



## A New Covenant for Economic Change

Excerpts from recent speeches by Governor Bill Clinton

For 12 years, we've had no economic vision, no economic leadership, no national economic strategy. What America needs is a President with a radical new approach to our economic problems that will give new life to the American Dream.

We've got to move in a radically different direction. The Republicans' failed experiment in supply-side economics didn't produce growth. It didn't create upward mobility. And most important, it didn't prepare millions and millions of Americans to compete and win in the new world economy.

And we've got to move away from the old Democratic theory that says we can just tax and spend our way out of any problem we face. Expanding government doesn't expand opportunity. And big deficits don't produce sustained economic growth, especially when the borrowed money is spent on yesterday's mistakes, not tomorrow's investments.

Stale theories produce nothing but stalemate. The old economic answers are obsolete. We've seen the limits of Keynesian economics. We've seen the worst of supply-side economics. We need a new approach.

We need a New Covenant for economic change, a new economics that empowers people, rewards work, and organizes America to compete and win again. A national economic strategy to liberate and energize the abilities of millions of Americans who are paying more taxes when the government is doing less for them, who are working harder while their wages go down.

This New Covenant isn't liberal or conservative. It's both and it's different. The American people don't care about the idle rhetoric of left and right. They're real people, with real problems, and they think no one in Washington wants to solve their problems or stand up for them.

The goals of our New Covenant for economic change are straightforward:

- We need a President who will put economic opportunity in the hands of ordinary people, not rich and powerful special interests;
- A President who will revolutionize government to invest more in the future;

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- A President who will encourage the private sector to organize in new ways and cooperate to produce economic growth;
- A President who will challenge and lead America to compete and win in the global economy, not retreat from the world;

That's how we'll turn this country's economy around, recapture America's leadership in the world, and build a better future for our children. That's how we'll show the forgotten middle class we really understand their struggle. That's how we'll reduce poverty and rebuild the ladder from poverty to the middle class. And that, my friends, is why I'm running for President of the United States.

Our first responsibility under this New Covenant is to move quickly to put this recession behind us. I have released a plan for what I would do right away to help working people and get the economy moving again. I'd not only extend unemployment benefits, as Congress and the President have finally done, but I'd push through a middle-class tax cut, an accelerated highway bill to create 40-45,000 new construction jobs over the next six months, and an increase in the ceiling on FHA mortgage guarantees so half a million families could pump up the economy by buying their first home. I think good credit card customers should receive a break from the 18 and 19 percent rates of banks, which have cut the rates the customers get paid on their deposit accounts. And I'm proud to say that four of the ten banks charging the lowest credit card rates nationwide are in my state.

I would also make sure federal regulators send a clear signal to the financial community not to call in loans that are performing, and not to fear making good loans to local businesses.

But even if we did all those things tomorrow, it wouldn't change the fundamental challenge of the 1990s. We need to get out of this recession, and soon. But we also need a long-term national strategy to create a high-wage, high-growth, high-opportunity economy, not a hard-work, low-wage economy that's sinking when it ought to be rising.

It doesn't have to be that way. I believe we can win again. In the global economy of the 1990s, economic growth won't come from government spending. It will come instead from individuals working smarter and learning more, from entrepreneurs taking more risks and going after new markets, and from corporations designing better products and taking a longer view. We're going to reward work, expand opportunity, empower people, and we are going to win again.