There weren't enough semiconductors to make all the cars that people wanted to buy. And guess what? Prices of automobiles went way up, especially used vehicles as well. What—and so we have a choice. One way to fight inflation is to drive down wages and make Americans poorer. I think I have a better idea to fight inflation: Lower your costs, not your wages.

And, folks, that means make more cars and semiconductors in America, more infrastructure and innovation in America, more goods moving faster and cheaper in America, more jobs where you can earn a good living in America. Instead of relying on foreign supply chains, let's make it in America.

Look, economists——

*Audience members.* U.S.A.! U.S.A.! U.S.A.!

*The President.* Economists——

*Audience members.* U.S.A.! U.S.A.! U.S.A.!

*The President.* ——call this increasing the productive capacity of our economy. I call it building a better America. My plan to fight inflation will lower your costs and lower the deficit. Seventeen Nobel laureates in economics said my plan will ease long-term inflationary pressures. Top business leaders and, I believe, most Americans support the plan.

And here's the plan. First, cut the cost of prescription drugs. We pay more for the same drug produced by the same company in America than any other country in the world. Just look at insulin. One in ten Americans has diabetes. In Virginia, I met a 13-year-old boy, the handsome young man standing up there, Joshua Davis. He and his dad both have type 1 diabetes, which means they need insulin every single day. Insulin costs about $10 a vial to make. That's what it costs the pharmaceutical company. But drug companies charge families like Joshua and his dad up to 30 times that amount.

I spoke with Joshua's mom. Imagine what it's like to look at your child who needs insulin to stay healthy and have no idea how in God's name you're going to be able to pay for it—what it does to your family, but what it does to your dignity, your ability to look your child in the eye, to be the parent you expect yourself to be. I really mean it. Think about that. That's what I think about. You know, yesterday—Joshua is here tonight, but yesterday was his birthday. Happy birthday, buddy, by the way.

For Joshua and 200,000 other young people with type 1 diabetes, let's cap the cost of insulin at $35 a month so everyone can afford it. And drug companies will do very, very well—their profit margin. And while we're at it—I know we have great disagreements on this floor with this—let's let Medicare negotiate the price of prescription drugs. They already set the price for VA drugs. Look, the American Rescue Plan is helping millions of families on Affordable Care Act plans to save them $2,400 a year on their health premiums. Let's close the coverage gap and make those savings permanent.

And second, let's cut energy costs for families an average of $500 a year by combating climate change. Let's provide an investment and tax credit to weatherize your home and your business to be energy efficient and get a tax credit for it; double America's clean energy production in solar, wind, and so much more; lower the price of electric vehicles, saving another $80 a month that you've not going to have to pay at the pump.

Folks—third—the third thing we can do to change the standard of living for hard-working folks is cut the cost of childcare. [*Applause*] Cut the cost of childcare. Folks, if you live in a major city in America, you can pay up to $14,000 a year for childcare per child. I was a single dad for 5 years, raising two kids. I had a lot of help though. I had a mom, a dad, a brother, and sister that really helped. But middle class and working folks shouldn't have to pay more than 7 percent of their income to care for their young children.

My plan would cut the cost of childcare in half for most families and help parents, including millions of women who left the workforce during the pandemic because they couldn't afford childcare to be able to get back to work, generating economic growth. But my plan doesn't stop there. It also includes home and long-term care, more affordable housing, pre-K for 3- and 4-year-olds. All of these will lower costs to families.

And under my plan, nobody—let me say this again—nobody earning less than $400,000 a year will pay an additional penny in new taxes. Not a single penny. I may be wrong, but my guess is, if we took a secret ballot in this floor, that we'd all agree that the present tax system ain't fair. We have to fix it. I'm not looking to punish anybody, but let's make corporations and wealthy Americans start paying their fair share.

Look, last year—[*applause*]—last year—and like Chris Coons and Tom Carper and my distinguished Congresswoman—we come from the land of corporate America. There are more corporations incorporated in America [Delaware]\* than every other State in America combined. And I still won 36 years in a row. The point is, even they understand they should pay just a fair share.

Last year, 55 of the Fortune 500 companies earned $40 billion in profit and paid zero in Federal taxes.

*Audience members.* Boo!

*The President.* No, look, it's not fair. That's why I proposed a 15-percent minimum tax rate for corporations. And we've got—and that's why in the G-7 and other meetings overseas we were able to put together—I was able to be somewhat helpful—130 countries to agree on a global minimum tax rate so companies can't get out of paying their taxes at home by shipping jobs and factories overseas. It will raise billions of dollars.

And that's why I've proposed closing loopholes for the very wealthy who don't pay—who pay a lower tax rate than a teacher and a firefighter. So that's my plan. But we have—we'll go into more detail later. I'm going to grow—we will grow the economy, lower the costs to families. So what are we waiting for? Let's get this done. We all know we've got to make changes.

Folks, and while you're at it, confirm my nominees for the Federal Reserve, which plays a critical role in fighting inflation.

My plan will not only lower costs and give families a fair shot, it will lower the deficit. The previous administration not only ballooned the deficit with those tax cuts for the very wealthy and corporations, it undermined the watchdogs—the job of those to keep pandemic relief funds from being wasted. Remember we had those debates about whether or not those watchdogs should be able to see, every day, how much money was being spent, where it—was it going to the right place?

In my administration, the watchdogs are back. And we're going after the criminals who stole billions of relief money meant for small business and millions of Americans. And tonight I'm announcing that the Justice Department will soon name a chief prosecutor for pandemic fraud.

And look—[*applause*]—I think we all agree—thank you—by the end of this year, the deficit will be down to less than half what it was before I took office, the only President ever to cut the deficit by more than $1 trillion in a single year.

Lowering your costs also meant demanding more competition. I'm a capitalist, but capitalism without competition is not capitalism. Capitalism without competition is exploitation. It drives up profits [prices].\* When corporations have to compete, their profits go up and your prices go up—when they don't have to compete. Small businesses and family farmers and ranchers—I need not tell some of my Republican friends from those States—guess what? You've got four basic meatpacking facilities. That's it. You play with them or you don't get to play at all. And you pay a hell of a lot more—a hell of a lot more—because there's only four.

See what's happening with ocean carriers moving goods in and out of America. During the pandemic, about half a dozen or less foreign-owned companies raised prices by as much as 1,000 percent and made record profits. Tonight I'm announcing a crackdown on those companies overcharging American businesses and consumers.

Folks—[*applause*]—and as Wall Street firms take over more nursing homes, quality in those homes has gone down, and costs have gone up. That ends on my watch. Medicare is going to set higher standards for nursing homes and make sure your loved ones get the care they deserve and that they inspect and they will—looked at closely. We're also going to cut costs to keep the economy going strong and giving workers a fair shot; provide more training and apprenticeships; hire them based on skills, not just their degrees.

Let's pass the Paycheck Fairness Act and paid leave; raise the minimum wage to $15 an hour; and extend the child tax credit so no one has to raise a family in poverty. Let's increase Pell grants; increase our historic support for HBCUs; and invest in what Jill, our First Lady, who teaches full time, calls America's best kept secret: community colleges.

Look, let's pass the PRO Act. When a majority of workers want to form a union, they shouldn't be able to be stopped. When we invest in our workers and we build an economy from the bottom up and the middle out, together we can do something we haven't done in a long time: build a better America.

For more than 2 years, COVID has impacted every decision in our lives and the life of this Nation. And I know you're tired, frustrated, and exhausted. That doesn't even count the close to a million people who sit at a dining room table or a kitchen table and look at an empty chair because they lost somebody.

But I also know this: Because of the progress we've made, because of your resilience and the tools that we have been provided by this Congress, tonight I can say we're moving forward safely, back to a more—normal routines. We've reached a new moment in the fight against COVID-19 where severe cases are down to a level not seen since July of last year.

Just a few days ago, the Center for Disease Control and Prevention issued a new mask guidelines. Under the new guidelines, most Americans in most of the country can now go mask free. And based on projections, more of the country will reach a point across—that point across the next couple of weeks. And thanks to the progress we've made in the past year, COVID-19 no longer need control our lives. I know some are talking about "living with COVID-19." But tonight I say that we never will just accept living with COVID-19; we'll continue to combat the virus as we do other diseases.

And because this virus mutates and spreads, we have to stay on guard. And here are four commonsense steps as we move forward safely, in my view: first, stay protected with vaccines and treatments. We know how incredibly effective vaccines are. If you're vaccinated and boosted, you have the highest degree of protection, and we'll never give up on vaccinating more Americans. Now, I know parents with kids under 5 are eager to see their vaccines authorized for their children. Scientists are working hard to get that done, and we'll be ready with plenty of vaccines if and when they do.

We're already—we are also ready with antiviral treatments. If you get COVID-19, the Pfizer pill reduces your chances of ending up in the hospital by 90 percent. I've ordered more pills than anyone in the world has. Pfizer is working overtime to get us a million pills this month and more than double that next month. And now we're launching the "Test To Treat" initiative so people can get tested at a pharmacy and, if they prove positive, receive the antiviral pills on the spot at no cost.

And, folks, if you're immunocompromised or have some other vulnerability, we have treatments and free high-quality masks. We're leaving no one behind or ignoring anyone's needs as we move forward. On testing, we've made hundreds of millions of tests available, and you can order them for free to your doorstep. And we've already ordered free tests. If you already ordered free tests, tonight I'm announcing you can order another group of tests. COVID—go to COVIDtests.gov, starting next week, and you can get more tests.

Second, we must prepare for new variants. Over the past—we've gotten much better at detecting new variants. If necessary, we'll be able to develop [deploy]\* new vaccines within a hundred days instead of maybe months or years. And if Congress presides [provides]\* the funds we need, we'll have new stockpiles of tests, masks, pills ready if needed. I can't promise a new variant won't come, but I can promise you we'll do everything within our power to be ready if it does.

Third, we can end the shutdown of schools and businesses. We have the tools we need. It's time for America to get back to work and fill our great downtowns again with people. People working from home can feel safe and begin to return to their offices.

We're doing that here in the Federal Government. The vast majority of Federal workers will once again work in person. Our schools are open. Let's keep it that way. Our kids need to be in school. With 75 percent of adult Americans fully vaccinated and hospitalizations down by 77 percent, most Americans can remove their masks and stay in the classroom and move forward safely.

We achieved this because we provided free vaccines, treatments, tests, and masks. Of course, continuing this costs money, so it will not surprise you I'll be back to see you all. [*Laughter*] And I'm going to soon send a request to Congress. The vast majority of Americans have used these tools and may want again—we may need them again. So I expect Congress—and I hope you'll pass that quickly.

Fourth, we'll continue vaccinating the world. We've sent 475 million vaccine doses to 112 countries—more than any nation on Earth. We won't stop, because you can't build a wall high enough to keep out a vaccine—the vaccine can stop the spread of these diseases.

You know, we've lost so much in COVID-19. Time with one another. The worst of all, the loss of life. Let's use this moment to reset. So stop looking at COVID as a partisan dividing line. See it for what it is, a God-awful disease. Let's stop sending—seeing each other as enemies and start seeing each other for who we are, fellow Americans.

Look, we can't change how divided we've been. That was a long time in coming. But we can change how to move forward on COVID-19 and other issues that we must face together.

I recently visited New York City Police Department days after the funerals of Officer Wilbert Mora and his partner, Officer Jason Rivera. They were responding to a 911 call when a man shot and killed them with a stolen gun. Officer Mora was 27 years old. Officer Rivera was 22 years old. Both Dominican Americans who grew up in the same streets that they later chose to parole—to patrol as police officers. I spoke with their families, and I told them that we are forever in debt for their sacrifices and we'll carry on their mission to restore the trust and safety in every community it deserves.

Like some of you that have been around for a while—I've worked with you on these issues for a long time. I know what works: Investigating [Investing in]\* crime prevention and community policing: cops who walk the beat, who know the neighborhood, and who can restore trust and safety.

Let's not abandon our streets or choose between safety and equal justice. Let's come together and protect our communities, restore trust, and hold law enforcement accountable. That's why the Justice Department has required body cameras, banned chokeholds, and restricted no-knock warrants for its officers.

That's why the American Rescue Plan that you all provided $350 billion that cities, States, and counties can use to hire more police, invest in more proven strategies like community violence interruption, trusted messengers breaking the cycle of violence and trauma and giving young people some hope. We should all agree the answer is not to defund the police.

*Audience member.* That's right!

*The President.* It's to fund the police. Fund them. Fund them. Fund them with the resources and training—resources and training they need to protect our communities. I ask Democrats and Republicans alike to pass my budget and keep our neighborhoods safe. And we'll do everything in my power to crack down on gun trafficking of ghost guns that you can buy online, assemble at home—no serial numbers, can't be traced. I ask Congress to pass proven measures to reduce gun violence. Pass universal background checks. Why should anyone on the terrorist list be able to purchase a weapon. Why? Why?

*Audience members.* Boo!

*The President.* And, folks, ban assault weapons with high-capacity magazines that hold up to a hundred rounds. You think the deer are wearing Kevlar vests? [*Laughter*] Look, repeal the liability shield that makes gun manufacturers the only industry in America that can't be sued—the only one. Imagine had we done that with the tobacco manufacturers. These laws don't infringe on the Second Amendment, they save lives.

The most fundamental right in America is the right to vote and have it counted. And look, it's under assault. In State after State, new laws have been passed not only to suppress the vote—we've been there before—but to subvert the entire election. We can't let this happen. Tonight I call on the Senate to pass the Freedom To Vote act. Pass the John Lewis Act—Voting Rights Act. And while you're at it, pass the DISCLOSE Act so Americans know who is funding our elections.

Look, tonight I'd like to honor someone who has dedicated his life to serve this country: Justice Breyer, an Army veteran, constitutional scholar, retiring Justice of the United States Supreme Court. Justice Breyer, thank you for your service. Thank you, thank you, thank you. I mean it. Get up. Stand and let them see you. Thank you.

And we all know—no matter what your ideology, we all know one of the most serious constitutional responsibilities a President has is nominating someone to serve on the United States Supreme Court. As I did 4 days ago, I've nominated a Circuit Court of Appeals—Ketanji Brown Jackson.

One of our Nation's top legal minds who will continue in Justice Breyer's legacy of excellence. A former top litigator in private practice, a former Federal public defender from a family of public-school educators and police officers, she's a consensus builder. Since she's been nominated, she's received a broad range of support, including the Fraternal Order of Police and former judges appointed by Democrats and Republicans.

Folks, if we are to advance liberty and justice, we need to secure our border and fix the immigration system.

*Audience members.* Build the wall! Build the wall! Build the wall!

*The President.* And as you might guess, I think we can do both. At our border, we've installed new technology, like cutting-edge scanners, to better detect drug smuggling. We've set up joint patrols with Mexico and Guatemala to catch more human traffickers. We're putting in place dedicated immigration judges in significant larger number so families fleeing persecution and violence can have their cases—cases heard faster—and those who don't [aren't]\* legitimately here can be sent back.

We're screening—we're securing commitments and supporting partners in South and Central America to host more refugees and secure their own borders. We can do all this while keeping lit the torch of liberty that has led the generation of immigrants to this land, my forebearers and many of yours. Provide a pathway to citizenship for "dreamers," those with temporary status, farmworkers, essential workers. To revise our laws so businesses have workers they need and families don't wait decades to reunite.

It's not only the right thing to do, it's economically smart thing to do. That's why the immigration reform is supported by everyone from labor unions to religious leaders to the U.S. Chamber of Commerce. Let's get it done once and for all.

Folks, advancing liberty and justice also requires protecting the rights of women. The constitutional right affirmed by *Roe* v. *Wade*, standing precedent for half a century, is under attack as never before. If you want to go forward not backwards, we must protect access to health care, preserve a woman's right to choose, and continue to advance maternal health care for all Americans.

And, folks, for our LGBTQ+ Americans, let's finally get the bipartisan Equality Act to my desk. The onslaught of State laws targeting transgender Americans and their families—it's simply wrong. As I said last year, especially to our younger transgender Americans, I'll always have your back as your President so you can be yourself and reach your God-given potential.

Folks, as I've just demonstrated, while it often appears we do not agree—[*laughter*]—and that—we do agree on a lot more things than we acknowledge. I signed 80 bipartisan bills into law last year, from preventing Government shutdowns, to protecting Asian Americans from still-too-common hate crimes, to reforming military justice. And we'll soon be strengthening the Violence Against Women Act that I first wrote three decades ago.

And it's important—it's important—for us to show the Nation that we can come together and do big things. So tonight I'm offering a unity agenda for the Nation: four big things we can do together, in my view.

First, beat the opioid epidemic. There's so much we can do: increase funding for prevention, treatment, harm reduction, and recovery; get rid of outdated rules and stop doctors and—that stop doctors from prescribing treatments; stop the flow of illicit drugs by working with State and local law enforcement to go after the traffickers. And if you're suffering from addiction, you know—you should know you're not alone. I believe in recovery, and I celebrate the 23 million—23 million Americans in recovery.

Second, let's take on mental health—especially among our children, whose lives and education have been turned upside down. The American Rescue Plan gave schools money to hire teachers and help students make up for lost learning. I urge every parent to make sure your school does just that. They have the money. We can all play a part. Sign up to be a tutor or a mentor. Children were also struggling before the pandemic: bullying, violence, trauma, and the harms of social media.

As Frances Haugen, who is here tonight with us, has shown, we must hold social media platforms accountable for the national experiment they're conducting on our children for profit. Folks—[*applause*]—thank you. Thank you for the courage you showed. It's time to strengthen privacy protections; ban targeted advertising to children; demand tech companies stop collecting personal data on our children. And let's get all Americans the mental health services they need. More people can turn for help and full parity between physical and mental health care if we treat it that way in our insurance.

Look, the third piece of that agenda is support our veterans. Veterans are the backbone and the spine of this country. They're the best of us. I've always believed that we have a sacred obligation to equip those we send to war and care for those and their family when they come home. My administration is providing assistance and job training and housing and now helping lower income veterans get VA care debt free.

And our troops in Iraq have faced—and Afghanistan—have faced many dangers. One being stationed at bases, breathing in toxic smoke from burn pits. Many of you have been there. I've been in and out of Iraq and Afghanistan over 40 times. These burn pits that incinerate waste—the wastes of war, medical and hazardous material, jet fuel, and so much more. And they come home—many of the world's fittest and best trained warriors in the world—never the same: headaches, numbness, dizziness, a cancer that would put them in a flag-draped coffin. I know.

*Representative Lauren Boebert.* You put them in. Thirteen of them.

*Audience members.* Whoa!

*Audience members.*Boo!

*The President.* One of those—one of those soldiers was my son, Major Beau Biden. I don't know for sure if the burn pit that he lived near—that his hooch was near in Iraq and, earlier than that, in Kosovo is the cause of his brain cancer and the disease of so many other troops. But I'm committed to find out everything we can.

Committed to military families like Danielle Robinson from Ohio, the widow of Sergeant First Class Heath Robinson. He was born a soldier. Army National Guard. Combat medic in Kosovo and Iraq. Stationed near Baghdad, just yards from burn pits the size of football fields.

Danielle is here with us tonight. They loved going to Ohio State football games. And he loved building Legos with their daughter. But cancer from prolonged exposure to burn pits ravaged Heath's lungs and body. Danielle says Heath was a fighter to the very end. He didn't know how to stop fighting, and neither did she. Through her pain, she found purpose to demand that we do better. Tonight, Danielle, we are going to do better.

The VA is pioneering new ways of linking toxic exposures to disease, already helping more veterans get benefits. And tonight I'm announcing we're expanding eligibility to veterans suffering from nine respiratory cancers. I'm also calling on Congress to pass a law to make sure veterans devastated by toxic exposure in Iraq and Afghanistan finally get the benefits and the comprehensive health care they deserve.

And fourth and last, let's end cancer as we know it. This is personal. This is personal to me and to Jill and to Kamala and so many of you. So many of you have lost someone you love—husband, wife, son, daughter, mom, dad. Cancer is the number-two cause of death in America, second only to heart disease.

Last month, I announced the plan to supercharge the Cancer Moonshot that President Obama asked me to lead 6 years ago. Our goal is to cut cancer death rates by at least 50 percent over the next 25 years. And I think we can do better than that: turn cancers from death sentences into treatable diseases, more support for patients and their families.

To get there, I call on Congress to fund what I called ARPA-H: Advanced Research Projects Agency for Health. Patterned after DARPA in the Defense Department, projects that led—in DARPA—to the internet, GPS, and so much more that make our Forces more—safer and be able to wage war more—with more clarity. ARPA [ARPA-H]\* will have a singular purpose to drive breakthroughs in cancer, Alzheimer's, and diabetes, and more. A unity agenda for the Nation. We can do these things. It's within our power. And I don't see a partisan edge to any one of those four things.

My fellow Americans, tonight we've gathered in a sacred space: the citadel of democracy. In this Capitol, generation after generation of Americans have debated great questions amid great strife and have done great things. We fought for freedom, expanded liberty, debated [defeated]\* totalitarianism and terror. We built the strongest, freest, and most prosperous nation the world has ever known.

Now is the hour: our moment of responsibility, our test of resolve and conscience of history itself. It is in this moment that our character of this generation is formed, our purpose is found, our future is forged.

Well, I know this Nation. We'll meet the test, protect freedom and liberty, expand fairness and opportunity. And we will save democracy. As hard as those times have been, I'm more optimistic about America today than I've been my whole life because I see the future that's within our grasp, because I know there is simply nothing beyond our capacity.

We're the only nation on Earth that has always turned every crisis we've faced into an opportunity, the only nation that can be defined by a single word: possibilities. So, on this night, on our 245th year as a nation, I've come to report on the state of the Nation—the state of the Union. And my report is this: The state of the Union is strong because you, the American people, are strong.

We are stronger today—we are stronger today—than we were a year ago. And we'll be stronger a year from now than we are today. This is our moment to meet and overcome the challenges of our time. And we will, as one people, one America: the United States of America.

God bless you all, and may God protect our troops. Thank you. Go get 'em.

February 07, 2023

*The President.* Mr. Speaker——

[*At this point, the President turned to face audience members.*]

Thank you. You can smile. It's okay.

Thank you, thank you, thank you. Thank you. Please.

Mr. Speaker, Madam Vice President, our First Lady and Second Gentleman—good to see you guys up there—[*applause*]—Members of Congress. and by the way, Chief Justice, I may need a court order. She gets to go to the game tomorrow—next week. I have to stay home. [*Laughter*] We've got to work something out here.

Members of the Cabinet, leaders of our military, Chief Justice, Associate Justices, and retired Justices of the Supreme Court, and to you, my fellow Americans: You know, I start tonight by congratulating the 118th Congress and the new Speaker of the House, Kevin McCarthy. Speaker, I don't want to ruin your reputation, but I look forward to working with you. [*Laughter*]

And I want to congratulate the new leader of the House Democrats, the first African American minority leader in history, Hakeem Jeffries. He won in spite of the fact I campaigned for him. [*Laughter*]

Congratulations to the longest serving leader in the history of the United States Senate, Mitch McConnell. Where are you, Mitch?

And congratulations to Chuck Schumer, another—you know, another term as Senate minority [majority; White House correction] leader. You know, I think you—only this time you have a slightly bigger majority, Mr. Leader. And you're the majority leader. About that much bigger? [*Laughter*] Yes.

Well, I tell you what, I want to give special recognition to someone who I think is going to be considered the greatest Speaker in the history of the House of Representatives: Nancy Pelosi.

Folks, the story of America is a story of progress and resilience, of always moving forward, of never, ever giving up. It's a story unique among all nations. We're the only country that has emerged from every crisis we've ever entered stronger than we got into it. Look, folks, that's what we're doing again.

Two years ago, the economy was reeling. I stand here tonight, after we've created, with the help of many people in this room, 12 million new jobs—more jobs created in 2 years than any President has created in 4 years—because of you all, because of the American people.

Two years ago—[*applause*]. And 2 years ago, COVID had shut down—our businesses were closed, our schools were robbed of so much. And today, COVID no longer controls our lives.

And 2 years ago, our democracy faced its greatest threat since the Civil War. And today, though bruised, our democracy remains unbowed and unbroken.

As we gather here tonight, we're writing the next chapter in the great American story, a story of progress and resilience. When world leaders ask me to define America—and they do, believe it or not—I say I can define it in one word, and I mean this: possibilities. We don't think anything is beyond our capacity. Everything is a possibility.

You know, we're often told that Democrats and Republicans can't work together. But over the past 2 years, we've proved the cynics and naysayers wrong. Yes, we disagreed plenty. And yes, there were times when Democrats went alone.

But time and again, Democrats and Republicans came together. Came together to defend a stronger and safer Europe. You came together to pass one-in-a-generation—once-in-a-generation infrastructure law building bridges connecting our Nation and our people. We came together to pass one the most significant law ever helping victims exposed to toxic burn pits. And, in fact—[*applause*]. It's important.

And, in fact, I signed over 300 bipartisan pieces of legislation since becoming President, from reauthorizing the Violence Against Women Act to the Electoral Count Reform Act, the Respect for Marriage Act that protects the right to marry the person you love.

And to my Republican friends, if we could work together in the last Congress, there's no reason we can't work together and find consensus on important things in this Congress as well.

I think—folks, you all are as informed as I am, but I think the people sent us a clear message: Fighting for the sake of fighting, power for the sake of power, conflict for the sake of conflict gets us nowhere.

That's always been my vision of our country, and I know it's many of yours: to restore the soul of this Nation; to rebuild the backbone of America, America's middle class; and to unite the country. We've been sent here to finish the job, in my view.

For decades, the middle class has been hollowed out in more than—and not in one administration, but for a long time. Too many good-paying manufacturing jobs moved overseas. Factories closed down. Once-thriving cities and towns that many of you represent became shadows of what they used to be. And along the way, something else we lost: pride, our sense of self-worth.

I ran for President to fundamentally change things. To make sure our economy works for everyone so we can all feel that pride in what we do. To build an economy from the bottom up and the middle out, not from the top down. Because when the middle class does well, the poor have a ladder up, and the wealthy still do very well. We all do well.

I know a lot of you always kid me for always quoting my dad. But my dad used to say, "Joey, a job is about a lot more than a paycheck." Because he really would say this. "It's about a lot more than a paycheck. It's about your dignity. It's about respect. It's about being able to look your kid in the eye and say, 'Honey, it's going to be okay' and mean it."

Well, folks, so let's look at the results. We're not finished yet, by any stretch of the imagination. But unemployment rate is at 3.4 percent, a 50-year low. And near record—and near record unemployment—near record unemployment for Black and Hispanic workers.

We've already created, with your help, 800,000 good-paying manufacturing jobs, the fastest growth in 40 years. And where is it written—where is it written that America can't lead the world in manufacturing? And I don't know where that's written.

For too many decades, we imported projects and exported jobs. Now, thanks to what you've all done, we're exporting American products and creating American jobs.

Folks, inflation—inflation has been a global problem because the pandemic disrupted our supply chains, and Putin's unfair and brutal war in Ukraine disrupted energy supplies as well as food supplies, blocking all that grain in Ukraine. But we're better positioned than any country on Earth right now. But we have more to do.

But here at home, inflation is coming down. Here at home, gas prices are down $1.50 from their peak. Food inflation is coming down, not fast enough, but coming down. Inflation has fallen every month for the last 6 months, while take-home pay has gone up.

Additionally, over the last 2 years, a record 10 million Americans applied to start new businesses. Ten million. And by the way, every time—every time someone starts a small business, it's an act of hope.

And, Madam Vice President, I want to thank you for leading that effort to ensure that small businesses have access to capital and the historic laws we enacted that are going to just come into being.

Standing here last year, I shared with you a story of American genius and possibilities. Semiconductors—small computer chips the size of a fingerprint that power everything from cellphones to automobiles and so much more—these chips were invented in America. Let's get that straight: They were invented in America.

And we used to make 40 percent of the world's chips. In the last several decades, we lost our edge. We're down to only producing 10 percent.

We all saw what happened during the pandemic when chip factories shut down overseas. Today's automobiles need 3,000 chips—each of those automobiles—but American automobiles [automakers; White House correction] couldn't make enough cars because there weren't enough chips. Car prices went up. People got laid off. So did everything from refrigerators to cell phones.

We can never let that happen again. That's why—that's why we came together to pass the bipartisan CHIPS and Science Act.

Folks, I know I've been criticized for saying this, but I'm not changing my view. We're going to make sure the supply chain for America begins in America—the supply chain begins in America.

And we've already created—[*applause*]. We've already created 800,000 new manufacturing jobs without this law, before the law kicks in. With this new law, we're going to create hundreds of thousands of new jobs across the country. And I mean all across the country, throughout—not just the coast, but through the middle of the country as well.

That's going to come from companies that have announced more than $300 billion in investment in American manufacturing over the next few years. Outside of Columbus, Ohio, Intel is building semiconductor factories on a thousand acres, literally a "field of dreams." It's going to create 10,000 jobs, that one investment; 7,000 construction jobs; 3,000 jobs in those factories once they're finished. They call them factors. Jobs paying an average of $130,000 a year, and many do not require a college degree.

And jobs—because we worked together, these jobs where people don't have to leave home to search for opportunity. And it's just getting started. Think about the new homes, the small businesses, the big—the medium-sized businesses. So much more that's going to be needed to support those 3,000 permanent jobs and the factories that are going to be built.

Talk to mayors and Governors, Democrats and Republicans, and they'll tell you what this means for their communities. We're seeing these "fields of dreams" transform the Heartland. But to maintain the strongest economy in the world, we need the best infrastructure in the world.

And, folks, as you all know, we used to be number one in the world in infrastructure. We've sunk to 13th in the world. The United States of America—13th in the world in infrastructure, modern infrastructure.

But now we're coming back because we came together and passed the bipartisan infrastructure law, the largest investment in infrastructure since President Eisenhower's Interstate Highway System.

And, folks, already, we've funded over 20,000 projects, including major airports from Boston to Atlanta to Portland, projects that are going to put thousands of people to work rebuilding our highways, our bridges, our railroads, our tunnels, ports, airports, clean water, high-speed internet all across America: urban, rural, Tribal.

And, folks, we're just getting started. We're just getting started.

And I mean this sincerely: I want to thank my Republican friends who voted for the law. And my Republican friends who voted against it as well—but I'm still—I still get asked to fund the projects in those districts as well, but don't worry. [*Laughter*] I promised I'd be a President for all Americans. We'll fund these projects. And I'll see you at the groundbreaking.

Look, this law—this law will further unite all of America. Projects like Brent Spence Bridge in Kentucky over the Ohio River, built 60 years ago, badly in need of repairs. One of the Nation's most congested freight routes, carrying $2 billion worth of freight every single day across the Ohio River.

And, folks, we've been talking about fixing it for decades, but we're really finally going to get it done. I went there last month with Democrats and Republicans in—from both States—to deliver a commitment of $1.6 billion for this project. And while I was there, I met a young woman named Saria, who's here tonight. I don't know where Saria is. Is she up in the box? I don't know. Saria, how are you?

Well, Saria—for 30 years—for 30 years—I learned—she told me she'd been a proud member of the Ironworkers Local 44, known as—known as the "Cowboys in the Sky"—the folks who built Cincinnati's skyline. Saria said she can't wait to be 10 stories above the Ohio River building that new bridge. God bless her. [*Laughter*] That's pride. And that's what we're also building: We're building back pride.

Look, we're also replacing poisonous lead pipes that go into 10 million homes in America, 400,000 schools and childcare centers so every child in America—every child in American—can drink the water, instead of having permanent damage to their brain.

Look, we're making sure—[*applause*]—we're making sure that every community—every community in America—has access to affordable, high-speed internet. No parent should have to drive by a McDonald's parking lot to help their—do their homework online with their kids, which many—thousands were doing across the country.

And when we do these projects—and, again, I get criticized about this, but I make no excuses for it—we're going to buy American. We're going to buy American.

Folks—[*applause*]—and it's totally—it's totally—consistent with international trade rules. Buy American has been the law since 1933. But for too long, past administrations—Democrat and Republican—have fought to get around it. Not anymore.

Tonight I'm announcing new standards to require all construction materials used in Federal infrastructure projects to be made in America. Made in America. I mean it. Lumber, glass, drywall, fiber-optic cable. And on my watch, American roads, bridges, and American highways are going to be made with American products as well.

Folks, my economic plan is about investing in places and people that have been forgotten. So many of you listening tonight, I know you feel it. So many of you felt like you've just simply been forgotten. Amid the economic upheaval of the past four decades, too many people have been left behind and treated like they're invisible.

Maybe that's you, watching from home. You remember the jobs that went away. You remember them, don't you? The folks at home remember them. You wonder whether the path even exists anymore for your children to get ahead without having to move away.

Well, that's why—I get that. That's why we're building an economy where no one is left behind. Jobs are coming back, pride is coming back, because of choices we made in the last several years. You know, this is, in my view, a blue-collar blueprint to rebuild America and make a real difference in your lives at home.

For example, too many of you lay in bed at night, like my dad did, staring at the ceiling, wondering what in God's name happens if your spouse gets cancer or your child gets deadly ill or if something happens to you. What are you going—are you going to have the money to pay for those medical bills? Are you going to have to sell the house or try to get a second mortgage on it?

I get it. I get it.

With the Inflation Reduction Act that I signed into law, we're taking on powerful interests to bring health care costs down so you can sleep better at night with more security. You know, we pay more for prescription drugs than any nation in the world. Let me say it again: We pay more for prescription drugs than any major nation on Earth.

For example, 1 in 10 Americans has diabetes. Many of you in this chamber do and in the audience. But every day, millions need insulin to control their diabetes so they can literally stay alive. Insulin has been around for over 100 years. The guy who invented it didn't even patent it because he wanted it to be available for everyone.

It costs the drug companies roughly $10 a vial to make that insulin. Package it and all, you may get up to $13. But Big Pharma has been unfairly charging people hundreds of dollars, $4- to $500 a month, making record profits. Not anymore. Not anymore.

*Audience members.*Not anymore! Not anymore! Not anymore!

*The President*. So many things that we did are only now coming to fruition. We said we were doing this, and we said we'd pass the law to do it, but people didn't know because the law didn't take effect until January 1 of this year.

We capped the cost of insulin at $35 a month for seniors on Medicare. But people are just finding out. I'm sure you're getting the same calls I'm getting.

Look, there are millions of other Americans who do not—are not on Medicare, including 200,000 young people with type 1 diabetes who need these insulin—need this insulin to stay alive. Let's finish the job this time. Let's cap the cost of insulin for everybody at $35.

Folks—and Big Pharma is still going to do very well, I promise you all. [*Laughter*] I promise you they're going to do very well.

This law also—this law also caps—and it won't even go into effect until 2025. It costs [caps; White House correction] out-of-pocket drug costs for seniors on Medicare at a maximum of $2,000 a year. You don't have to pay more than $2,000 a year, no matter how much your drug costs are. Because you know why? You all know it.

Many of you, like many of my family, have cancer. You know the drugs can range from $10-, $11-, $14-, $15,000 for the cancer drugs. And if drug prices rise faster than inflation, drug companies are going to have to pay Medicare back the difference.

And we're finally—we're finally giving Medicare the power to negotiate drug prices. Bringing down—bringing down prescription drug costs doesn't just save seniors money, it cuts the Federal deficit by billions of dollars—[*applause*]—by hundreds of billions of dollars because these prescription drugs are drugs purchased by Medicare to make—keep their commitment to the seniors.

Well, guess what? Instead of paying 4- or 500 bucks a month, you're paying 15. That's a lot of savings for the Federal Government. And by the way, why wouldn't we want that?

Now, some Members here are threatening—and I know it's not an official party position, so I'm not going to exaggerate—but threatening to repeal the Inflation Reduction Act. As my coach—that's okay. That's fair. As my football coach used to say, "Lots of luck in your senior year." [*Laughter*]

Make no mistake, if you try anything to raise the cost of prescription drugs, I will veto it.

And look, I'm pleased to say that more Americans health—have health insurance now than ever in history. A record 16 million people are enrolled in the Affordable Care Act. And thanks to the law I signed last year, saving—millions are saving $800 a year on their premiums.

And by the way, that law was written—and the benefit expires in 2025. So my plea to some of you, at least in this audience: Let's finish the job and make these savings permanent. Expand coverage on Medicaid.

Look, the Inflation Reduction Act is also the most significant investment ever in climate change—ever. Lowering utility bills, creating American jobs, leading the world to a clean energy future.

I visited the devastating aftermath of record floods, droughts, storms, and wildfires from Arizona to New Mexico to all the way up to the Canadian border. More timber has been burned that I've observed from helicopters than the entire State of Missouri. And we don't have global warming? Not a problem.

In addition to emergency recovery from Puerto Rico to Florida to Idaho, we're rebuilding for the long term. New electric grids that are able to weather major storms and not—prevent those fire—forest fires. Roads and water systems to withstand the next big flood. Clean energy to cut pollution and create jobs in communities often left behind.

We're going to build 500,000 electric vehicle charging stations, installed across the country by tens of thousands of IBEW workers. And we're helping families save more than $1,000 a year with tax credits to purchase electric vehicles and efficient—and efficient appliances—energy-efficient appliances. Historic conservation efforts to be responsible stewards of our land.

Let's face reality. The climate crisis doesn't care if you're in a red or a blue State. It's an existential threat. We have an obligation not to ourselves, but to our children and our grandchildren to confront it.

I'm proud of how the—how America, at last, is stepping up to the challenge. We're still going to need oil and gas for a while, but guess what—[*applause*]—no, we do—but there's so much more to do. We've got to finish the job.

And we pay for these investments in our future by finally making the wealthiest and biggest corporations begin to pay their fair share. Just begin.

Look, I'm a capitalist. I'm a capitalist. But pay your fair share. I think a lot of you at home—a lot of you at home—agree with me and many people that you know: The tax system is not fair. It is not fair.

Look, the idea that in 2020, 55 of the largest corporations in America, the Fortune 500, made $40 billion in profits and paid zero in Federal taxes? Zero.

*Audience members.* Boo!

*The President.* Folks, it's simply not fair.

But now, because of the law I signed, billion-dollar companies have to pay a minimum of 15 percent. God love them. Fifteen percent. That's less than a nurse pays.

And let me be crystal clear. I said at the very beginning: Under my plans, as long as I'm President, nobody earning less than $400,000 will pay an additional penny in taxes. Nobody. Not one penny.

But let's finish the job. There's more to do.

We have to reward work, not just wealth. Pass my proposal for the billionaire minimum tax. You know, there's a thousand billionaires in America—it's up from about 600 at the beginning of my term—but no billionaire should be paying a lower tax rate than a schoolteacher or a firefighter. No, I mean it. Think about it.

I mean, look, I know you all aren't enthusiastic about that, but think about it. Think about it. Have you noticed? Big Oil just reported its profits. Record profits. Last year, they made $200 billion in the midst of a global energy crisis. I think it's outrageous.

Why? They invested too little of that profit to increase domestic production. And when I talked to a couple of them, they say, "We were afraid you were going to shut down all the oil wells and all the oil refineries anyway, so why should we invest in them?" I said, "We're going to need oil for at least another decade, and that's going to exceed"—[*laughter*]—and beyond that. We're going to need it. Production.

If they had, in fact, invested in the production to keep gas prices down—instead they used the record profits to buy back their own stock, rewarding their CEOs and shareholders.

Corporations ought to do the right thing. That's why I propose we quadruple the tax on corporate stock buybacks and encourage long-term investments. They'll still make considerable profit.

Let's finish the job and close the loopholes that allow the very wealthy to avoid paying their taxes. Instead of cutting the number of audits for wealthy taxpayers, I just signed a law to reduce the deficit by $114 billion by cracking down on wealthy tax cheats. That's being fiscally responsible.

In the last 2 years, my administration has cut the deficit by more than $1.7 trillion, the largest deficit reduction in American history. Under the previous administration, the American deficit went up 4 years in a row.

Because of those record deficits, no President added more to the national debt in any 4 years than my predecessor. Nearly 25 percent of the entire national debt that took over 200 years to accumulate was added by just one administration alone, the last one. They're the facts. Check it out. Check it out.

How did Congress respond to that debt? They did the right thing. They lifted the debt ceiling three times without preconditions or crisis. They paid the American bill to prevent an economic disaster to the country.

So tonight I'm asking the Congress to follow suit. Let's commit here tonight that the full faith and credit of the United States of America will never, ever be questioned.

So my—many of—some of my Republican friends want to take the economy hostage—I get it—unless I agree to their economic plans. All of you at home should know what those plans are. Instead of making the wealthy pay their fair share, some Republicans want Medicare and Social Security to sunset. I'm not saying it's a majority——

*Audience members.* Boo!

*The President.* Let me give you——

*Audience members.* No!

*The President.* Anybody who doubts it, contact my office. I'll give you a copy. I'll give you a copy of the proposal.

*Representative Marjorie Taylor Greene.* Liar!

*The President.* That means Congress doesn't vote——

Well, I'm glad to see—no, I tell you, I enjoy conversion. [*Laughter*]

You know, it means if Congress doesn't keep the programs the way they are, they'd go away. Other Republicans say—I'm not saying it's a majority of you. I don't even think it's a significant——

*Audience member.* [*Inaudible*]—don't say——

*The President.* ——but it's being proposed by individuals.

*Audience member.* But you don't say who.

*The President.* I'm not—politely not naming them, but it's being proposed by some of you.

*Audience members.* [*Inaudible*]

*Rep. Greene.* Liar, liar!

*The President.* Look, folks, the idea is that we're not going to be—we're not going to be moved into being threatened to default on the debt if we don't respond.

Folks—[*applause*]—so, folks, as we all apparently agree, Social Security and Medicare is off the books now, right? They're not to be touched? [*Applause*] All right. All right. We've got unanimity!

Social Security and Medicare are a lifeline for millions of seniors. Americans have to pay into them from the very first paycheck they've started. So tonight let's all agree—and we apparently are—let's stand up for seniors. Stand up and show them we will not cut Social Security. We will not cut Medicare.

Those benefits belong to the American people. They earned it. And if anyone tries to cut Social Security—which apparently no one is going to do—[*laughter*]—and if anyone tries to cut Medicare, I'll stop them. I'll veto it.

And look, I'm not going to allow them to take away—be taken away. Not today. Not tomorrow. Not ever. But apparently, it's not going to be a problem. [*Laughter*]

Next month, when I offer my fiscal plan, I ask my Republican friends to lay down their plan as well. I really mean it. Let's sit down together and discuss our mutual plans together. Let's do that.

I can tell you, the plan I'm going to show you is going to cut the deficit by another $2 trillion. And it won't cut a single bit of Medicare or Social Security. In fact, we're going to extend the Medicare Trust Fund at least two decades, because that's going to be the next argument: how do we make—keep it solvent. Right?

Well, I will not raise taxes on anyone making under 400 grand. But we'll pay for it the way we talked about tonight: by making sure that the wealthy and big corporations pay their fair share. Look—look, look, here's the deal. They aren't just taking advantage of the Tax Code, they're taking advantage of you, the American consumer.

Here's my message to all of you out there: I have your back. We're already preventing Americans who are [from; White House correction] receiving surprise medical bills, stopping 1 billion dollar surprise bills [1 million surprise bills; White House correction] per month so far.

We're protecting seniors' life savings by cracking down on nursing homes that commit fraud, endanger patient safety, or prescribe drugs that are not needed. Millions of Americans can now save thousands of dollars because they can finally get a hearing aid over the counter without a prescription.

Look, capitalism without competition is not capitalism, it's extortion; it's exploitation.

Last year, I cracked down, with the help of many of you, on foreign shipping companies that were making you pay higher prices for every good coming into the country. I signed a bipartisan bill that cut shipping costs by 90 percent, helping American farmers, businessmen, and consumers.

Let's finish the job. Pass the bipartisan legislation to strengthen and—to strengthen antitrust enforcement and prevent big online platforms from giving their own products an unfair advantage.

My administration is also taking on junk fees, those hidden surcharges too many companies use to make you pay more. For example, we're making airlines show you the full ticket price upfront, refund your money if your flight is canceled or delayed. We've reduced exorbitant bank overdrafts by saving consumers more than $1 billion a year. We're cutting credit card late fees by 75 percent, from $30 to $8.

Look, junk fees may not matter to the very wealthy, but they matter to most other folks in homes like the one I grew up in, like many of you did. They add up to hundreds of dollars a month. They make it harder for you to pay your bills or afford that family trip.

I know how unfair it feels when a company overcharges you and gets away with it. Not anymore. We've written a bill to stop it all. It's called the Junk Fee Prevention Act. We're going to ban surprise resort fees that hotels charge on your bill. Those fees can cost you up to $90 a night at hotels that aren't even resorts. [*Laughter*]

We—the idea that cable, internet, and cell phone companies can charge you $200 or more if you decide to switch to another provider. Give me a break. We can stop service fees on tickets to concerts and sporting events and make companies disclose all the fees upfront. And we'll prohibit airlines from charging $50 roundtrip for a family just to be able to sit together. Baggage fees are bad enough. Airlines can't treat your child like a piece of baggage.

Americans are tired of being—we're tired of being played for suckers. So pass the Junk Fee Prevention Act so companies stop ripping us off.

For too long, workers have been getting stiffed, but not anymore. We're going to be—we're beginning to restore the dignity of work.

For example, I should have known this, but I didn't until 2 years ago: Thirty million workers have to sign noncompete agreements for the jobs they take. Thirty million. So a cashier at a burger place can't walk across town and take the same job at another burger place and make a few bucks more.

*Audience members.* Boo!

*The President.* It just changed. Well, they just changed it because we exposed it. That was part of the deal, guys. Look it up. But not anymore. We're banning those agreements so companies have to compete for workers and pay them what they're worth.

And I must tell you, this is bound to get a response from my friends on my left, but the right. I'm so sick and tired of companies breaking the law by preventing workers from organizing. Pass the PRO Act! Because businesses have a right—workers have a right to form a union. And let's guarantee all workers have a living wage.

Let's make sure working parents can afford to raise a family with sick days, paid family and medical leave, affordable childcare. That's going to enable millions of more people to go and stay at work. And let's restore the full child tax credit, which gave tens of millions of parents some breathing room and cut child poverty in half to the lowest level in history.

And by the way, when we do all of these things, we increase productivity, we increase economic growth.

So let's finish the job and get more families access to affordable, quality housing.

Let's get seniors who want to stay in their homes the care they need to do so. Let's give more breathing room to millions of family caregivers looking after their loved ones.

Pass my plan so we get seniors and people with disabilities the homecare services they need and support the workers who are doing God's work.

These plans are fully paid for, and we can afford to do them.

Restoring the dignity of work means making education an affordable ticket to the middle class. You know, when we made public education—12 years of it—universal in the last century, we made the best educated, best paid—we became the best education, best paid nation in the world.

But the rest of the world has caught up. It's caught up.

Jill, my wife, who teaches full-time, has an expression. I hope I get it right, kid. [*Laughter*] "Any nation that outeducates is going to outcompete us." Any nation that outeducates is going to outcompete us.

Folks, we all know 12 years of education is not enough to win the economic competition of the 21st century. If we want to have the best educated workforce, let's finish the job by providing access to preschool for 3 and 4 years old. Studies show that children who go to preschool are nearly 50-percent more likely to finish high school and go on to earn a 2- or 4-year degree, no matter their background they came from.

Let's give public school teachers a raise.

We're making progress by reducing student debt, increasing Pell grants for working and middle class families. Let's finish the job and connect students to career opportunities starting in high school, provide access to 2 years of community college, the best career training in America, in addition to being a pathway to a 4-year degree.

Let's offer every American a path to a good career, whether they go to college or not.

And, folks—folks, in the midst of the COVID crisis, when schools were closed and we were shutting down everything, let's recognize how far we came in the fight against the pandemic itself.

While the virus is not gone, thanks to the resilience of the American people and the ingenuity of medicine, we've broken the COVID grip on us.

COVID deaths are down by 90 percent. We've saved millions of lives and opened up our country—we opened our country back up. And soon, we'll end the public health emergency.

*Audience member.* [*Inaudible*]

*The President.* But—that's called a public health emergency.

But we'll remember the toll and pain that's never going to go away. More than a million Americans lost their lives to COVID. A million. Families grieving. Children orphaned. Empty chairs at the dining room table constantly reminding you that she used to sit there. Remembering them, we remain vigilant.

We still need to monitor dozens of variants and support new vaccines and treatments. So Congress needs to fund these efforts and keep America safe.

And as we emerge from this crisis stronger, we're also—got to double down prosecuting criminals who stole relief money meant to keep workers and small businesses afloat.

Before I came to office, you remember, during that campaign, the big issue was about inspector generals who would protect taxpayers' dollars, who were sidelined. They were fired. Many people said, "We don't need them." And fraud became rampant.

Last year, I told you the watchdogs are back. Since then—since then, we've recovered billions of taxpayers' dollars. Now let's triple the antifraud strike force going after these criminals, double the statute of limitations on these crimes, and crack down on identity fraud by criminal syndicates stealing billions of dollars—billions of dollars—from the American people.

And the data shows that for every dollar we put into fighting fraud, the taxpayer will get back at least 10 times as much. It matters. It matters.

Look, COVID left its scars, like the spike in violent crime in 2020, the first year of the pandemic. We have an obligation to make sure all people are safe. Public safety depends on public trust, as all of us know. But too often, that trust is violated.

Joining us tonight are the parents of Tyre Nichols—welcome—[*applause*]—who had to bury Tyre last week. As many of you personally know, there's no words to describe the heartache or grief of losing a child. But imagine—imagine—if you lost that child at the hands of the law. Imagine having to worry whether your son or daughter came home from walking down the street or playing in the park or just driving a car.

Most of us in here have never had to have "the talk"—"the talk"—that Brown and Black parents have had to have with their children. Beau, Hunter, Ashley—my children—I never had to have the talk with them. I never had to tell them: "If a police officer pulls you over, turn your interior lights on right away. Don't reach for your license. Keep your hands on the steering wheel."

Imagine having to worry like that every single time your kid got in a car.

Here's what Tyre's mother shared with me when I spoke to her, when I asked her how she finds the courage to carry on and speak out. With the faith of God, she said her son was, quote, "a beautiful soul" and "something good will come of this." Imagine how much courage and character that takes.

It's up to us, to all of us. We all want the same thing: neighborhoods free of violence, law enforcement who earns the community's trust. Just as every cop, when they pin on that badge in the morning, has a right to be able to go home at night, so does everybody else out there. Our children have a right to come home safely.

Equal protection under the law is a covenant we have with each other in America.

We know police officers put their lives on the line every single night and day. And we know we ask them, in many cases, to do too much—to be counselors, social workers, psychologists—responding to drug overdoses, mental health crises, and so much more. In one sense, we ask much too much of them.

I know most cops and their families are good, decent, honorable people—the vast majority. That they risk—[*applause*]. And they risk their lives every time they put that shield on. But what happened to Tyre in Memphis happens too often. We have to do better. Give law enforcement the real training they need. Hold them to higher standards. Help them to succeed in keeping them safe.

We also need more first responders and professionals to address the growing mental health, substance abuse challenges. More resources to reduce violent crime and gun crime. More community intervention programs. More investments in housing, education, and job training. All this can help prevent violence in the first place.

And when police officers or police departments violate the public trust, they must be held accountable. With the support—[*applause*]. With the support of families of victims, civil rights groups, and law enforcement, I signed an Executive order for all Federal officers, banning chokeholds, restricting no-knock warrants, and other key elements of the George Floyd Act.

Let's commit ourselves to make the words of Tyler's [Tyre's; White House correction] mom true: Something good must come from this. Something good.

And all of us—all of us—[*applause*]. Folks, it's difficult, but it's simple: All of us in the Chamber—in this Chamber, we need to rise to this moment. We can't turn away. Let's do what we know in our hearts that we need to do. Let's come together to finish the job on police reform. Do something. Do something.

That was the plea of parents who lost their children in Uvalde—I met with every one of them—"Do something about gun violence." Thank God—thank God—we did, passing the most sweeping gun safety law in three decades.

That includes things like—that the majority of responsible gun owners already support: enhanced background checks for 18 to 21 years old, red-flag laws keeping guns out of the hands of people who are a danger to themselves and others.

But we know our work is not done. Joining us tonight is Brandon Tsay, a 26-year-old hero. Brandon put his college dreams on hold—to be at his mom's side—his mom's side when she was dying from cancer. And Brandon now works at the dance studio started by his grandparents.

And 2 weeks ago, during the Lunar New Year celebrations, he heard the studio door close, and he saw a man standing there pointing a semiautomatic pistol at him. He thought he was going to die, but he thought about the people inside.

In that instant, he found the courage to act and wrestled the semiautomatic pistol away from the gunman who had already killed 11 people in another dance studio. Eleven.

He saved lives. It's time we do the same. Ban assault weapons now! Ban them now! Once and for all. I led the fight to do that in 1994. And in 10 years that ban was law, mass shootings went down. After we let it expire in a Republican administration, mass shootings tripled.

Let's finish the job and ban these assault weapons.

And let's also come together on immigration. Make it a bipartisan issue once again. We know—we now have a record number of personnel working to secure the border, arresting 8,000 human smugglers, seizing over 23,000 pounds of fentanyl in just the last several months.

We've launched a new border plan last month. Unlawful migration from Cuba, Haiti, Nicaragua, and Venezuela has come down 97 percent as a consequence of that.

But American border problems won't be fixed until Congress acts. If we don't pass my comprehensive immigration reform, at least pass my plan to provide the equipment and officers to secure the border—and a pathway to citizenship for Dreamers, those on temporary status, farmworkers, essential workers.

Here in "the people's house," it's our duty to protect all the people's rights and freedoms. Congress must restore the right and——

*Audience member.* Secure the border!

*Audience member.* [*Inaudible*]—border!

*Audience members.* [*Inaudible*]

*The President.* Congress must restore the right that was taken away in *Roe* v. *Wade*and protect *Roe* v. *Wade*. Give every woman the constitutional right. The Vice President and I are doing everything to protect access to reproductive health care and safeguard patient safety. But already, more than a dozen States are enforcing extreme abortion bans.

Make no mistake about it: If Congress passes a national ban, I will veto it.

But let's also pass—let's also pass the bipartisan Equality Act to ensure LGBTQ Americans, especially transgender young people, can live with safety and dignity.

Our strength—our strength is not just the example of our power, but the power of our example. Let's remember: The world is watching.

I spoke from this Chamber 1 year ago, just days after Vladimir Putin unleashed his brutal attack against Ukraine, a murderous assault, evoking images of death and destruction Europe suffered in World War II.

Putin's invasion has been a test for the ages—a test for America, a test for the world. Would we stand for the most basic of principles? Would we stand for sovereignty? Would we stand for the right of people to live free of tyranny? Would we stand for the defense of democracy? For such defense matters to us because it keeps peace and prevents open season on would-be aggressors that threatens our prosperity.

One year later, we know the answer. Yes, we would. And we did. We did. And together, we did what America always does at our best. We led. We united NATO. We built a global coalition. We stood against Putin's aggression. We stood with the Ukrainian people.

And tonight we're once again joined by Ukrainians' Ambassador to the United States. She represents not her—just her nation, but the courage of her people. Ambassador is—our Ambassador is here, united in our—we're united in our support of your country.

Will you stand so we can all take a look at you? Thank you. Because we're going to stand with you as long as it takes.

Our Nation is working for more freedom, more dignity, and more peace, not just in Europe, but everywhere.

Before I came to office, the story was about how the People's Republic of China was increasing its power and America was failing in the world. Not anymore. We made clear and I made clear in my personal conversations, which have been many, with President Xi that we seek competition, not conflict. But I will make no apologies that we're investing and—to make America stronger.

Investing in American innovation and industries that will define the future that China intends to be dominating. Investing in our alliances and working with our allies to protect advanced technologies so they will not be used against us. Modernizing our military to safeguard stability and determine—deter aggression.

Today, we're in the strongest position in decades to compete with China or anyone else in the world. Anyone else in the world.

And I'm committed—I'm committed—to work with China where we can advance American interests and benefit the world. But make no mistake about it: As we made clear last week, if China threatens our sovereignty, we will act to protect our country. And we did.

Look, let's be clear: Winning the competition should unite all of us.

We face serious challenges across the world. But in the past 2 years, democracies have become stronger, not weaker. Autocracies have grown weaker, not stronger.

Name me a world leader who'd change places with Xi Jinping. Name me one. Name me one.

America is rallying the world to meet those challenges, from climate to global health to food insecurity to terrorism to territorial aggression. Allies are stepping up, spending more, and doing more. Look, the bridges we're forming between partners in the Pacific and those in the Atlantic.

And those who bet against America are learning how wrong they are. It's never, ever been a good bet to bet against America. Never.

*Audience members.* U.S.A.! U.S.A.! U.S.A.!

*The President.* Well——

*Audience members.* U.S.A.! U.S.A.! U.S.A.!

*The President.* When I came to office, most assured that bipartisanship—assumed—was impossible. But I never believed it. That's why a year ago, I offered a unity agenda to the Nation as I stood here. We made real progress together.

We passed the law making it easier for doctors to prescribe effective treatments for opioid addiction. We passed the gun safety law, making historic investments in mental health.

We launched the ARPA-H drive for breakthroughs in the fight against cancer, Alzheimer's, and diabetes, and so much more. We passed the Heath Robinson PACT Act, named after the late Iraq war veteran whose story about exposure to toxic burn pits I shared here last year.

And I understand something about those burn pits.

But there is so much more to do. And we can do it together.

Joining us tonight is a father named Doug from Newton, New Hampshire. He wrote Jill, my wife, a letter—and me as well—about his courageous daughter Courtney. A contagious laugh. His sister's best friend—her sister's best friend.

He shared a story all too familiar to millions of Americans and many of you in the audience. Courtney discovered pills in high school. It spiraled into addiction and eventually death from a fentanyl overdose. She was just 20 years old.

Describing the last 8 years without her, Doug said, "There is no worse pain." Yet their family has turned pain into purpose, working to end the stigma and change laws. He told us he wants to "start a journey towards American recovery."

Doug, we're with you. Fentanyl is killing more than 70,000 Americans a year. Big——

*Audience members.* [*Inaudible*]—the border.

*Audience members.* The border!

*The President.* Big—you've got it.

*Audience member.* [*Inaudible*]—China!

*Representative W. Andrew Ogles IV.* It's your fault!

*Audience members.* Boo!

*The President.* So let's launch a major surge to stop fentanyl production and the sale and trafficking. With more drug detection machines, inspection cargo, stop pills and powder at the border. Working with couriers, like FedEx, to inspect more packages for drugs. Strong penalties to crack down on fentanyl trafficking.

Second, let's do more on mental health, especially for our children. When millions of young people are struggling with bullying, violence, trauma, we owe them greater access to mental health care at their schools.

We must finally hold social media companies accountable for experimenting they're doing—running [on; White House correction] children for profit. And it's time to pass bipartisan legislation to stop Big Tech from collecting personal data on kids and teenagers online, ban targeted advertising to children, and impose stricter limits on the personal data that companies collect on all of us.

Third, let's do more to keep this Nation's one fully sacred obligation: to equip those we send into harm's way and care for them and their families when they come home.

Job training, job placement for veterans and their spouses as they come to—return to civilian life. Helping veterans to afford their rent, because no one should be homeless in America, especially someone who served the country.

Denis McDonough is here, of the VA. We had our first real discussion when I asked him to take the job. And I'm glad he did. We were losing up to 25 veterans a day on suicide. Now we're losing 17 a day to the silent scourge of suicide. Seventeen veterans a day are committing suicide, more than all the people being killed in the wars.

Folks, VA is doing everything it can, including expanding mental health screening, proven programs that recruits veterans to help other veterans understand what they're going through, get them the help they need. We've got to do more.

And fourth, last year, Jill and I reignited the Cancer Moonshot that I was able to start with, and President Obama asked me to lead our administration on this issue. Our goal is to cut the cancer death rates at least by 50 percent in the next 25 years, turn more cancers from death sentences to treatable diseases, provide more support for patients and their families.

It's personal to so many of us, so many of us in this audience. Joining us are Maurice and Kandice, an Irishman and a daughter of immigrants from Panama. They met and fell in love in New York City and got married in the same chapel as Jill and I got married in New York City. Kindred spirits.

He wrote us a letter about his little daughter Ava. And I saw her just before I came over. She was just a year old when she was diagnosed with a rare kidney disease—cancer. After 26 blood transfusions, 11 rounds of radiation, 8 rounds of chemo, 1 kidney removed, given a 5 percent survival rate.

He wrote how, in the darkest moments, he thought, "If she goes, I can't stay." Many of you have been through that as well. Jilly and I understand that, like so many of you. And he read Jill's book describing our family's cancer journey and how we tried to steal moments of joy where we could with Beau.

For them, that glimmer of joy was the half-smile of their baby girl. It meant everything to them. They never gave up hope, and little Ava never gave up hope. She turns 4 next month.

They just found out Ava is beating the odds, is on her way to being cured of cancer. And she's watching from the White House tonight, if she's not asleep already.

For the lives we can save—[*applause*]. For the lives we can save and the lives we have lost, let this be a truly American moment that rallies the country and the world together and prove that we can still do big things.

Twenty years ago, under the leadership of President Bush and countless advocates and champions, he undertook a bipartisan effort through PEPFAR to transform the global fight against HIV/AIDS. It's been a huge success. He thought big. He thought large. He moved!

I believe we can do the same thing with cancer. Let's end cancer as we know it and cure some cancers once and for all.

Folks, there's one reason why we've been able to do all of these things: our democracy itself. It's the most fundamental thing of all. With democracy, everything is possible. Without it, nothing is.

Over the last few years, our democracy has been threatened and attacked, put at risk—put to the test in this very room on January the 6th.

And then, just a few months ago, an unhinged "big lie" assailant unleashed a political violence at the home of the then-Speaker of the House of Representatives, using the very same language the insurrectionists used as they stalked these halls and chanted on January 6.

Here tonight, in this Chamber, is the man who bears the scars of that brutal attack, but is as tough and as strong and as resilient as they get: my friend, Paul Pelosi. Paul, stand up.

But such a heinous act should have never happened. We must all speak out. There is no place for political violence in America.

We have to protect the right to vote, not suppress the—that fundamental right. Honor the results of our elections, not subvert the will of the people. We have to uphold the rule of the law and restore trust in our institutions of democracy. And we must give hate and extremism in any form no safe harbor.

Democracy must not be a partisan issue. It's an American issue.

Every generation of Americans have faced a moment where they have been called to protect our democracy, defend it, stand up for it. And this is our moment.

My fellow Americans, we meet tonight at an inflection point, one of those moments that only a few generations ever face, where the direction we now take is going to decide the course of this Nation for decades to come.

We're not bystanders of history. We're not powerless before the forces that confront us. It's within our power of "We the People." We're facing the test of our time. We have to be the nation we've always been at our best: optimistic, hopeful, forward-looking; a nation that embraces light over dark, hope over fear, unity over division, stability over chaos.

We have to see each other not as enemies, but as fellow Americans. We're good people. The only nation in the world built on an idea—the only one. Other nations are defined by geography, ethnicity, but we're the only nation based on an idea that all of us, every one of us, is created equal in the image of God. A nation that stands as a beacon to the world. A nation in a new age of possibilities.

So I have come to fulfill my constitutional obligation to report on the state of the Union. And here is my report: Because the soul of this Nation is strong, because the backbone of this Nation is strong, because the people of this Nation are strong, the state of the Union is strong.

I'm not new to this place. I stand here tonight having served as long as about any one of you who have ever served here. [*Laughter*] But I've never been more optimistic about our future, about the future of America.

We just have to remember who we are. We're the United States of America. And there's nothing—nothing—beyond our capacity if we do it together.

God bless you all, and may God protect our troops. Thank you.

March 07, 2024

[*Before speaking, the President presented his prepared remarks to Speaker of the House of Representatives J. Michael Johnson.*]

*The President.* Your bedtime reading.

Tony! Thank you. Looking for Jill.

Good evening. Good evening. If I were smart, I'd go home now. [*Laughter*]

Mr. Speaker, Madam Vice President, Members of Congress, my fellow Americans: In January 1941, Franklin Roosevelt came to this Chamber to speak to the Nation. And he said, "I address you at a moment unprecedented in the history of the Union." Hitler was on the march. War was raging in Europe. President Roosevelt's purpose was to wake up Congress and alert the American people that this was no ordinary time. Freedom and democracy were under assault in the world.

Tonight I come to the same Chamber to address the Nation. Now it's we who face an unprecedented moment in the history of the Union. And yes, my purpose tonight is to wake up the Congress and alert the American people that this is no ordinary moment either. Not since President Lincoln and the Civil War have freedom and democracy been under assault at home as they are today.

What makes our moment rare is that freedom and democracy are under attack at—both at home and overseas at the very same time. Overseas, Putin of Russia is on the march, invading Ukraine and sowing chaos throughout Europe and beyond. If anybody in this room thinks Putin will stop at Ukraine, I assure you: He will not.

But Ukraine—[*applause*]. Ukraine can stop Putin. Ukraine can stop Putin if we stand with Ukraine and provide the weapons that it needs to defend itself. That is all—that is all—Ukraine is asking. They're not asking for American soldiers. In fact, there are no American soldiers at war in Ukraine, and I'm determined to keep it that way.

But now assistance to Ukraine is being blocked by those who want to walk away from our world leadership. It wasn't long ago when a Republican President named Ronald Reagan thundered, "Mr. Gorbachev, tear down this wall." Now—[*applause*]. Now my predecessor, a former Republican President, tells Putin, quote, "Do whatever the hell you want."

*Audience members.* Boo!

*The President.* That's a quote. A former President actually said that, bowing down to a Russian leader. I think it's outrageous, it's dangerous, and it's unacceptable.

America is a founding member of NATO, the military alliance of democratic nations created after World War II prevent—to prevent war and keep the peace. And today we've made NATO stronger than ever. We welcomed Finland to the alliance last year. And just this morning Sweden officially joined, and their Minister is here tonight. Come here, stand up. Welcome. Welcome, welcome, welcome. And they know how to fight.

Mr. Prime Minister, welcome to NATO, the strongest military alliance the world has ever seen.

I say this to Congress: We have to stand up to Putin. Send me a bipartisan national security bill. History is literally watching. History is watching. If the United States walks away, it will put Ukraine at risk. Europe is at risk. The free world will be at risk, emboldening others to do what they wish to do us harm.

My message to President Putin, who I've known for a long time, is simple: We will not walk away. We will not bow down. I will not bow down.

In a literal sense, history is watching. History is watching, just like history watched 3 years ago on January 6, when insurrectionists stormed this very Capitol and placed a dagger to the throat of American democracy.

Many of you were here on that darkest of days. We all saw with our own eyes, the insurrectionists were not patriots. They had come to stop the peaceful transfer of power, to overturn the will of the people.

January 6 lies about the 2020 election and the plots to steal the election posed a great—gravest threat to U.S. democracy since the Civil War. But they failed. America stood—[*applause*]. America stood strong, and democracy prevailed. We must be honest: The threat to democracy must be defended [defeated; White House correction].

My predecessor and some of you here seek to bury the truth about January 6. I will not do that. This is a moment to speak the truth and to bury the lies. Here's the simple truth: You can't love your country only when you win.

As I've done ever since being elected to office, I ask all of you, without regard to party, to join together and defend democracy. Remember your oath of office to defend against all threats foreign and domestic. Respect—respect—free and fair elections, restore trust in our institutions, and make clear political violence has absolutely no place—no place—in America. Zero place.

Again, it's not hyperbole to suggest history is watching. They're watching. Your children and grandchildren will read about this day and what we do.

History is watching another assault on freedom. Joining us tonight is Latorya Beasley, a social worker from Birmingham, Alabama.

Fourteen months ago—fourteen months ago, she and her husband welcomed a baby girl thanks to the miracle of IVF. She scheduled treatments to have that second child, but the Alabama Supreme Court shut down IVF treatments across the State, unleashed by a Supreme Court decision overturning *Roe* v. *Wade*. She was told her dream would have to wait.

What her family had gone through should never have happened. Unless Congress acts, it could happen again. So tonight let's stand up for families like hers. To my friends across the aisle, don't keep this waiting any longer. Guarantee the right to IVF. Guarantee it nationwide.

Like most Americans, I believe *Roe* v. *Wade* got it right.

I thank Vice President Harris for being an incredible leader defending reproductive freedom and so much more. [*Applause*] Thank you.

My predecessor came to office determined to see *Roe* v. *Wade* overturned. He's the reason it was overturned, and he brags about it. Look at the chaos that has resulted.

Joining us tonight is Kate Cox, a wife and mother from Dallas. She'd become pregnant again and had a fetus with a fatal condition. Her doctor told Kate that her own life and her ability to have future in the—children in the future were at risk if she didn't act. Because Texas law banned her ability to act, Kate and her husband had to leave the State to get what she needed.

What her family had gone through should have never happened as well. But it's happening to too many others. There are State laws banning the freedom to choose, criminalizing doctors, forcing survivors of rape and incest to leave their States to get the treatment they need.

Many of you in this Chamber and my predecessor are promising to pass a national ban on reproductive freedom.

*Audience members.* Boo!

*The President.* My God, what freedom else would you take away?

Look, its decision to overturn *Roe* v. *Wade*, the Supreme Court majority wrote the following—and with all due respect, Justices—"Women are not without electoral power"—excuse me—"electoral or political power." You're about to realize just how much you were right about that.

Clearly—[*applause*]. Clearly, those bragging about overturning *Roe* v. *Wade* have no clue about the power of women. But they found out. When reproductive freedom was on the ballot, we won in 2022 and 2023. And we'll win again in 2024.

If you—if you, the American people—send me a Congress that supports the right to choose, I promise you I will restore *Roe* v. *Wade* as the law of the land again.

Folks, America cannot go back.

I am here tonight to show what I believe is the way forward, because I know how far we've come. Four years ago next week, before I came to office, the country was hit by the worst pandemic and the worst economic crisis in a century. Remember the fear, record losses?

Remember the spikes in crime and the murder rate? A raging virus that took more than 1 million American lives of loved ones, millions left behind. A mental health crisis of isolation and loneliness.

A President, my predecessor, failed in the most basic Presidential duty that he owes to American people: the duty to care.

*Representative Derrick Van Orden.* Lies!

*The President.* I think that's unforgivable.

I came to office determined to get us through one of the toughest periods in the Nation's history. We have. It doesn't make new, but in a—news—in a thousand cities and towns, the American people are writing the greatest comeback story never told.

So let's tell the story here—tell it here and now. America's comeback is building a future of American possibilities; building an economy from the middle out and the bottom up, not the top down; investing in all of America, in all Americans to make every—sure everyone has a fair shot and we leave no one—no one—behind.

The pandemic no longer controls our lives. The vaccine that saved us from COVID is—are now being used to beat cancer. Turning setback into comeback—that's what America does. That's what America does.

Folks, I inherited an economy that was on the brink. Now, our economy is literally the envy of the world: 15 million new jobs in just 3 years—a record, a record; unemployment at 50-year lows.

A record 16 million Americans are starting small businesses, and each one is a literal act of hope, with historic job growth and small-business growth for Black and Hispanics and Asian Americans. Eight hundred thousand new manufacturing jobs in America and counting. Where is it written we can't be the manufacturing capital of the world? We are, and we will.

More people have health insurance today—[*applause*]. More people have health insurance today than ever before. The racial wealth gap is the smallest it's been in 20 years. Wages keep going up. Inflation keeps coming down. Inflation has dropped from 9 percent to 3 percent, the lowest in the world and tending [trending; White House correction] lower.

The landing is and will be soft. And now, instead of importing foreign products and exporting American jobs, we're exporting American products and creating American jobs, right here in America, where they belong.

And it takes time, but the American people are beginning to feel it. Consumer studies show consumer confidence is soaring.

"Buy America" has been the law of the land since the 1930s. Past administrations, including my predecessor—including some Democrats, as well, in the past—failed to buy American. Not anymore.

On my watch, Federal projects that you fund—like helping build American roads, bridges, and highways—will be made with American products and built by American workers, creating good-paying American jobs.

And thanks to our CHIPS and Science Act, the United States is investing more in research and development than ever before. During the pandemic, a shortage of semiconductors, chips that drove up the price of everything from cell phones to automobiles—and by the way, we invented those chips right here in America.

Well, instead of having to import them, instead of—private companies are now investing billions of dollars to build new chip factories here in America, creating tens of thousands of jobs, many of those jobs paying $100,000 a year and don't require a college degree.

In fact, my policies have attracted $650 billion in private-sector investment in clean energy, advanced manufacturing, creating tens of thousands of jobs here in America. And thanks—[*applause*]. And thanks to our bipartisan infrastructure law, 46,000 new projects have been announced all across your communities.

And by the way, I noticed some of you who've strongly voted against it are there cheering on that money coming in. [*Laughter*] And I like it. I'm with you. I'm with you. And if any of you don't want that money in your district, just let me know. [*Laughter*]

Modernizing our roads and bridges, ports and airports, public transit systems; removing poisonous lead pipes so every child can drink clean water without risk of brain damage; providing affordable—affordable—high-speed internet for every American, no matter where you live—urban, suburban, or rural communities in red States and blue States; record investments in Tribal communities.

Because of my investment in family farms—[*applause*]—because I invested in family farms—led by my Secretary of Agriculture, who knows more about this than anybody I know—we're better able to stay in the family for the—those farms so their—and their children and grandchildren won't have to leave home to make a living. It's transformative.

The great comeback story is Belvidere, Illinois. Home to an auto plant for nearly 60 years. Before I came to office, the plant was on its way to shutting down. Thousands of workers feared for their livelihoods. Hope was fading.

Then, I was elected to office, and we raised the Belvidere repeatedly with auto companies, knowing unions would make all the difference. The UAW worked like hell to keep the plant open and get these jobs back. And together, we succeeded.

Instead of auto factories shutting down, auto factories are reopening, and a new state-of-the-art battery factory is being built to power those cars there at the same—[*applause*]. Folks—[*applause*]. To the folks of Belvidere, I say: Instead of your town being left behind, your community is moving forward again. Because instead of watching auto jobs of the future go overseas, 4,000 union jobs with higher wages are building a future in Belvidere right here in America.

Here tonight is UAW President Shawn Fain, a great friend and a great labor leader. Shawn, where are you? Stand up. And Dawn—and Dawn Simms, a third-generation worker—UAW worker at Belvidere. Shawn, I was proud to be the first President to stand in the picket line. And today, Dawn has a good job in her hometown, providing stability for her family and pride and dignity as well.

Showing once again, Wall Street didn't build America. They're not bad guys. They didn't build it, though. The middle class built the country, and unions built the middle class.

I say to the American people: When America gets knocked down, we get back up. We keep going. That's America. That's you, the American people. It's because of you America is coming back. It's because of you our future is brighter. It's because of you that tonight we can proudly say the state of our Union is strong and getting stronger.

*Audience members.* Four more years! Four more years! Four more years!

*The President.* Tonight—tonight, I want to talk about the future of possibilities that we can build together, a future where the days of trickle-down economics are over and the wealthy and the biggest corporations no longer get the—all the tax breaks.

And by the way, I understand corporations. I come from a State that has more corporations invested—[*laughter*]—than every one of your States in the State—the United States combined. And I represented it for 36 years. I'm not anticorporation.

But I grew up in a home where trickle-down economics didn't put much on my dad's kitchen table. That's why I determined to turn things around so the middle class does well. When they do well, the poor have a way up and the wealthy still do very well. We all do well.

And there's more to do to make sure you're feeling the benefits of all we're doing.

Americans pay more for prescription drugs than anywhere in the world. It's wrong, and I'm ending it. With a law that I proposed and signed—and not one of your Republican buddies work—voted for it—we finally beat Big Pharma. Instead of paying $400 a month or thereabouts for insulin with diabetes—and it only costs 10 bucks to make—they only get paid $35 a month now and still make a healthy profit.

And I want to—and what to do next, I want to cap the cost of insulin at $35 a month for every American who needs it—everyone.

For years, people have talked about it. But finally, we got it done and gave Medicare the power to negotiate lower prices on prescription drugs, just like the VA is able to do for veterans.

That's not just saving seniors money. It's saving taxpayers money. We cut the Federal deficit by $160 billion, because Medicare will no longer have to pay those exorbitant prices to Big Pharma.

This year, Medicare is negotiating lower prices for some of the costliest drugs on the market that treat everything from heart disease to arthritis. It's now time to go further and give Medicare the power to negotiate lower prices for 500 different drugs over the next decade.

They're making a lot of money, guys. And they'll still be extremely profitable. It will not only save lives, it will save taxpayers another $200 billion.

Starting next year, the same law caps total prescription drug costs for seniors on Medicare at $200—at $2,000 a year, even for expensive cancer drugs that cost $10-, $12-, $15,000. Now I want to cap prescription drug costs at $2,000 a year for everyone.

Folks, I'm going to get in trouble for saying that, but any of you want to get in Air Force One with me and fly to Toronto, Berlin, Moscow—I mean, excuse me. [*Laughter*] Well, even Moscow, probably. [*Laughter*] And bring your prescription with you, and I promise you, I'll get it for you for 40-percent the cost you're paying now. Same company, same drug, same place.

Folks, the Affordable Care Act—the old "Obamacare"—is still a very big deal. [*Laughter*] Over 100 million of you can no longer be denied health insurance because of a preexisting condition. But my predecessor and many in this Chamber want to take the—that prescription drug away by repealing Affordable Care Act.

*Audience members.* Boo!

*The President.* I'm not going to let that happen. We stopped you 50 times before, and we'll stop you again.

In fact, I'm not only protecting it, I'm expanding it. The—we enacted tax credits of $800 per person per year [to; White House correction] reduce health care costs for millions of working families. That tax credit expires next year. I want to make that savings permanent.

To state the obvious: Women are more than half of our population, but research on women's health has always been underfunded. That's why we're launching the first ever White House Initiative on Women's Health Research, led by Jill—doing an incredible job as First Lady—to pass my plan for $12 billion to transform women's health research and benefit millions of lives all across America.

I know the cost of housing is so important to you. If inflation keeps coming down, mortgage rates will come down as well, and the Fed acknowledges that.

But I'm not waiting. I want to provide an annual tax credit that will give Americans $400 a month for the next 2 years as mortgage rates come down to put toward their mortgages when they buy their first home or trade up for a little more space. Just for 2 years.

And my administration is also eliminating title insurance [fees; White House correction] on federally backed mortgages. When you refinance your home, you can save $1,000 or more as a consequence.

For millions of renters, we're cracking down on big landlords who use antitrust law—using antitrust—who break antitrust laws—by price-fixing and driving up rents. We've cut redtape so builders can get federally financing, which is already helping build a record 1.7 million new house—housing units nationwide.

Now pass—[*applause*]—now pass [my plan; White House correction] and build and renovate 2 million affordable homes and bring those rents down.

To remain the strongest economy in the world, we need to have the best education system in the world. And I, like I suspect all of you, want to give a child—every child a good start by providing access to preschool for 3- and 4-years-old.

You know, I think I pointed out last year—[*applause*]. I think I pointed out last year that children coming from broken homes where there's no books, they're not read to, not spoken to very often start school—kindergarten or first grade hearing—having heard a million fewer words spoken.

Well, studies show that children who go to preschool are nearly 50-percent more likely to finish high school and go on to earn a 2- and 4-year degree no matter what their background is.

I met a year and a half ago with the leaders of the Business Roundtable. They were mad that I was ever—angry—I—well, they were discussing—[*laughter*]—why I wanted to spend money on education.

I pointed out to them: As Vice President, I met with over eight—I think it was 182 of those folks—don't hold me to the exact number—and I asked them what they need most—the CEOs. And you've had the same experience on both sides of the aisle. They say, "A better educated workforce," right?

So I looked at them. And I say: "I come from Delaware. DuPont used to be the eighth largest corporation in the world. And every new enterprise they bought, they educated the workforce to that enterprise. But none of you do that anymore. Why are you angry with me providing you the opportunity for the best educated workforce in the world?"

And they all looked at me and said, "I think you're right."

I want to expand high-quality tutoring and summer learning to see that every child learns to read by third grade. I'm also connecting local businesses and high schools so students get hands-on experience and a path to a good-paying job whether or not they go to college.

And I want to make sure that college is more affordable. Let's continue increasing the Pell grants to working and middle class families and increase record investments in HBCUs and minority-serving institutions, including Hispanic institutions.

When I was told I couldn't universally just change the way in which we did—dealt with student loans, I fixed two student loan programs that already existed to reduce the burden of student debt for nearly 4 million Americans, including nurses, firefighters, and others in public service.

Like Keenan Jones, a public educator in Minnesota, who's here with us tonight. Keenan, where are you? Keenan, thank you. He's educated hundreds of students so they can go to college. Now he's able to help, after debt forgiveness, get his own daughter to college.

And, folks, look, such relief is good for the economy because folks are now able to buy a home, start a business, start a family.

And while we're at it, I want to give public school teachers a raise.

And by the way, the first couple of years, we cut the deficit.

Now let me speak to the question of fundamental fairness for all Americans. I've been delivering real results in fiscally responsible ways. We've already cut the Federal deficit—[*laughter*]. We've already cut the Federal deficit over $1 trillion.

I signed a bipartisan deal to cut another trillion dollars in the next decade. It's my goal to cut the Federal deficit another $3 trillion by making big corporations and the very wealthy finally beginning to pay their fair share.

Look, I'm a capitalist. If you want to make or can make a million or millions of bucks, that's great. Just pay your fair share in taxes.

A fair Tax Code is how we invest in things that make this country great: health care, education, defense, and so much more.

But here's the deal. The last administration enacted a $2 trillion tax cut overwhelmingly benefit the top 1 percent—the very wealthy——

*Audience members.* Boo!

*The President.*——and the biggest corporations—and exploded the Federal deficit.

They added more to the national debt than any Presidential term in American history. Check the numbers.

Folks at home, does anybody really think the Tax Code is fair?

*Audience members.* No!

*The President.* Do you really think the wealthy and big corporations need another $2 trillion tax break?

*Audience members.* No!

*The President.* I sure don't. I'm going to keep fighting like hell to make it fair. Under my plan, nobody earning less than $400,000 a year will pay an additional penny in Federal taxes—nobody—not one penny. And they haven't yet.

In fact, the child tax credit I passed during the pandemic cut taxes for millions of working families and cut child poverty in half. Restore that child tax credit. No child should go hungry in this country.

The way to make the Tax Code fair is to make big corporations and the very wealthy begin to pay their fair share. Remember in 2020, 55 of the biggest companies in America made $40 billion and paid zero in Federal income tax. Zero.

*Audience members.* Boo!

*The President*. Not anymore.

Thanks to the law I wrote and we signed, big companies now have to pay a minimum of 15 percent. But that's still less than working people pay in Federal taxes. It's time to raise the corporate minimum tax to at least 21 percent so every big corporation finally begins to pay their fair share.

I also want to end tax breaks for Big Pharma, Big Oil, private jets, massive executive pay when it was only supposed to be a million—a million dollars that could be deducted. They can pay them $20 million if they want, but deduct a million. End it now.

You know, there are 1,000 billionaires in America. You know what the average Federal tax is for those billionaires?

*Audience member.* Zero!

*The President.* No. [*Laughter*] They're making great sacrifices—8.2 percent.

*Audience members.* Boo!

*The President.* That's far less than the vast majority of Americans pay. No billionaire should pay a lower Federal tax rate than a teacher, a sanitation worker, or a nurse.

I proposed a minimum tax for billionaires of 25 percent—just 25 percent. You know what that would raise? That would raise $500 billion over the next 10 years.

And imagine what that could do for America. Imagine a future with affordable childcare, millions of families can get what they need to go to work to help grow the economy. Imagine a future with paid leave, because no one should have to choose between working and taking care of their sick family member. Imagine—imagine—a future with home care and eldercare, and people's living with disabilities so they can stay in their homes and family caregivers can finally get the pay they deserve.

Tonight let's all agree once again to stand up for seniors. Many of my friends on the other side of the aisle want to put Social Security on the chopping block. If anyone here tries to cut Social Security or Medicare or raise the retirement age, I will stop you.

The working people—[*applause*]. The working people who built this country pay more into Social Security than millionaires and billionaires do. It's not fair.

We have two ways to go. Republicans can cut Social Security and give more tax breaks to the wealthy. I will——

*Audience member.* [*Inaudible*]

*The President.* That's the proposal. Oh, no? You guys don't want another $2 trillion tax cut?

*Audience member.* Liar!

*The President.* I kind of thought that's what your plan was. [*Laughter*] Well, that's good to hear. You're not going to cut another $2 trillion for the superwealthy? That's good to hear.

I'll protect and strengthen Social Security and make the wealthy pay their fair share.

Look——

*Audience members.* Joe! Joe! Joe!

*The President.*——too many corporations raise prices to pad their profits, charging more and more for less and less. That's why we're cracking down on corporations that engage in price gouging and deceptive pricing, from food to health care to housing.

In fact, the snack companies think you won't notice if they change the size of the bag and put a hell of a lot fewer—[*laughter*]—same size bag—put fewer chips in it. No, I'm not joking. It's called "shrink-flation." Pass Bobby Casey's bill, and stop this. I really mean it.

You probably all saw that commercial on Snickers bars. [*Laughter*] And you get—you get charged the same amount, and you've got about, I don't know, 10-percent fewer Snickers in it. [*Laughter*]

Look, I'm also getting rid of junk fees, those hidden fees at the end of your bill that are there without your knowledge. My administration announced we're cutting credit card late fees from $32 to $8.

Banks and credit card companies are allowed to charge what it costs them to instigate the collection. And that's more—a hell of a lot like $8 than 30-some dollars.

But they don't like it. The credit card companies don't like it, but I'm saving American families $20 billion a year with all of the junk fees I'm eliminating. Folks at home, that's why the banks are so mad. It's $20 billion in profit.

I'm not stopping there. My administration has proposed rules to make cable, travel, utilities, and online ticket sellers tell you the total price up front so there are no surprises. It matters. It matters.

And so does this. In November, my team began serious negotiations with a bipartisan group of Senators. The result was a bipartisan bill with the toughest set of border security reforms we've ever seen.

*Audience members.* Boo!

*The President.* Oh, you don't think so?

*Audience members.* Boo!

*The President.* Oh, you don't like that bill—huh?—that conservatives got together and said was a good bill? I'll be darned. That's amazing.

That bipartisan bill would hire 1,500 more security agents and officers, 100 more immigration judges to help tackle the backload of 2 million cases, 4,300 more asylum officers, and new policies so they can resolve cases in 6 months instead of 6 years now. What are you against?

One hundred more high-tech drug detection machines to significantly increase the ability to screen and stop vehicles smuggling fentanyl into America that's killing thousands of children.

This bill would save lives and bring order to the border. It would also give me and any new President new emergency authority to temporarily shut down the border when the number of migrants at the border is overwhelming.

The Border Patrol union has endorsed this bill.

[*At this point, members of the audience spoke over the President.*]

The Federal Chamber of Commerce has—yes, yes. You're saying "no." Look at the facts. [*Laughter*] I know—[*applause*]. I know you know how to read.

I believe that given the opportunity—for—a majority in the House and Senate would endorse the bill as well—a majority right now.

*Audience member.* Yes!

*The President.* But unfortunately, politics has derailed this bill so far.

I'm told my predecessor called Members of Congress in the Senate to demand they block the bill. He feels political win—he viewed it as a—it would be a political win for me and a political loser for him. It's not about him. It's not about me. I'd be a winner—not really. I——

*Representative Marjorie Taylor Greene.* What about Laken Riley?

[*Members of the audience spoke over the President.*]

*Audience members.* Boo!

*Rep. Greene*. Say her name!

[*The President held up a pin reading: "Say Her Name, Laken Riley."*]

*The President.* Lanken—Lanken [Laken; White House correction] Riley, an innocent young woman who was killed.

*Rep. Greene*. By an illegal!

*The President.* By an illegal. That's right. But how many of thousands of people are being killed by legals?

[*Members of the audience spoke over the President.*]

To her parents, I say: My heart goes out to you. Having lost children myself, I understand.

But look, if we change the dynamic at the border—people pay people—people pay these smugglers 8,000 bucks to get across the border because they know if they get by—if they get by and let into the country, it's 6 to 8 years before they have a hearing. And it's worth the—taking the chance of the $8,000.

[*Members of the audience spoke over the President.*]

But—but—if it's only 6 months—6 weeks, the idea is it's highly unlikely that people will pay that money and come all that way knowing that they'll be—able to be kicked out quickly.

Folks, I would respectfully suggest to my friend in—my Republican friends owe it to the American people. Get this bill done. We need to act now.

*Audience members.* Get it done! Get it done! Get it done!

*Audience member.* Build the wall.

*The President.* And if my predecessor is watching: Instead of paying [playing; White House correction] politics and pressuring Members of Congress to block the bill, join me in telling the Congress to pass it. We can do it together. But that's what he apparently—here's what he will not do.

I will not demonize immigrants, saying they are "poison in the blood of our country." I will not separate families. I will not ban people because of their faith.

Unlike my predecessor, on my first day in office, I introduced a comprehensive bill to fix our immigration system. Take a look at it. It has all these and more: secure the border, provide a pathway to citizenship for "Dreamers," and so much more.

But, unlike my predecessor, I know who we are as Americans. We're the only nation in the world with a heart and soul that draws from old and new.

Home to Native Americans whose ancestors have been here for thousands of years. Home to people of every place—from every place on Earth. They came freely. Some came in chains. Some came when famine struck, like my ancestral family in Ireland. Some to flee persecution, to chase dreams that are impossible anywhere but here in America.

That's America. And we all come from somewhere, but we're all Americans.

Look, folks, we have a simple choice: We can fight about fixing the border, or we can fix it. I'm ready to fix it. Send me the border bill now.

*Audience members.* Fix it! Fix it! Fix it!

*The President.* A transformational history—moment in history happened 58—59 years ago today in Selma, Alabama. Hundreds of foot soldiers for justice marched across the Edmund Pettus Bridge, named after the Grand Dragon of the Ku Klux Klan, to claim their fundamental right to vote.

They were beaten. They were bloodied and left for dead. Our late friend and former colleague John Lewis was on that march. We miss him.

But joining us tonight are other marchers, both in the gallery and on the floor, including Bettie Mae Fikes, known as the "Voice of Selma." The daughter of gospel singers and preachers, she sang songs of prayer and protest on that Bloody Sunday to help shake the Nation's conscience.

Five months later, the Voting Rights Act passed and was signed into law. Thank you. Thank you, thank you, thank you. But 59 years later, there are forces taking us back in time: voter suppression, election subversion, unlimited dark money, extreme gerrymandering.

John Lewis was a great friend to many of us here. But if you truly want to honor him and all the heroes who marched with him, then it's time to do more than talk. Pass the Freedom To Vote Act, the John Lewis Voting Right [Rights; White House correction] Act.

And stop—stop denying another core value of America: our diversity across American life. Banning books, it's wrong. Instead of erasing history, let's make history.

I want to protect fundamental rights. Pass the Equality Act. And my message to transgender Americans is, I have your back.

Pass the PRO Act for workers' rights. Raise the Federal minimum wage, because every worker has the right to a decent living more than eight—7 bucks an hour.

We're also making history by confronting the climate crisis, not denying it. I don't think any of you think there's no longer a climate crisis. At least, I hope you don't. [*Laughter*] I'm taking the most significant action ever on climate in the history of the world.

I'm cutting our carbon emissions in half by 2030, creating tens of thousands of clean energy jobs, like the IBEW workers building and installing 500,000 electric vehicle charging stations; conserving 30 percent of America's lands and waters by 2030; and taking action on environmental justice—fenceline communities smothered by the legacy of pollution.

And patterned after the Peace Corps and AmericaCorps [AmeriCorps; White House correction], I launched the Climate Corps to put 20,000 young people to work in the forefront of our clean energy future. I'll triple that number in a decade.

To state the obvious, all Americans deserve the freedom to be safe. And America is safer today than when I took office.

The year before I took office, murder rates went up 30 percent.

*Norco, CA, resident and Gold Star father Steven Nikoui*. Remember Abbey Gate!

*The President.* Thirty percent, they went up——

*Mr. Nikoui*. United States Marines! Kareem Mae'Lee Nikoui!

*The President.*——the biggest increase in history.

*Mr. Nikoui.* [*Inaudible*]

*The President.* It was then, through no—through my American Rescue Plan—which every American [Republican; White House correction] voted against, I might add—we made the largest investment in public safety ever.

Last year, the murder rate saw the sharpest decrease in history. Violent crime fell to one of its lowest levels in more than 50 years.

But we have more to do. We have to help cities invest in more community police officers, more mental health workers, more community violence intervention.

Give communities the tools to crack down on gun crime, retail crime, and carjacking. Keep building trust, as I've been doing, by taking executive action on police reform and calling for it to be the law of the land.

Directing my Cabinet to review the Federal classification of marijuana and expunging thousands of convictions for the mere possession, because no one should be jailed for simply using or have it on their record.

Take on crimes of domestic violence. I'm ramping up the Federal enforcement of the Violence Against Women Act that I proudly wrote when I was a Senator so we can finally—finally end the scourge against women in America.

There are other kinds of violence I want to stop. With us tonight is Jazmin whose 9-year-old sister Jackie was murdered with 21 classmates and teachers in her elementary school in Uvalde, Texas.

Very soon after that happened, Jill and I went to Uvalde for a couple days. We spent hours and hours with each of the families. We heard their message so everyone in this room, in this Chamber could hear the same message.

The constant refrain—and I was there for hours, meeting with every family. They said, "Do something." "Do something."

Well, I did do something by establishing the first ever Office of Gun Violence Prevention in the White House, that the Vice President is leading the charge. Thank you for doing it.

Meanwhile—[*applause*]. Meanwhile, my predecessor told the NRA he's proud he did nothing on guns when he was President.

*Audience members.* Boo!

*The President.* After another shooting in Iowa recently, he said—when asked what to do about it, he said, just "get over it." That was his quote. Just "get over it." I say stop it. Stop it, stop it, stop it.

I'm proud we beat the NRA when I signed the most significant gun safety law in nearly 30 years because of this Congress. We now must beat the NRA again.

I'm demanding a ban on assault weapons and high-capacity magazines. Pass universal background checks. None of this—none of this—I taught the Second Amendment for 12 years. None of this violates the Second Amendment or vilifies responsible gun owners.

[*Members of the audience spoke over the President.*]

You know, as we manage challenges at home, we're also managing crises abroad, including in the Middle East. I know the last 5 months have been gut-wrenching for so many people: for the Israeli people, for the Palestinian people, and so many here in America.

This crisis began on October 7 with a massacre by a terrorist group called Hamas, as you all know. One thousand two hundred innocent people—women and girls, men and boys—slaughtered after enduring sexual violence. The deadliest day of the—for the Jewish people since the Holocaust. And 250 hostages taken.

Here in this Chamber tonight are families whose loved ones are still being held by Hamas. I pledge to all the families that we will not rest until we bring every one of your loved ones home.

We also—we will also work around the clock to bring home Evan and Paul, Americans being unjustly detained by the Russians—and others around the world.

Israel has a right to go after Hamas. Hamas ended this conflict by releasing the hostages, laying down arms—could end it by releasing the hostages, laying down arms, and surrendering those responsible for October 7.

But Israel has a—excuse me. Israel has a added burden because Hamas hides and operates among the civilian population like cowards, under hospitals, daycare centers, and all the like.

Israel also has a fundamental responsibility, though, to protect innocent civilians in Gaza. This war has taken a greater toll on innocent civilians than all previous wars in Gaza combined. More than 30,000 Palestinians have been killed——

*Audience member.* Says who?

*The President.*——most of whom are not Hamas. Thousands and thousands of innocents—women and children. Girls and boys also orphaned.

Nearly 2 million more Palestinians under bombardment or displacement. Homes destroyed, neighborhoods in rubble, cities in ruin. Families without food, water, medicine. It's heartbreaking.

I've been working nonstop to establish an immediate cease-fire that would last for 6 weeks to get all the prisoners released—all the hostages released and to get the hostages home and ease the intolerable and—humanitarian crisis and build toward an enduring—a more—something more enduring.

The United States has been leading international efforts to get more humanitarian assistance into Gaza. Tonight I'm directing the U.S. military to lead an emergency mission to establish a temporary pier in the Mediterranean on the coast of Gaza that can receive large shipments carrying food, water, medicine, and temporary shelters.

No U.S. boots will be on the ground.

A temporary pier will enable a massive increase in the amount of humanitarian assistance getting into Gaza every day.

And Israel must do its part. Israel must allow more aid into Gaza and ensure humanitarian workers aren't caught in the crossfire. And they're announcing they're going to—they're going to have a crossing in Northern Gaza.

To the leadership of Israel, I say this: Humanitarian assistance cannot be a secondary consideration or a bargaining chip. Protecting and saving innocent lives has to be a priority.

As we look to the future, the only real solution to the situation is a two-state solution over time. And I say this as a lifelong supporter of Israel, my entire career. No one has a stronger record with Israel than I do. I challenge any of you here. I'm the only American President to visit Israel in wartime.

But there is no other path that guarantees Israel's security and democracy. There is no other path that guarantees that Palestinians can live in peace with—with peace and dignity. And there is no other path that guarantees peace between Israel and all of its neighbors, including Saudi Arabia, with whom I'm talking.

Creating stability in the Middle East also means containing the threat posed by Iran. That's why I built a coalition of more than a dozen countries to defend international shipping and freedom of navigation in the Red Sea.

I've ordered strikes to degrade the Houthi capability and defend U.S. forces in the region. As Commander in Chief, I will not hesitate to direct further measures to protect our people and our military personnel.

For years, I've heard many of my Republican and Democratic friends say that China is on the rise and America is falling behind. They've got it backwards. I've been saying it for over 4 years, even when I wasn't President.

America is rising. We have the best economy in the world. And since I've come to office, our GTB [GDP; White House correction] is up, our trade deficit with China is down to the lowest point in over a decade. And we're standing up against China's unfair economic practices.

We're standing up for peace and stability across the Taiwan Straits. I've revitalized our partnership and alliance in the Pacific: India, Australia, Japan, South Korea, the Pacific Islands. I've made sure that the most advanced American technologies can't be used in China—not allowing to trade them there.

Frankly, for all his tough talk on China, it never occurred to my predecessor to do any of that.

I want competition with China, not conflict. And we're in a stronger position to win the conflict [competition; White House correction] of the 21st century against China than anyone else for that matter—than at any time as well.

Here at home, I've signed over 400 bipartisan bills. But there's more to pass my unity agenda.

Strengthen penalties on fentanyl trafficking.

*Audience member.* Boo!

*The President.*You don't want to do that, huh? [*Laughter*]

Pass bipartisan privacy legislation to protect our children online.

Harness—[*applause*]. Harness the promise of AI to protect us from peril. Ban AI voice impersonations and more.

And keep our truly sacred obligation to train and equip those we send into harm's way and care for them and their families when they come home and when they don't.

That's why, with the strong support and help of Denis and the VA, I signed the PACT Act, one of the most significant laws ever, helping millions of veterans exposed to toxins who now are battling more than 100 different cancers. Many of them don't come home, but we owe them and their families support.

And we owe it to ourselves to keep supporting our new health research agency called ARPA-H—and remind us—to remind us that we can do big things, like end cancer as we know it. And we will.

Let me close with this. [*Applause*] Yay! [*Laughter*] I know you don't want to hear anymore, Lindsey, but I've got to say a few more things. [*Laughter*]

I know I may not look like it, but I've been around a while. [*Laughter*] When you get to be my age, certain things become clearer than ever.

I know the American story. Again and again, I've seen the contest between competing forces in the battle for the soul of our Nation, between those who want to pull America back to the past and those who want to move America into the future.

My lifetime has taught me to embrace freedom and democracy, a future based on core values that have defined America—honesty, decency, dignity, and equality—to respect everyone; to give everyone a fair shot; to give hate no safe harbor.

Now, other people my age see it differently. [*Laughter*] The American story of resentment, revenge, and retribution.

That's not me. I was born amid World War II, when America stood for the freedom of the world. I grew up in Scranton, Pennsylvania, and Claymont, Delaware, among working class people who built this country.

I watched in horror as two of my heroes—like many of you did—Dr. King and Bobby Kennedy, were assassinated. And their legacies inspired me to pursue a career of service.

I left a law firm and became a public defender because my city of Wilmington was the only city in America occupied by the National Guard after Dr. King was assassinated because of the riots. And I became a county councilman almost by accident.

I got elected to the United States Senate when I had no intention of running, at age 29. Then Vice President to our first Black President. Now a President to the first woman Vice President. In my career, I've been told I was too young. [*Laughter*] By the way, they didn't let me on the Senate elevators for votes sometimes. They—not a joke. [*Laughter*]

And I've been told I am too old. [*Laughter*] Whether young or old, I've always been known—I've always known what endures. I've known our North Star. The very idea of America is that we're all created equal—deserves to be treated equally throughout our lives.

We've never fully lived up to that idea, but we've never walked away from it either. And I won't walk away from it now.

I'm optimistic. I really am. I'm optimistic, Nancy.

*Audience members.* Four more years! Four more years! Four more years!

*The President.* My fellow Americans, the issue facing our Nation isn't how old we are, it's how old are our ideas.

Hate, anger, revenge, retribution are the oldest of ideas. But you can't lead America with ancient ideas that only take us back. To lead America, the land of possibilities, you need a vision for the future and what can and should be done.

Tonight you've heard mine. I see a future where [we're; White House correction] defending democracy, you don't diminish it. I see a future where we restore the right to choose and protect our freedoms, not take them away. I see a future where the middle class has—finally has a fair shot and the wealthy have to pay their fair share in taxes. I see a future where we save the planet from the climate crisis and our country from gun violence.

Above all, I see a future for all Americans. I see a country for all Americans. And I will always be President for all Americans because I believe in America. I believe in you, the American people. You're the reason we've never been more optimistic about our future than I am now.

So let's build the future together. Let's remember who we are. We are the United States of America. And there is nothing—nothing—beyond our capacity when we act together.

God bless you all, and may God protect our troops. Thank you, thank you, thank you.