about civilization and character? You must decide. Will you work for more equality and more opportunity? Will the information superhighway be traveled by all, even poor kids in distant rural areas? Will they be connected to the rest of the world or will the information superhighway simply give access on the Internet to paranoids who tell you how to make bombs? Will education lead you to lives of service and genuine citizenship or a politics of hollow, reactionary rhetoric where, in the name of reducing Government, we abandon the public interests to the private forces of short-term gain?

Just a few days ago, at Harvard, President Václav Havel of the Czech Republic said that our conscience must catch up with our reason or all is lost. I say to you today, we are having a great debate in the Nation's Capital, and we ought to have it. It can be a good and healthy thing. But some things must be beyond debate. We are all in this together.

A country at the crossroads has a chance always to redeem its promise. America is the longest lasting democracy in human history because at every crossroads we have redeemed that promise. And you must do it again today.

We've got a real chance to make a real life together, folks. Yes, there's more ethnic and racial diversity in this country than in any other large country. Yes, there's more income differential and that's getting worse, and it's troubling. But this is still, for my money, the country that's the best bet to keep alive hope and decency and opportunity for all different kinds of people well into the next century.

I've had the privilege of representing you all over the world, and I think all the time, every day, about what it's going to be like in 20 or 30 or 40 or 50 years, when you come back here for that remarkable reunion that they're celebrating today. And I am telling you, if you will simply use what you have been given in your lives, from God and the people who have helped you along the way, to rebuild this country and to bring it back together and not to let us be divided by all these forces, to lift up these forces of opportunity and to stamp out the seeds of destruction, you still are at the moment of greatest possibility in all human history.

Your late President, John Kemeny, who came to this country after fleeing Hungary, told the last commencement he presided over in 1981, the following: The most dangerous voice you'll ever hear is the evil voice of prejudice that divides black from white, man from woman, Jew from Gentile. Listen to the voice that says, man can live in harmony. Use your very considerable talents to make the world better. Then he ended the speech with, as I understand, the words with which he ended every commencement: Women and men of Dartmouth, all mankind is your brother. And you are your brother's keeper. Do not let people divide you one from another.

Do not let people make you cynical. And do not think for a minute that you can have a good, full life if you don't care about what happens to the other people who share this Nation and this planet with you.

Good luck, and God bless you.

NOTE: The President spoke at 11:44 a.m. on Memorial Field. In his remarks, he referred to James Freedman, president, and James Wright, acting president, Dartmouth College; Gov. Stephen Merrill of New Hampshire; and honorees Special Adviser on Haiti William H. Gray III and Nannerl Overholser Keohane, president, Duke University.

Remarks in a Town Meeting With Speaker of the House Newt Gingrich in Claremont, New Hampshire

June 11, 1995

The President. Thank you very much. Thank you. Thank you very much, Lou. Mr. Speaker, Governor, Mayor Lizott, Congressman Bass, Mrs. Gingrich, Mrs. Zeliff, to Sandy Osgood and to the Stevens High School Band, thank you very much for keeping everybody entertained while I got away from Dartmouth and got over here.

I am delighted to be back in Claremont again. I have spent some happy days here. And I was invited to come here, as you know, when you folks found out—I think it was actually Lou's idea; he found out I was going to be at Dartmouth giving the speech. And then I was interviewed, and someone said, "Well, the Speaker is going to be here for the whole weekend, what advice would you

give him?'' And I said, ''Well, I'd give him two pieces of advice. I think he ought to—if he's going to be in Concord, he ought to go down to Mary Hill's Grocery Store and talk to her because she's a wise woman. And he ought to do one of these little town meetings like I do from time to time.'' And so he called me, and he said, ''I accept.'' [*Laughter*]

So that's how you became transformed into this. I'm going to talk for a couple of minutes; he's going to talk for a couple of minutes. Then we're going to spend most of our time just answering your questions. But let me be very brief and say that when I came here in 1992, I was running because I thought we ought to change the direction of the country. I thought that we were in danger of losing our standard of living and that we were coming apart when we ought to be coming together. I was worried about the decline in middle class incomes, the growth of the under class, the high unemployment rate at the time, an exploding deficit, a declining level of investment. I was also worried very much about the breakdown of our families, the number of children growing up in poverty, and the whole breakdown of a lot of the social factors that are very important to all of us and made us what we are.

I said then, and I will reiterate today that I thought what we needed then—I still believe what we need—is an economic strategy that focuses on creating jobs and raising incomes, a social strategy that rewards work and family, in terms of welfare reform and everything else we do, it reinforces responsible child-rearing and responsible work, that we ought to do it in a way that reduces the size of the Government and reduces the bureaucratic burden of the Government but kept the Government on the side of ordinary Americans.

Now, what I tried to do is follow policies from whether it was reducing the deficit, expanding trade, increasing investment in education, promoting welfare reform, things that would help people to make the most of their own lives. I've also tried to do things I thought would increase security for American people, whether it was the Family and Medical Leave Act or the crime bill or the things we've tried to do in foreign policy or the antiterrorism legislation that the Speaker will take up when the Congress meets again starting tomorrow.

Now, we have a lot of differences, and perhaps these differences will come out. But we also have some areas in which we can work together. I think the most important thing is that we try to identify clearly the places where we disagree but then make our best effort, our dead-level best effort, to work together to move this country forward.

It seems to me that a lot of our problems are not particularly partisan in nature. We do have—for example, as I have said from the day I became President, we cannot afford not to do something about the fact that Medicare and Medicaid costs have risen at much more rapid rates than Government revenues are going up, so that every year we spend more and more on Medicare and Medicaid, which means we have to either spend less on something else or explode the deficit. But I think how we do it and how long we take to do it and the manner in which we do it is critical.

So we need to discuss these things in an open way. And one of the things that I like about New Hampshire that I don't like about modern politics, generally, because it's so different, is that when I was running here in '92, I really felt that most people were making their decisions abased on encounters like this rather than 30-second television ads or some blurb that comes across the airwaves where one politician is hitting another one and trying to use some emotional issue to divide the American people instead of to bring them together. I think that is what you have done for Presidential politics, which is why I hope you'll always be able to have this first-in-the-Nation primary for both parties, so we'll all have to go through this process of getting to know each other.

So having said that, I'd like to now bring the Speaker on, let him say a word or two, and then we'll get on with your questions.

Mr. Speaker.

Speaker Gingrich. Let me say—let me say, first of all, that I am delighted to be here, and I appreciate very, very much—I appreciate very much the opportunity to be here. And I want to thank both Lou Gendron, and

I want to thank the President for having been willing to allow me to come over.

[*At this point, there was a disturbance in the audience.*]

I think despite this particular gentleman, I think that the tradition of New Hampshire for town hall meetings is exactly the right sort of thing to do.

Now, let me just say, if I might, that I am delighted to be here and that you ought to know this is a historic moment. The President visiting you, as we are told—the first time since, I believe, Calvin Coolidge came here in the 1920's, that a President has visited, although, of course, many candidates have been here in the primaries. And I believe in all of American history there has never been a town hall meeting where a President and a Speaker have been there at the same time. So literally, the city of Claremont is setting history today.

Marianne and I are delighted to be here with Congressman Bass and Mrs. Zeliff and with Governor Merrill. But I wanted to say two things that have happened to me today that are classically New Hampshire. One I did on my own, and one the President recommended.

First of all, we got up very early this morning, and I want to report that we did see four moose, and one of them was a huge bull that stood in the middle of the road and stared until every single photographer who was with me could get their picture. [*Laughter*] The other was, I have to report, Mr. President, I broke down. We stopped at the Dunkin Donuts in Berlin this morning after seeing the moose, and this is why you've done better with your figure than I have with mine. [*Laughter*] I failed. But I followed his advice.

Let me say also to the band—I had a chance to listen a while ago. I thought you set exactly the right tone and exactly the right mood. I am grateful that you all would allow me to come and join the President. I hope today we can talk in a positive way about the positive things we Americans need to do.

And I agree with the President. The New Hampshire tradition of this kind of a discussion where we can sit, you can ask questions, we can both talk, and we're not in 9-second or 20-second or clever advertisements or any of that stuff. And I just want to say one thing about where we are that I think all of you can identify with. I called my Mom a while ago, and I called my mother-in-law, and said, "Gee, I'm here now, and what should I do?" and all that. And I also talked to my two daughters. We have all three generations involved now in this discussion.

But let me tell you what I really honestly believe—and I think this is pretty close to the President's—most of you lived through the Depression, and it was hard. And you saved freedom in World War II. And you saved freedom in Korea. And you paid the taxes. And you worked at the jobs to help win the cold war. And you raised your children, and you wanted them to live in a better country. And now, you're helping raise your grandchildren.

And I believe all Americans can be told the truth and can actually watch their leaders have honest, open disagreements and can talk things out, and we can find common solutions. And I believe this process, working with the President, with the House and the Senate, with the Governors. I believe we can get to a balanced budget in a positive way. I believe we can save Medicare, and it will not go broke, despite the trustees' report. I believe we can create a better future for our children and grandchildren. But it's got to be done exactly like here today.

So I hope with your permission, the President and I will now have a dialog with you, and maybe the country can learn a little bit about working together, not just buying commercials and attacking each other.

Thank you for letting me be here.

The President. Who would like to go first? Who's got a question? Yes, sir.

Lobby and Health Care Reform

[*At this point, a participant asked if a bipartisan commission could be formed to help solve problems with lobby reform.*]

The President. Well, I would certainly be open to that. Let me back up and say one of the differences we have—let's talk about one of the differences we have about this—no one seriously believes that the budget can be balanced unless we can reduce the rate of increase in Medicare and Medicaid costs.

We agree on that. We disagree on how much we have to reduce it and how it ought to be done.

I also believe that it would be far better if we could do it in the context of health care reform so that, for example, for seniors, we would provide some incentives for less expensive but more widely available long-term care short of nursing homes. We would have more emphasis on preventive care, because one of the big problems with Medicare is—there are three issues here: What is the medical rate of inflation, and can we get it down to the overall rate of inflation? You know, health care costs have been going up more than medical costs—regular costs. The second issue is how many new folks are coming on to Medicare every year. The third issue is how much more will the same people use the system because people are living longer and longer, and the longer you live, the more you need to use it.

And all these things are at the core of what we have to work out about how much we try to control the spending. It may be that the only way to do that is in the context of some sort of base closing commission, like you say. But I think we have to tell them what their mission is. That is, it seems to me that the mission can't just be to save money. It has to be not only to stabilize the Medicare fund over the long run but to do it in a way that doesn't force retirees without the means to do it to shoulder much bigger increases for their own health care or run the risk of having professionals jump out of the health care system.

Now, that is what my problem is. I just think that—we have to be very careful about this. We've worked hard to bring down the cost increases. But to get much—to go lower, we're going to have to have structural changes that provide for real options and quality of health care, in my opinion. Without health care reform, I don't think you can go dramatically lower.

Speaker Gingrich. Let me just ask first, I—let me stop and please applaud. I think this is—to have the President here is a good thing.

Let me—I think you were saying something a little different. I'll talk about Medicare in a second. But I think you were raising an issue that's very interesting. If I understood, sir, you're suggesting that when this whole issue of lobbyists and campaign finance and, you know, we have this whole issue about gifts in the Congress, which I'm, frankly, very uncomfortable with—I mean, I just—I don't know how all of you would feel, but when you come down to talking about yourself, it's very tricky sometimes. And I think you were suggesting—I've never heard this proposed before—that maybe if we had sort of a blue-ribbon commission of people that really had respect and integrity, that would look at the whole lobbying political process——

The President. Is that what you—I thought you were talking about health care reform.

Speaker Gingrich. No, no——

The President. You want to do it on lobby reform? In a heartbeat. I accept. Because, otherwise—otherwise, in this—we cannot pass lobby reform or campaign finance reform or anything else. I would love to have a bipartisan commission on it. It's our only chance to get anything passed. I accept.

Speaker Gingrich. Let's shake hands right here in front of everybody. How's that? Is that a pretty good deal?

The President. I accept.

Speaker Gingrich. I'll tell you, if every question is this productive—now, can I just take one minute, Mr. President, and talk about the Medicare thing? I do think the President put his finger on something here where I think we analyze it slightly different, but we both have the same commitment. And let me say, because I did talk both to my mother-in-law and my mother today, I can report that I'm checking in pretty much with people who are immediately concerned about Medicare.

There are two differences. One is, I agree with the President that there are a number of things that have to be changed about health care in America. For example, I believe if you're in the insurance system, we ought to guarantee tomorrow morning that you have portability that you can change insurance and change jobs and there are no preconditions. And I feel this personally because my older daughter has a precondition, and she's been through a period where she

had to spend a whole year in vulnerability without any insurance.

So I think step by step—I think where we disagreed strategically is, I think you can do those one building block at a time and get them through and get them signed. I think it's very hard as a practical matter to get a big comprehensive bill through because it seems to break down of its own weight.

Now, specifically on Medicare. I hope this summer that we'll be able to work with the President and with his Cabinet. We're going to propose a plan in general terms that takes current spending, which is $4,800 a year per senior citizen and moves it up over the 7 years of the budget to $6,400 per senior citizen. That takes into account additional people. But it will be a $1,600 or 33 percent increase. That's less than the current projections. I'm not going to try to kid anybody. But it is an increase.

And what we're trying to do right now is find a way, first of all, to guarantee that everyone who wants the current Medicare can keep it. And it may—you may have some increase in the amount you pay much along the line you had in the last 6 or 7 years. But you can keep the current system. Nobody's going to be forced to change. Nobody has to leave.

But at the same time, I'm hoping that working with the President and his administration, we can find five or six additional options: Managed care for those who want it. In some counties a lot do; in other counties very few people do. Medical savings accounts, which is a new idea that lets people have savings which could then be applied to long-term care, for example. A voucher system, which some big companies are now using which is very effective where you can go to any doctor you want and we pay directly to the doctor of your choice, your control. And finally, something which I think we'll get overwhelming support for—if you look at your bills and you see waste or fraud, I'd like us to work in a system so if you spot it and you report it, you get a percentage of the savings so every senior citizen in the country has a good, sound reason to check on waste and fraud to help us get that out of the system, because there's a General Accounting Office report that says there's about $44 billion a year in waste and fraud in both Medicare and Medicaid combined.

So I'm just suggesting, if we can work together and get the Senate with us, we can, by the end of the summer, keep the current system and offer four or five options and move towards a system where you become a customer and you're making the choice for you about which one you like. And if you prefer the current system, you get to keep it. That's your choice.

The President. Here's what my concerns are. Will I work with them and try to work this out? Absolutely. But here's what my concerns are. It sounds like a lot to increase something by one-third over 7 years. But that's about 4 percent a year. And this last year we had medical inflation at about 4½ percent, and that was good. We don't know whether it will stay that way, and the problem is that the Medicare population is going to get older and older. And as they get older, people use the system more. So I don't know that we can keep it to 4 percent a year.

The Republican in the Senate, Senator Packwood, with the major responsibility for this says that we can stabilize the financial fund of Medicare with savings at about half the level proposed in the Speaker's budget. It's not really his budget, but—well, it is now. They passed it. And I would prefer not to say right now we're going to cut at a level greater than I believe we have to in ways that I think will certainly require a lot of people who cannot afford it to pay more until we have explored all other alternatives, because I believe we can get there without doing this.

And as you know, I believe—let me say, there are going to have to be some changes. We cannot leave the system the way it is. We can't pretend that just because we're at a senior center that there will be no changes. There have to be some changes. But I think these reductions from the projected levels of spending I think are too severe, and what I favor is having a smaller tax cut and a smaller Medicare reduction and Medicaid reduction. And then let's see how much we can save year by year because we have not tried a lot of these things.

He and I both, for example—I really believe you ought to have incentives to join

managed care plans. I don't think anybody ought to make you do it; I just think you ought to have incentives to do it. Out West, I know, there's one managed care plan for Medicare that offers people the right to get into Medicare for 95 percent of what the per-person cost is, and they give them a prescription drug benefit along with health care and still make money.

I think you should have the right—I think, you know, people ought to be able to try to talk you into doing that, that that ought to be an option—not a requirement. If you want to stay in the program, I think you ought to be able to stay in the program.

The way it works now is, you don't pay for part A, but you do pay more, as you said, by about the rate of inflation for the doctor bills and things like that. So that's where I would start these negotiations. I'd say, let's cut it as little as possible until we know how much we can save because if we lock ourselves into a tax cut and we lock ourselves into other spending, then we'll wind up just not funding it, even if we wind up hurting people. And I don't think we ought to do that. I have no problem with all these experiments, but let's know what we're going to do.

Speaker Gingrich. Can I make one other comment? I'll just make one quick comment, and then we'll go back to a question here.

But let me just say, I think in spirit we're not that far apart. The thing that is driving us is that the trustees reported that Medicare will go broke by 2002. It starts to lose money next year and it literally runs—this is part A. This the hospital part. And all of you—folks who may be watching may not get it. But every person in this room understands part A, or every person in this plaza understands part A.

We start first with two big steps here. And then I think we can talk about exactly how we make the transition. One is, how do we save it for your generation? And that's very, very important. And we have to—and the earlier we can take some changes, the easier it's going to be to make that transition by 2002.

But I must tell you—I become 52 this coming week. And I'm older than he is, and you can see where the gray hair up here—but I started thinking about when the baby boomers start to retire, the weight of the current system financially is so enormous—and we've seen some numbers—$3,500,000,000,000 a year would be the cost of Medicare alone, not counting Social Security.

And so, part of what I hope we can do is set up a second commission—to go back to this gentleman's idea—and this would be a commission that would look out beyond saving Medicare in the short run and start to talk now about what do we need to do for the baby boomers in their retirement years and their health care. Because frankly, that makes everything we're worried about—the folks who replace us 20 years from now are going to have a much bigger challenge than we have in figuring out how the baby boomers retire and what happens with them.

But I think that's something we could probably work on in a positive way together.

The President. Let me just, again, reemphasize two or three points. I, in general, am going to agree with that. We need to focus on some things we know right now will work. We know we could save money long-term in the system if there were other options for long-term care in addition to nursing homes. There will always be people who need to be in nursing homes.

But there should be other options. Today there aren't any. And you've got all kinds of middle class families where the parents have to spend down all their assets to qualify for Medicaid to get into a nursing home because there's nothing else they can do. So we wind up cutting off our nose to spite our face, you know. In order to keep the family from going broke, the Government winds up paying more than might otherwise be necessary.

But to be fair, we don't know how to cost that out. We ought to get more people the option of going into a managed care program. If somebody says for the same price you're paying now, we could also give you a prescription drug benefit, but you'd lose a few options on who your doctors were, then you should decide whether you want to do that or not. You could decide. We ought to do that. We ought to do more wellness and prevention planning.

My only fear is that we should be very careful about how we plan the budgets over the next 5 or 6 or 7 years. When I became President, the Medicare trust fund was projected to go broke in 1999. So we pushed it back to 2002. I think we have to push it back another 4 or 5 years. We've got to keep doing that. But I agree with—one thing the Speaker said I absolutely agree with—when you think about what the baby boomers require, which is, what, 2019 or 11 or whenever it was, I'm trying to push it—whenever I get that age—[*laughter*]—that's going to require a significant long-term structural adjustment. We'll have to look at what we can do there.

But the main thing we can't do—we can't have this thing go broke in the meanwhile. And I'm just telling you that less drastic procedures in my judgment can keep it from going broke if we make some other changes in our overall budgeting, without undermining our ability to balance the budget.

Who's got another question?

Congress

[*A participant asked Speaker Gingrich when Congress is going to stop playing special interests and partisan politics and start working together for the good of the country.*]

Speaker Gingrich. I think that's a very good question. It's partly, of course, answered by this gentleman, who I think has a great idea. You now have us publicly in front of you and all these reporters saying we're going to work together—and I hope we can develop a blue-ribbon commission pretty fast, because that's a part of it.

Part of it is why I said I was glad the President suggested this and then agreed to do it. I think just having your leaders chat rather than fight is a good thing. I think—it sets a different tone.

Now, I want to commend the President. He sent up some very important antiterrorism legislation. We had a meeting of all the Republican and Democratic leaders with him. We talked about it right after the Oklahoma City bombing. It then got bogged down in both Houses, frankly, more than it should have. Senator Dole then made an appeal to the President because the Senate has—see, in the House you have very strict rules, and you can get something through in a day if you work at it. In the Senate, if you have one or two Senators who don't like something, it takes forever.

Now, I don't think the Arkansas legislature, back when the President was Governor, quite had a Senate that had that kind of power. I think it was—you know, this filibuster—so Senator Dole appealed to the President, and the President, frankly, rose to the occasion, worked out a bipartisan agreement and, I think, dramatically changed the tone of that antiterrorism debate and helped us get something through that was very, very positive.

So I think there are steps like this. I hope—I reacted positively the other day when the President said he was going to have a budget proposal. We're in conference now. But frankly, if they do submit something this week or next week, we're not—I mean, we're going to take—we're going to sit down and look at it all. I think this summer we ought to work on Medicare together. We shouldn't have a Republican plan and a Democratic plan.

In the House we've tried that. We had Mike Parker, who's a Democrat, who met with our budget committee members all through the budget. We had some Democrats, not a lot, but some, who voted with us on the budget. In the Senate, Senator Kerrey from the entitlement commission and Senator Nunn and one other Senator voted for the budget.

But we ought to—when we can, we ought to pick up on what you said. It's very hard, though, for a practical reason. The Founding Fathers designed the Congress to be where everybody sends their representative. And it's the place where everybody shows up with their ideas. And I'll tell you, some days, even with the best of will—Congressman Gephardt, for example, and his wife, Jane, are good friends to Marianne and me—even with the best of will, you find yourself some days wondering how did you get into the particular mess you're in.

And the Founding Fathers wanted an arena in the House and Senate to fight out our passions instead of having a civil war. They wanted us to send everybody from every part of the country. And their idea was that they wanted a system so inefficient that

no dictator could force it to work. Now, the problem with that is——

The President. They sure did that.

Speaker Gingrich. I was going to say, they succeeded. We can barely get it together voluntarily. So, Mr. President——

The President. Let me say, I think there are a couple of things we need to try to be candid about. One is my great frustrations since I've been President is that—I have a line that I sometimes say in speeches; I'll just tell you, I was in Montana the other day, and I said, ''Shoot, if all I knew about me was what I saw on the evening news, I wouldn't be for me half the time either.'' [*Laughter*] I mean, the truth is that it is so difficult for us in Washington to communicate with people out in the country, with all of the layers between us, that what often is the only way to break through is some fairly extreme statement.

The Speaker is real good at that; he can break through like nobody I've seen in a long time. [*Laughter*] But it will get covered. He can break through.

The easy way for—let's take this Medicare debate. The easiest way for us to break through is for him to say, they want to fix the trust fund and the Democrats have no plan, and for me to say, he cuts Medicare too much and it will cost you a lot. Now, the truth is we both believe that, but it's more complicated than that. And the problem we have is that in a difficult time like this, where we're moving into a whole new era, there very often are not simple answers to complex problems but simple answers very often move the electorate.

So if you don't want that, if you want a reasoned debate, and you really want to say to the Republicans and Democrats, look, get together and do something that is good for the country and put party aside, then out here in the country, when the Congressmen and the Senators come home on the weekends, you need to tell them that. And you need to say it over and over and over again: ''We will stay with you. We will not be spooked by this or that lunge in one direction or the other. We'll give you 4, 5, or 6 months to try to work through this budget, and that's what we expect you to do.

You have to send a different signal. You have to send a different signal. You have to make people believe they can take complicated positions, explain them to you, and if you think that makes sense, you'll stick with them. And if you do that, I think you can change the way politics work in America.

Speaker Gingrich. Can I make one quick story before I take another question, because it is so much what he just said, and I, actually, I wrote it it in a book, it was so vivid to me. I'll get to—you're going to love this. No, you're going to love this.

The President. Senator Dole hasn't given me permission to read that book yet. [*Laughter*]

Speaker Gingrich. Well, I thought I'd get you a copy soon.

The President. That's good.

Speaker Gingrich. But let me tell you, because it was so vivid and it makes the President's point. We had a meeting, you'll remember well, where Dick Armey and I were down there and the whole brand new leadership after the election. And obviously, the President wasn't all that thrilled to have the Republicans win the election. And we understood that, and heck, we wouldn't have been—you know, I wasn't all that thrilled, frankly, to have George Bush lose that last one, so we understood his feelings. We had a great meeting. It was a meeting that I almost could have been on C–Span because the country wouldn't have believed—we talked about line-item veto, which is currently a little bit bogged down, but we'll get to it.

The President. Give it back to me. [*Laughter*]

Speaker Gingrich. We talked about unfunded mandate reform, which he signed very early. We talked about passing the Shay's Act to apply the law to the Congress that applies to us, which he signed very early. We had things going on that were positive. Dick Armey and I walked out front—we're in the White House, in front of the White House drive there. We say to the White House press corps, ''We had a great, positive meeting. We're going to be able to work a lot more than people think.'' And we began to list these things. The second question we were asked: ''What do you think it will break

down over?'' And both of us got mad. He's right; I get too hot sometimes. So I just said to the reporter, I said, ''You just heard the leaders of the Republican Party say that the Democratic President today had had a wonderful meeting on behalf of America; we're trying to work together. Couldn't you try for 24 hours to have a positive, optimistic message as though it might work?'' It's a true story, and he did it. It was a great meeting that he called.

The President. The trick is, in a funny way, is not to hide the differences, but to get them out in a way that—where those of us on opposite sides can understand the other's opinion. Like there's a way to make an argument, to get the maximum amount of votes out of it in the shortest amount of time through emotion, and there's a way to make the same argument so that you're opponent at least understands your position. And I bet it's the same way here around a gaming table or anything else. There's two ways to talk to people when you've got a difference of opinion.

More than half the time in this country—this is an interesting little historical fact—more than half of the Presidents who have served have had the Congress in the hands of the opposite party at least one, if not both, Houses. Now, that's what—the voters seem to think that's a good idea, and they keep doing it. So we have to try to figure out how to make it work.

Who's got—yes. Mr. Peabody, you're looking good in your Navy cap.

United Nations Future Role

[*A veteran voiced his concern about proposed legislation that, if passed, would alter the United Nations successful role in peacekeeping efforts.*]

Speaker Gingrich. Let me say, first of all—and I appreciate very much your comment about the two of us being here. And I hope you're right.

Let me say, first of all, on a lot of foreign policy issues, we work very closely together. And we have tried very hard on Russia, on the Middle East, on a whole range of areas to be very supportive. The President and his senior advisers have always been open in briefing me and have always been open to my phone calls or my visits. We've tried in the House to stop some things that would have been very destructive. And I've tried in public, and I've learned a fair amount in the last 6 months, that a Speaker—it's very important for me to be careful and to be modulated on a number of foreign policy issues. And while we can tangle on domestic politics, there really is a great lesson to be learned from Arthur Vandenburg in World War II.

But let me tell you the two things I think where maybe you and I just disagree. And I hope you won't mind my being direct. First, I don't think the last 50 years the peace was kept by the United Nations. Over the last 50 years, the peace was kept because the United States of America spent a lot of money and sent its young men and women all over the planet. And we were the strongest military power in history. And we built an alliance called NATO. And we took enormous risks. And our children—my father fought in Korea and Vietnam. We're now risking our children in Bosnia, in Iraq, in a whole range of—in Haiti, where the President, frankly, has so far—and I hope it works out perfectly—has so far had a much better policy than I thought he would. It worked better than I thought it would. And he deserves to be commended for, I think, having taken some risk in Haiti.

But first, I will say to you—first, I believe we have to recognize that what won the cold war and what kept the peace was America's willingness to lead. And that nothing—you're wearing a Navy cap—if my choice is three U.N. Secretary-Generals or one aircraft carrier, I can tell you which one I prefer to keep the peace in a dangerous world.

But I want to say, secondly, about the U.N., because I'm a big fan of Franklin Roosevelt's. I'm, frankly, a fan of Woodrow Wilson's. And I think what they were trying to accomplish was terribly important. I think we have to revisit the United Nations current structure. I mentioned this to the National Security Adviser the other day.

The U.N. current system of command and control is a nightmare. And anybody anywhere in the military—and the President knows this, because he gets briefed on it—any of our military who looks at what's been

happening in Bosnia just wants to cry. You don't send in the military to be hostages; you send in the military to rescue hostages. And the U.N. system—I'm willing to take the U.N. system seriously enough to actually encourage our Government to take the lead in reforming the current peacekeeping system, because if it's not reformed, it's going to collapse and become a joke, and you'll see NATO replace it in Bosnia in the not-very-distant future. And I take it very seriously.

Over the long run, Churchill once said, "Jaw, jaw, jaw is better than war, war, war." And I think Churchill was right. But to get there, we have to be strong; we have to lead our allies; and together, I think, we have to learn the lessons of what doesn't work in the U.N. And my hunch is, frankly, if this bill is going to ever become law, there's going to be some fairly intense negotiating between Senator Dole and myself and the President, because otherwise he's going to veto it, and we won't have the votes to override him. So I think we're not—you're not going to necessarily see exactly the bill that's currently there.

The President. Let me just say very briefly, I agree that the United Nations didn't keep all the peace in the last 50 years. What I think is that the end of the cold war gives us the opportunity to have the U.N. fulfill its promise. And the United States has had, before me and during my administration, serious disputes with the U.N. about the way it's managed and the way certain crises are handled.

Now having said that, I disagree with the foreign affairs bill going through because it ties the President's hands in too many ways. I disagree—I'll say something that's unpopular here—I disagree with all the cuts in foreign aid in the budget. Most people believe that we're spending 10, 15 percent of your tax money on foreign aid. We're actually spending about a penny and a half. We're spending a smaller percentage of our budget on foreign aid than any advanced country in the world. And yet, you'd be amazed how far a little bit of money from the United States goes in stabilizing democracy all over the world.

For the United Nations, a lot of—some of their peacekeeping has worked. It worked in—it made a real contribution in Cambodia. It's made a contribution elsewhere.

The problem in Bosnia—let's just talk about that—is that great countries, France, Britain, the Netherlands, Ukraine, sent their soldiers there to be the U.N. peacekeeping force under terms of engagement that the United States could never agree to because they basically agreed until just this last incident that they—the Serbs could, in effect, take them hostage, and they wouldn't fight back. And we could never agree to that.

Now, having said that, it's still true that 130,000 people died in Bosnia, civilians, in 1992, and under 3,000 died there last year. And a lot of us made contributions to that. So sometimes, as bad and as ragged as it is, the U.N. is better than nothing. And I think it is our forum.

And a lot of good things have happened in the U.N. We have been able to pursue our nonproliferation agenda. We've been able to pursue our action to reinforce what we're trying to do with North Korea to keep them from becoming a nuclear power. We've been able to do a lot of good things.

And I think we should look for ways to strengthen the U.N., not weaken it because I agree with him and what he said—if it is weak and if it fails, it will all come back on the shoulders of the United States and another generation of young Americans will have their necks on the line if we fail to have an effective, strong United Nations, which is why I think we should support it and make it work.

Minimum Wage

[*A participant asked if the current minimum wage rate of $4.50 is too high.*]

The President. No, I'm for raising it. You know I am.

Speaker Gingrich. Let me say that I think that I'd like to see every American make as much as they can possibly make. But I also am concerned—no, I don't think it's too much. I'm very concerned, however—there's a disagreement among economists about this. I'm very concerned that if you raise the cost of the first job for the poorest person, for example, in the inner city, that what you tend to do is increase black, male, teenage unem-

ployment which is exactly the thing you don't want to do.

And so my goal is to have a rapidly growing economy where, frankly, wages keep going up because people are better educated, more productive, and can compete in the world market. And we've been telling the Russians and the Ukraines and the Poles and the Hungarians that the free market works and you've got to get out in a free market and you've got to compete in a world market.

And my concern is just that as you go through this transition that if we raise the minimum wage—and, again, you get economists on both sides of this argument. But the group we—we don't hurt anybody who's an industrial plant that's doing well. We don't hurt anybody who's already working for the Government. But if you are the marginal employee and you're out there, you are the first laid off, and that makes it harder for Hispanic and black teenagers to get decent jobs. And we already have too much unemployment and too much long-term lack of job skills among minority teenagers. But I think that's a legitimate disagreement probably between the two of us.

The President. Let me just tell you what the contrary view is, what my view is. And it is true that there are economic studies that say if you raise the minimum wage, you raise incomes for people who are at the minimum wage and a little above it, too, who get bumped up, but it costs some jobs. There are other studies that say it doesn't cost any jobs because, for example, people on welfare or out of the work force will think it's more worth their while to come in and compete for those jobs and they'll want to work more.

The reason that I am for it is that I believe that—first of all, I know that a significant percentage of people on the minimum wage are women workers raising their kids on their own. And I just believe that we shouldn't allow—if we don't raise the minimum wage this year, then next year, after you adjust for inflation, it will be at a 40-year low. And my idea is that we ought to be trying to create a high-wage, high-growth economy and that is as little regulated as possible. But this is a minor amount of regulation on the bottom end.

And there are other ways to deal with this market problem. I know Barbara Jordan, a former colleague of yours, headed a commission for me on immigration. She's recommended a modest decline in the immigration quota every year. And I think Senator Simpson, the Republican Senator from Wyoming, has recommended the same thing. If you did that, you might have exactly—you might still, therefore, have exactly the same demands for low-skilled people who are already in the United States and you wouldn't, therefore, be any net out even if you did raise the minimum wage.

I just think it is—the people I guess I admire most in this country are the people that get up every day and work their—themselves to death for the minimum wage or just a little bit above it——

Speaker Gingrich. Note that editing, I might point out. That was very well done. [*Laughter*]

The President. Self-editing. And they come home, and they're dog-tired at night and they're raising their kids and they don't have enough money to live on. And they don't break the law. They don't cheat on their taxes. They don't do anything wrong, and it's all they can do to keep body and soul together. And I guess, my instinct is that you get way more good than harm out of it. And I believe, if you go back to when they did it when—the last time it was done was, when, '89 or something, I think, on balance, we did fine as a result of doing it. And I think we should do it again.

Speaker Gingrich. Can I add one more comment? Let me add one more comment because I think he's making a point here that's very important in thinking about the totality when you mentioned immigration.

I think, in addition to the recommendations of the commission—which I think was a very important thing to do and I think that Barbara Jordan was a superb person to head it up—I think we've got to look very seriously at illegal immigration because I can tell you, even in north Georgia, we now have a very large number of illegal immigrants working, for example, in the chicken industry. And it is on the verge of getting out of control all over this country. And so even if we were to close down legal immigration or slow it

down, if the illegal immigration just keeps pouring in, the effect of driving out American workers is devastating.

Second, I think we have to have welfare reform that reemphasizes work, which is part of why we, frankly, want to get it back to the Governors and have Governor Merrill working on welfare reform, to reestablish work because if it costs you—in New York City, if you lose money going to work at minimum wage, then even when you raise the minimum wage, you can't afford to go to work.

And so—and the President, again—he campaigned on replacing welfare as you know it. And he's committed to welfare reform that gets us in that direction.

The last thing, I guess, I'd like to say—and I don't actually know where you are on this right now. I believe we both have to have much more adult education. I have suggested we tie, for example, unemployment compensation to training so that people, when they're not on a job, are learning. If we're giving them money, they're actually getting trained and learning much more like the Swedish and German model.

And part of the reason we proposed the $500-per-child tax credit is because the day you go to work, you start paying Social Security FICA taxes. It is very regressive on the poorest workers. And the mothers that the President has just referred to who may have, say, two or three children, who are working at minimum wage, if they could get $1,000 or $1,500 back from their Government in a child tax credit, we think that helps that mother take care of those children.

It's a different approach. But again, it's a way of trying to get more cash into those pockets. And I agree with the President. We have got a find a way to get—I think it's now 40 percent of our children are in poverty—we have got to find a way to raise our children and get those children out of poverty.

The President. On illegal immigration—we've increased by about 40 percent the number of border guards we've got, and we're sending illegal immigrants back more rapidly than ever before, especially if they come in contact with the criminal justice system. What we need—and maybe we can work together on this—is the capacity to go into more workplaces and find people who are taking jobs away from Americans illegally. And I think that's important.

On welfare reform—we don't have time to debate that today. We agree on the ends. We have big disagreements about the means. But I've given 29 of the 50 States permission to get out from under all the Federal rules and to do things like take food stamp and welfare checks and give it to employers as a wage supplement and let employers then hire somebody off welfare and use the welfare check to cut the employers' cost to put the people to work instead. And I think that's good.

[*A participant who was once a VISTA volunteer voiced her support for the AmeriCorps program and asked the President and Speaker Gingrich to comment.*]

Speaker Gingrich. Sure. Let me say this is an area where I think the President has a good idea, but we disagree, I think, about philosophy of Government and about setting priorities. But it's not a bad idea. I don't think AmeriCorps in any way is a bad thing. And I—since I want to go first, I am confident that he will tell you vividly how good an idea it is.

But I have two concerns that I think are a different direction, philosophically. One is that I believe—and we have people like Congressman Kolbe and Congressman Knollenberg who are developing a bill that would give a every taxpayer a tax credit to give the money directly to charities so that charities could do it directly. I believe we want to have less Washington-based bureaucracy and fewer decisions made in Washington. And we want to strengthen the private charities.

So if you said to me tomorrow morning would I rather strengthen AmeriCorps or the Salvation Army, the truth is—and I happen to agree with a book by Marvin Elasky called the ''Tragedy of American Compassion,'' where he argues that the kind of transformation that you can get from 100 Black Men or from Habitat for Humanity—who's pin I'm wearing—the kind of groups that aren't restricted by legitimate Government restrictions but are able to go in in a much more spiritual basis and a much more di-

rected basis and help people change, you get a stronger, healthier society by getting it totally out of Government. That's a difference of philosophy about the size of Government.

There's a second difference. If we're going to balance the budget, I think this is a time to be very tough-minded about priorities. Now, the President lists this as one of his highest priorities and is fighting very ably for it and is going to, frankly, keep it. If we can get to a signable rescission bill, it's going to contain—it's going to keep AmeriCorps, and that's the power of the Presidency. I would just suggest that when you sit down and look at what it takes to balance the budget over 7 years or 10 years, it's hard. And if you're setting priorities about which programs to keep and which not, you can have a legitimate, honest debate about how many things you can afford to do in Washington and how many things you need to get back home to New Hampshire or you need to ask the private sector.

But it's an area where I—I don't fault his vision and his desire to recruit people at all, and I think it's, frankly, a program that's very defensible. It's just one—it's a question of philosophy and priorities.

The President. Let me give you my side of it. The reason I got the idea of doing AmeriCorps was, basically, I thought we ought to have more scholarship money available for young people that wanted to further their education or for even not so young people who wanted to do it. And I thought we needed to promote the idea of service here in this country among young people, at least in a symbolic way. If I could fund it all, if the Speaker would support me, I'd get up to a couple hundred thousand people in AmeriCorps in no time. But I wanted to do it especially as we bring down the size of the military, because a lot of young people who otherwise would have gone into the military and gotten wonderful training and served their country in invaluable ways and changed their whole lives forever now won't be able to do it because we just have—we don't have a need for the same size military.

And this idea intrigued me. It was promoted by a lot of other people. I didn't come up with it, I just thought we ought to do it. And it is not organized—even though it's funded by Washington and there's a general policy group in Washington or a board—Governor Merrill can tell you from what they have here in New Hampshire—it is very—there is very little bureaucracy. People competed for the money. If your project got the money, you just kept it. There's almost—very few reporting requirements and no rules and regulations from the Federal Government. But with 20,000 people in AmeriCorps, which is what we had this year, we have more people doing that than were ever in the Peace Corps in any given year.

And the other day I was down in Dallas, just for example, where a retired African-American general supervises our AmeriCorps program. And I saw four volunteers: two girls who were teenage mothers and on welfare, who got themselves off welfare, got a high school equivalency, and were working to help other people get off and earning money for college; a woman who was retired from the Navy, believe it or not, who said, "I don't even know if I'll ever use this credit, I just wanted to serve my country again working in the neighborhoods;" and a young woman who had a degree from the University of Florida, whose mother was on welfare when she was born, and she had always done very well, and she just wanted to go back and give something, try to change that neighborhood.

I think it's important for us to find some ways for people of different racial and income backgrounds and regional backgrounds to work together for the common good in a nonbureaucratic way. So I think it's a tiny cost for a big gain. And that's our difference.

Questions?

Lou Gendron. Mr. President, Mr. Speaker——

The President. Do you want to have one more question——

Mr. Gendron. Ladies and gentlemen, we have time for one more question.

Line-Item Veto

Q. This is mainly intended for our Speaker. If the Congress gives the President a line-item veto without any amendments, wouldn't that lower our budget and help the deficit?

Speaker Gingrich. The answer is, yes, it would. And I support it. And I'm hoping

we're going to be in conference this summer. And the line-item veto's aimed specifically at appropriations bills. And he's already indicated that's how he'd use it. And I hope we're going to be able to get it passed and to him this summer so he can actually use it. I strongly favor it. I think 43 of the Governors have it. I think you had it when you were Governor of Arkansas.

And I think—now, it's not going to be by itself a panacea, but it's going to cut a couple of billion dollars a year of pork out, maybe as much as $10 billion if we—under certain circumstances.

And I supported it when we had Ronald Reagan and George Bush. And just as the other night, frankly, we tried to repeal the War Powers Act to give the President back the right—the legitimate power of the Commander in Chief, I think that any President ought to have the line-item veto. And I support President Clinton getting it.

The President. I want to say, first of all, thank you very much for that. We have—some of the Republicans were worried because the line-item veto legislation might also permit the President to line-item-veto special tax, as opposed to general tax legislation, special tax legislation. I think it should include that.

But what I said—I sent a letter, or I sent a statement to the Speaker and to the majority leader of the Senate saying that I know that a lot of the Republicans may think they want to give tax cuts which they believe are good, which I don't agree with, so I would commit, that for the remainder of this budget cycle this year, if they would pass it this year, I would only use it on spending this year as a gesture of good faith so we could get it into the law and begin to see how it works.

Before we leave, I should have said one other thing on the U.N. thing that I didn't. With all the differences we've had, except for the United Nations and one or two other minor things, the Speaker has been very supportive of me on foreign policy. And one of the things we have to do together is to figure out how to make his party in the House somewhat less isolationist than it is. And I think they're only reflecting the views of their constituents. That is, people want us to tend to our problems here at home. They don't want us to waste any money overseas.

Nothing is more unpopular than doing that now. But this is a very small world, and every time the United States walks away from problems around the world, we wind up paying 10 times the price in blood and money later on. So this is something we're going to have to work together on.

Speaker Gingrich. If I could—let me say thank you and goodbye first, and then let the President have the final say, as is appropriate.

Let me just say, first of all, I agree with what he said, although I can tell you in both parties the difficulties and the problems of carrying the burden of America——

The President. Same with the Democrats. it's not just the Republicans.

Speaker Gingrich. There's a real challenge for all of us to go back home and explain why America has to lead.

Let me finally say to Lou and to everybody here who invited us, I think this has been the best New Hampshire tradition, the best American tradition. I think it is fabulous that you have us come over and—are we all right still? And I just want to say thank you to all of you, and again, I want to thank the President. He didn't have to do this. It was his idea. I think it's good for America, and I'm grateful for the chance to be here.

The President. Let me close by thanking you. I've enjoyed this, and I expect you have, too. And most of all I want to thank all of you for having us here, for listening, for asking the questions.

Q. This man wants to say something, Mr. President.

The President. What? My chops are no good today. [*Laughter*] But I'll be over there in just a minute.

What I want to say is, when you all hear us debating these issues, I want you to think about some real big questions. And I want you to think about the things that affect you, of course. When you hear these numbers batted around, it won't mean anything. I want you to think about if we propose a change in Medicare, if he does, I do, what will—how will it affect you? I want you to think about that, because you should, and you should let us know.

I also want you to think about the big issues. What do you think the Federal Government ought to be doing? What is the role of the Federal Government as we move into the 21st century? How important is it to reduce the budget deficit as opposed to dealing with, let's say, the needs of our people for more investment in education and training, and do you want us to do both?

We have problems in America that are not just political and economic, they are also social, cultural, personal problems. Some people you can't help unless they also are willing to help themselves. On the other hand, you can't just go around and point the finger at people and tell them to help themselves if they need a little help to get down the road in life.

So these are big, fundamental, basic questions that are now being debated all over again in Washington, maybe for the first time in 50 years, where we're really going back to basics. And you need to be a part of that.

If you want us to work together, instead of figuring out who's got the best 30-second attack on the other, you need to really hammer that home. You need to tell the Congressman. You need to tell the Governor. You need to tell all of us that—be clear about your difference, but don't divide the country. And let's try to do this.

Let me just close by saying this: I wouldn't trade places with anybody in any other country. I get to represent you around the world. And with all of our problems, the diversity of America, the power of our entrepreneurial system, the resources and resolve of our people, we're still in better shape for the next century than any other major country in the world. And don't you ever forget it.

And what we owe you is our best efforts not only to show you how we disagree in ways that make us look better than the other but to actually get things done that your lives and your children and your grandchildren. I'm going to do my best to do my part.

Thank you, and God bless you all.

NOTE: The President spoke at 4:45 p.m. at the Earl Bourdon Senior Centre. In his remarks, he referred to Louis Gendron, president, Claremont Senior Citizens Congress; Mayor Paul Lizott of Claremont, NH; and Sandy Osgood, director, Earl Bourdon Centre.

Remarks at a Fundraising Dinner for Senator John Kerry in Boston, Massachusetts

June 11, 1995

Thank you very much, Senator Kerry. Thank you for your remarks and for your example. Teresa, congratulations. I could listen to you talk all night long. Senator Kennedy got so wound up, you'd have thought he was on the ballot next week again. [*Laughter*] That's why he won. He believed in what he was doing, and that's why he won. Thank you for your spirit and your courage and your unflagging energy. Vicki, it's nice to see you. Senator Leahy, Congressman Kennedy, Congressman Markey, Congressman Meehan, my note says that Congressman Frank's here—he may not be or he may—are you here? Thank you. I want to tell you something: When nobody else will stand up, Barney will. He's got—where I come from—thank you—thank you very much. I was going to say, where I come from, that counts for something, and I've never forgotten it. Your State Chair, Joan Menard, and your wonderful, wonderful mayor, Tom Menino, I thank him so much. President Bulger, it's always good to be here with you. I have kissed the Blarney Stone, paid homage, done everything I'm supposed to do here tonight. The mayor of Galway was—is he here still? Where is he at? Anyway, I think—you know, I have to go back to Ireland, and I was wondering if you would consent to be my tour guide if I go back, give me a little direction. Speaker Flaherty, the Secretary of State Galvin, Auditor DeNucci, and Elaine Schuster, thank you so much. You are indefatigable. I am so impressed by how you keep coming back and helping us in our need, and sometimes I think we take our friends for granted, folks, and we should never do that, and I thank you.

Somebody told me my friend, Governor Dukakis is here. Is he here? Hello, Mike. Stand up. God bless you. Thank you.

I've had a rather interesting day, you know? [*Laughter*] I got up at 5:30 this morning, and it's been a hard week at the White House. We're dealing with—you know, I had to veto the rescission bill last week, and we were dealing with a lot of other things, but