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Editor's Note: The President was in Halifax, Canada, on June 16, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Proclamation 6808—Flag Day and National Flag Week, 1995

June 9, 1995

By the President of the United States of America

A Proclamation

This week, Americans celebrate the Flag of the United States, which for more than two centuries has brought our people together in a common bond of citizenship. We reaffirm our allegiance to freedom's banner—"Old Glory"—and to the proud history it has inspired. We honor the valor and sacrifices of all who have defended it—in public service and on battlegrounds around the world. And we rededicate ourselves to the democratic ideals stitched forever into the fabric of America.

In towns and cities across the country, public buildings fly the Stars and Stripes as a symbol of our Nation's spirit of community. That spirit was never more evident than this past April in Oklahoma, where the flag appeared on the sleeves of rescue workers, emergency personnel, and volunteers from throughout the land. A shining badge of honor, it reminded all who mourned that we Americans have seen countless trials and have emerged from each one stronger than ever.

Earlier this year, in expressing our gratitude to the men and women who served in uniform during the Second World War, the Nation observed the fiftieth anniversary of the Battle of Iwo Jima. We recalled the day, immortalized in sculpture, when a team of brave Americans beat all odds and hoisted aloft the American flag. May we, the heirs of the freedom they fought to defend, always remember their courage and serve as loyal standard-bearers for the cause of liberty.

To commemorate the adoption of our flag, the Congress, by a joint resolution approved August 3, 1949 (63 Stat. 492), designated June 14 of each year as "Flag Day" and requested the President to issue an annual Proclamation calling for its observance and for the display of the Flag of the United States on all Government buildings. The Congress also requested the President, by joint resolution approved June 9, 1966 (80 Stat. 194), to issue annually a Proclamation designating the week in which June 14 occurs as "National Flag Week," and calling upon all citizens of the United States to display the flag during that week.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim June 14, 1995, as Flag Day and the week beginning June 11, 1995, as National Flag Week. I direct the appropriate officials of the Government to display the Flag of the United States on all Government buildings during that week. I urge Americans to observe Flag Day, June 14, and Flag Week by flying the Stars and Stripes from their homes and other suitable places.

I also call upon the American people to observe with pride and all due ceremony those days from Flag Day through Independence Day, also set aside by the Congress (89 Stat. 211), as a time to honor America and to celebrate our heritage in public gatherings and activities and to publicly recite the Pledge of Allegiance to the Flag of the United States of America.

In Witness Whereof, I have hereunto set my hand this ninth day of June, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and nineteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 3:12 p.m., June 12, 1995]

NOTE: This proclamation was published in the *Federal Register* on June 14. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

June 10, 1995

Good morning. I know all Americans share my deep pride and joy in the safety of Captain Scott O'Grady. We're proud of his courage and his tenacity. And we are very grateful to our armed forces for his swift and brilliant rescue. I'm glad we have him back safe and secure.

Today I want to talk about a very real threat to the safety and security of young Americans here at home: drunk driving. Drunk driving, especially by young people, is one of the most serious and one of the most avoidable threats to public health in America. I'm joined in the White House by members of Mothers Against Drunk Driving, Students Against Drunk Driving, AAA, and the National Safety Council. In no small measure because of the determined work of private organizations like these, we have taken some very important steps over the last decade to reduce drunk driving.

Most of us who were Governors of our States during that period strengthened our own laws against drunk driving. In 1984, President Reagan signed a bill giving States a strong incentive to raise their drinking age to 21. Today that is the law of the land in every State. As a result, teenagers can no longer drive to neighboring States with lower drinking ages. This happened all the time before we had a uniform drinking age, and all too often with tragic consequences.

The crime bill I signed into law last year puts tough new penalties on the books for people who drive drunk with children in their cars. It also makes it easier for States to prosecute anybody who drives under the influence of drugs or alcohol. And deaths due to drinking and driving have dropped as a result of the progress we've made, 30 percent in the last 12 years. The number of people under 21 killed because of drunk driving has dropped 50 percent since 1984.

This is good progress, and I expect the new penalties in the crime bill will help to improve things even more. But it's not good enough. Some 18,000 people will die this year because someone sat down at the wheel after sitting down at a bar. That's about one every 30 minutes. Well over a million people will be injured, one every 26 seconds.

This may sound unbelievable; it's certainly unacceptable. But over 40 percent of all Americans will be involved in an alcohol-related crash at some time in their lives. Twenty-two hundred people were killed last year because of young drivers who were drinking and driving. Of that group, 1,600 were young people themselves. There's something wrong in America when hundreds and hundreds of our young people are dying because hundreds and hundreds of our young people are drinking and driving.

In most States, drunk driving is defined as a blood alcohol content of .1 percent. When underage drinkers become underage drunk drivers, I believe we should go further. I want Congress to call on the States to adopt zero tolerance laws for teenage drinking and driving. A blood alcohol content of .02 percent, the equivalent of one beer, one wine cooler, or one shot of alcohol, should be enough to trigger the drunk driving penalties for people under 21. After all, if it's illegal for people under 21 to drink at all, it should certainly be illegal for them to drink and drive. That's a no-brainer.

Zero tolerance will save lives. It's already saving lives in 24 States, including my home State. Alcohol-related crashes are down 10 to 20 percent in those States overall. And in some States like Maine and New Mexico, all fatal crashes at night involving young people actually dropped by one-third after they adopted a zero tolerance law. Unfortunately, there are still 26 States, including large States like New York, Texas, and Florida, that draw thousands of vacationing teenagers every year, without these zero tolerance laws. It's time to have zero tolerance for underage drunk driving all across America, not just in some States.

As we redefine the relationships between States and the Federal Government, it is clear there are many things the States can do better than we can do in Washington. And I've done as much as I could to push more authority and decisionmaking back down to the States, to encourage innovation in important areas like welfare and health care reform. But there are other things that are so important to our safety, our security, to our

children, and our future that the Federal Government has a responsibility to act.

I don't think there's any question that the fight against teenage drunk driving demands national action. Congress should make zero tolerance the law of the land. Drinking and driving don't mix for anyone. They certainly shouldn't be mixed by teenagers. The faster we act, the sooner the States will act and the more lives we'll save. Let's get to it.

Thanks for listening.

NOTE: The address was recorded at 11:07 a.m. on June 9 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on June 10. In his remarks, the President referred to Capt. Scott O'Grady, USAF, who was rescued after being shot down and stranded in western Bosnia.

Remarks at the Dartmouth College Commencement Ceremony in Hanover, New Hampshire

June 11, 1995

Thank you very much. President Freedman, Acting President Wright, Governor Merrill, thank you for your warm welcome, to my distinguished fellow honorees. I was thinking when they were all introduced, all the others who won this distinction of your honorary degrees, that if my blessed mother were still alive, she would be saying, "See, Bill, they accomplished something; you're just a politician." [*Laughter*] I am honored to be in their company, and I thank them all for the contribution they have made to the richness that is American life.

To the board of trustees, and especially to the parents and families and members of the class of 1995: Let me begin on a very personal note. I always love coming to New Hampshire. I am delighted to be back at Dartmouth, but I am especially grateful to be here seeing my good friend President Jim Freedman looking so very well and back here at this graduation.

I also want to thank Dartmouth for something else, for contributing to my administration with the Secretary of Labor, Bob Reich, who came with me today. I understand that I have caused something of an inconvenience here—[*laughter*]—and that we are now breaking tradition here at Memorial Field, having left Baker Lawn. But I did a little historical inquiry and determined that when President Eisenhower came here in 1953, Baker Lawn replaced the Bema as the site of commencement. I am reliably informed, however, that the next time a President shows up, you will not have to move to the parking lot at the West Lebanon Shopping Center.

You know, when President Eisenhower came here, he said, "This is what a college is supposed to look like," And I have to tell you even in the rain it looks very, very good to me.

I want to thank you, too, for honoring the class of 1945. See them there? They did not have a proper commencement because they left right away to finish the work of World War II. One of the greatest privileges of my Presidency has been to express over the last year the profound gratitude of the American people for the generation that won World War II. A year ago this past Tuesday, I stood on the bluffs of Normandy to say to the brave people who won a foothold for freedom there, we are the children of your sarifice. I say again to the class of 1945: The class of 1995, the generation of your grandchildren, and all of us in between are the children of your sacrifice, and we thank you.

To those of you in this class, the 50 years that have elapsed since they sat where you sit today have been a very eventful time for this old world. It has seen the ultimate victory of freedom and democracy in the cold war, the dominance of market economics and the development of a truly global economy, a revolution in information telecommunications and technology which has changed the way we live and work and opened up vast new possibilities for good and for evil.

The challenge of your time will be to face these new realities and to make some sense out of them in a way that is consistent with our historic values and the things that will make your own lives richer. The challenge of your time, in short will be to redeem the promise of this great country.

Now there are unparalleled opportunities for those of you with a wonderful education in this global economy in this information age. And you don't have to worry about things that your parents used to worry about

all the time. I am very proud of the fact that in the last 2 years, for the first time since the dawn of the nuclear age, there are no Russian missiles pointed at the people of the United States of America. And I might add, there are no American missiles pointed at the people of Russia.

From the Middle East to Northern Ireland, from South Africa to Haiti, where, as the citation said, my friend Bill Gray did such great work to restore democracy, we see ancient conflicts giving way to peace and freedom and democracy in a genuine spirit of reconciliation. Hundreds of millions of people now breathe the air of freedom who, less than a decade ago, found it a distant dream. Every country in Latin America but one is now a democracy.

I am proud that our Nation could support these developments. But as all of you know, this new world is not free of difficulty, for the forces of opportunity contained within them seeds of destruction. The heavy hand of communism and dictatorships have given way to bloody conflicts rooted in primitive religious, ethnic, and racial hatreds from Europe to Africa. The mobility of money and people and the advance of technology have strengthened the hand of organized crime and drug traffickers from Latin America to Asia to the former Soviet Union. And we have all been reminded recently that none of us in this open, free-flowing world of ours are immune from the forces of organized evil and terrorism.

The possibilities of more rapid economic development have posed new threats to the global environment. Rapid changes in the world economy have brought vast new opportunities, but they have also brought uncertainty, stagnant incomes, and indeed, rapid insecurities, even in the wealthiest countries in the world. And we have seen it in ours.

Here at home, though we have made progress on our deficit and expanding our trade and taking serious action against crime and trying to increase the ability of our country to educate our people and to welcome those from around the world as so many of you have come to find your educational opportunity here, we know that for the first time since this generation left in World War II, Americans are worried that their children will not have a better life than they enjoyed. Half of all of our people are working harder for less than they were making 15 years ago, because the global economy punishes people who don't have the skills to learn to compete and to win in a world that is changing daily, indeed, hourly.

In our Nation, for the first time since World War II, we have watched over the last decade and more, the great American middle class, which is the core of our idea of America, begin to split apart along the fault line of education. And of course, we all know that our social fabric today in this country is being rent apart by what is happening to our children. More and more of them are subject to violence and abuse. A higher and higher percentage of them are born into poverty. More and more of them are having children while they're still children.

Even though the overall crime rate in this country has gone down, random violence among children is still increasing. More and more children are spending more of their lives with one-parent families, sometimes trapped on welfare, but more often, far more often, being raised by utterly exhausted parents who are working two or more jobs to give their children a chance, just a chance, at a good life.

Because in the 1980's we were unable to resolve these problems, because inequality and insecurity increased, because the realities of today and tomorrow were not addressed, the American people have continued to lose faith in the ability of their Government and sometimes, even more importantly, in the ability of our society to solve these problems. And perhaps the most important difficulty we face is the increasing cynicism of our own people.

Today in Washington we're having a great debate about what to do about all this, and that's a very good thing. On the one side, we have people who say that most of these problems are personal and cultural, and if all of us would just straighten up and fly right we wouldn't have these problems anymore. And of course, at a certain level that is self-evidently true. None of you would have a diploma today if you hadn't done the right thing to earn it. And nothing can be done

for anyone to get out of a tight in life unless people are willing to do for themselves.

But that ignores the other side of the debate which is that there are plain economic and social factors that are not even common to the United States, putting pressure on people and taking away their hopes and threatening their dreams.

We have a great debate about what the most important thing for our Government to do is. On the one side are those who say that the Government can't really do anything to solve our problems anyway, so the most important thing is to balance the budget as quickly as possible without regard to the consequences. On the other hand, there are those who say we have a budget deficit and we ought to do something about it, but we have an education deficit as well. And when we have so many poor children, we need to invest in people to make sure they can live up to their God-given potential and that that is also important.

Today I want to say to you is—what I want to say to you is, wherever you come down in all these great debates, the most important thing is that you should be a part of the debate because your life will be far more affected by what happens in the next 2 years than my life. I have been given the opportunity of the American dream. I was the first person in my family ever to graduate from college. When I was a young boy growing up in Arkansas, one of our honorees President Overholser's father was the Presbyterian minister in my hometown. He raised one daughter to be the president of Duke, the other daughter to be the editor of the Des Moines Register. We came out of a place that, at the end of World War II, had an income barely over half the national average. But we were fortunate enough to live through a time when opportunity was expanding and when we were trying to come to grips with our racial and other problems in this country.

And what I wish to say to you is that you are going into the time of greatest human possibility in all history, but you must address the fact that all of our forces of opportunity have seeds of destruction. You must make sense and clarity out of complex problems. And I think you must do it with a much greater sense of optimism and hope than we are seeing in most debate today. There is nothing wrong with this country that cannot be solved by what is right with it, and you should never forget that.

We have a lot of things to do here in America. We have to grow our middle class again and shrink our under class and give our children something to say yes to. We have to strengthen our families and our communities and make the idea of work more real to people for whom it has become unattainable. We have to preserve our environment and enhance our security at home and abroad. And I would argue that we must maintain the leadership of the United States in the world as a force for peace and freedom.

To all those who want to withdraw, who want to turn away, who want to abolish our foreign assistance programs, let me remind you: Look at the history of the 21st century; every time America turned away from the world we wound up with a war that we had to clean up and win at far greater costs than if we simply stayed involved in a responsible manner.

But our most important mission today, I would argue, is to help people make the most of their own lives. You can come down in many places on all these debates in Washington and around the country, but it is self-evident that unless people in this country, wherever they come from, whatever their race or economic standing or region, can make the most of their own lives, whatever is in there—the magic inside all of us—we will not fulfill our common destiny.

And today, more than ever before, it really does all begin with education, what we know and what we can learn. The class of 1945 saw the greatest explosion of economic opportunity in all human history after World War II, in no small measure because every one who participated was given the opportunity to get a higher education through the GI bill. And I am absolutely convinced that that was one of the two or three reasons that the United States of America developed the finest, largest, broadest, deepest system of higher learning in the entire world. And it is still the best system in the entire world because of what happened then.

When President Eisenhower faced the dilemma of the Soviets beating the United States into space and the fact that we had let a lot of our educational opportunities go downhill—he lost a great education initiative, giving loans to people all across the country and giving them good opportunities to pay them back. And they called it then the National Defense Education Act. The idea was that even in the late fifties, education was a part of our national security.

I tell you that that is more important today than it was in 1945 and more important today than it was in the late fifties. Men my age, between 45 and 55, grew up believing that when we reached this age, we'd have the security of knowing we could send our children to college, we'd have a decent retirement, we'd be living in our own homes, if illness came we'd be able to take care of it. We took these things for granted if we worked hard, obeyed the law, and paid our taxes.

In the last 10 years, earnings of men between the ages of 45 and 55 have gone down 14 percent because in the global economy, if you live in a wealthy country and you don't have an education, you are in trouble. We cannot walk away from our obligation to invest in the education of every American at every age.

And to those who think there is no public role in that, I say: Just remember, all of those who need those student loans, who need those Pell grants, all the universities who benefit from the research investments, there is a role for our Nation in the national education agenda of our future, and we should maintain it.

But let me make one other point as well. Education is about more than making money and mastering technology, even in the 21st century. It's about making connections and mastering the complexities of the world. It's about seeing the world as it is and advancing the cause of human dignity. Money without purpose leads to an empty life. Technology without compassion and wisdom and a devotion to truth can lead to nightmares.

The sarin gas in the Japanese subway was a miracle of technology. The bomb that blew up the Federal building in Oklahoma City was a miracle of technology. We have got to use our knowledge to become wiser about the things which we do not understand and to find ways to use our knowledge to bring us together in ways that reinforce our common humanity.

I want to thank Governor Merrill for his support here in New Hampshire for our national service program, AmeriCorps, because I think it exemplifies that kind of objective. And I want to thank Dartmouth for participating in it.

The idea behind national service is to make a connection between ideas and the real world of need out there beyond ivory towers of academia, to make a connection between earning an education and advancing the quality of life for others who may not have it, a connection to be wanting to be respected for who you are and what you believe and not demeaning or demonizing those who are different.

I want to say a special word of thanks to the medical school for the partnership in health education project of the Koop Institute which sends medical students into elementary schools up here in New Hampshire and in Vermont to help to promote health and prevent disease among young people. That also is a purpose of education, building connections, giving to others, helping to bind us together.

A society is not a collection of people pursuing their individual economic, material self-interests. It is a collection of people who believe that by working together they can raise better children, have stronger families, have more meaningful lives, and have something to pass on to the generation that comes behind. That also is the purpose of education, and we need it more than ever today.

And so, my fellow Americans, and those of you who will live and work here, you must decide, what is this new world going to be like? You can probably do fine, regardless. You have a world-class education at a wonderful institution. You have the luxury of deciding: Will you devote your lives and your compassion and your conviction to saying that everybody ought to have the opportunity that you had? Will you believe that there is a common good and it's worth investing a little of what you earned as a result of your education in? Will you believe that education is about more than economics, that it's also

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

overarching everything, of course, was the fate of Captain O'Grady. And it was a few days before we even knew for sure he was alive. And the whole remarkable story is beginning to come out, and of course, we're going to receive him at the White House tomorrow, and I'm looking forward to that. I know all America will be rallied and full of joy and energy.

But, anyway, I was pretty tired anyway, and I rolled out of bed at 5:30 this morning, and I hauled up to New Hampshire, and I spoke at the Dartmouth commencement and shook hands with about 1,600 students. And then I went to a reception and shook hands with a couple hundred more people. I went to Claremont, and Speaker Gingrich and I did our little town hall meeting. And I thought it was a good thing, good thing for America, and I hope you did, too. We didn't get into all of the issues, but we got into some of them, and we had a civilized way, I think, of explaining what the differences are.

What I'd like to talk about a little bit tonight is why I'm still here, and why I'm glad you're here. I was looking at Ted Kennedy give his speech so brilliantly tonight and wanting to cheer every word, and then I watched Teresa speak, and I watched John speak, and I watched John's movie, and I'm feeling sort of mellow. I got to thinking, you know, it's a miracle any of us are still around, you know, the whole complex of circumstances that brings any person to any point in time, where you're in a position to do whatever it is we're trying to do now. It's a great privilege. It's an honor.

And so I was thinking to myself, in this time when our tide is supposed to be out and theirs is supposed to be in, why would I not leave my party? Why am I proud to be here with John Kerry? Why was I proud when Ted Kennedy fought back and won? And I'd like to tell you why I am, based on what I know and what I see as your President.

We are getting back to first principles today, really getting back to first principles. Sometimes I get in trouble in Washington when I'm in these arguments with—because I forget that things I assume everybody else agrees with, a bunch of folks in the Congress now don't agree with at all. But that's not all bad. We're going to have this huge debate.

For example, one of the issues that now is really open for debate is whether most of these social problems that Senator Kerry talked about are caused by economic and political and social factors or whether they're largely personal and cultural. That is, they can only be fixed by people just stopping doing what they're doing wrong and beginning to behave.

Now, there's some truth to that, isn't there? I mean, at one level that's just self-evident that people should behave, and if they don't do what they're supposed to do, nothing the rest of us can do will make anybody get an education or make anybody put a gun down or make anybody stay out of a gang. That is self-evident at one level.

But if you have the opportunity to do what I have done, which is to sit with Mayor Menino and his youth council, you know that it makes a whole lot of difference if somebody is trying to help these kids make the right decision. So I'm a Democrat because I believe the problems are personal and cultural, but not exclusively personal and cultural, and I think we're put on this Earth to try to help other people make the most of their lives, and we're better off when we do that, and I have learned that.

I hear these—there's a big debate in Washington about if the Government is not very good, what should we do, what is the most important thing. And some people think balancing the budget as quickly as possible is the most important thing, no matter what the consequences. I think it's an important thing; that's why we worked hard on our deficit reduction package. We got interest rates down. We got the economy coming back. We have over 6 million jobs to show for it. It is not an insignificant thing.

But it is not the only thing, because it's not as if this country's not worth anything, you know. When we invest in the education of our people, we invest in medical research, when we invest in the things that make us richer and smarter and stronger, we have assets, and they bring us things.

And I would tell you we have a budget deficit, but we also have an education deficit in this country. It is not solely a money prob-

lem, but money is related to it. One of my rules of politics is, when somebody tells you it's not a money problem, you can bet your life they're talking about somebody else's problem. [*Laughter*] You think about that.

Yes, there is a budget deficit, but there is an investment deficit in people, and so, let us find a way to balance the budget and still invest in the education and training and empowerment of all of these people we expect to lead us into the 21st century. That's why I am a Democrat, and I'm glad to be one, because I believe that.

If you believe, as some say now, that the Government can't do anything right and always burdens the private sector, then obviously it makes logical sense to rewrite the environmental laws of the country by letting the people who are covered by those laws, who in the course of their economic activities damage our environment, rewrite the laws. Because if you have no faith in Government at all, then you're not doing anything wrong by letting the polluters rewrite the laws. Because Government is by definition bad, what is public is bad, what is private is good, if that's what you believe.

Senator Kerry sponsored, I think, two of the only environmental pieces, except the California desert bill, that passed the Congress last year, the Marine Mammal Protection Act and another piece of legislation. We thank you for that.

See, I just don't believe that. And Republicans used not to believe that. Richard Nixon signed the law creating the Environmental Protection Act. Richard Nixon signed the first Clean Water Act. Teddy Roosevelt was the first and perhaps still the greatest of all environmental Presidents. There were only 20 head of buffalo left in the entire United States when Teddy Roosevelt set aside the buffalo preserve out West. If you ever go out there, you ought to go see it. It's a big deal. And it's stood for all kinds of other values.

And when I was a boy growing up in the woods and in my little national park in my hometown, I was really grateful to Teddy Roosevelt. And I always thought that using the power of the Government to protect our natural heritage was not really a partisan deal, it was something we had all agreed upon that we had to do, because all of our short-term impulses sometimes have to be subordinated to the long-term good of the United States, all of them, all of them do. So that's why I'm still here.

If you believe that the market always solves all problems and therefore the Government messes it up, it's understandable why you'd be against raising the minimum wage. But to me, this country's done pretty well in the 20th century, raising the minimum wage on a pretty regular basis, and now if we don't raise it this year, it's going to be at the lowest level in 40 years next year. And I'm telling you—we always talk about how we want to reform welfare and people ought to go to work—let me tell you something, folks, there are thousands, tens of thousands of people that get up in this country every day—in fact, a few million—and go to work for the minimum wage. And a lot of them are the sole support of their children.

What kind of courage does that take? Who can live on that? And they get up, and they show up for work every day, and they work for their minimum wage. And they trudge home, and very often they live in a place that's hard to live in, and their kids are exposed to problems that most of our children aren't. And they always pay their taxes, and they never break the law, and they just do the best they can. They are real American heroes. I think we ought to raise the minimum wage. I think that's the right thing to do.

So that's why I'm proud to be a Democrat. We could lose every election in the country, and I'd still be right there, because I couldn't get over that. I could never get over that. And I say that not to be critical of other folks who really have different views but just to tell you that I feel very fortunate just to be able to stand here tonight. And I'm the first person in my family that ever got a college education. I had student loans, and I paid them back, but I needed them badly. And I always thought it was our job to go up or down together.

And one of the things that has struck me so much in the last two months—they've been pretty difficult, emotional months for America, and they're sort of bracketed—if I will just take the last 6 or 7 weeks, by our national heartbreak in Oklahoma City and

our national exultation at this remarkable young Air Force captain who kept himself alive for 6 days, when people were all around him, and I mean literally all around him, with guns in their hand, wanting at least to imprison him and probably to kill him. And we get together at times like this and we feel, even in the midst of tragedy, better about ourselves because we are part of something bigger than ourselves. We really feel like we're Americans again. And I guess the reason I still belong to this party is, I think we ought to feel like we're Americans again every day. I think we ought to be working together every day.

And I want you to think about this one issue to illustrate it. It relates to Senator Kerry. There are a lot of things I like about John Kerry. I like the use—and I mean this is a positive way—I like the use that he has made of his experience in the war in Vietnam, which was the seminal experience of our generation. I like what it has done to his sense of conscience, his sense of responsibility, his sense of reaching out even to Vietnam. I like the fact that it has made him feel a much greater sense of accountability for power. Once you see power exercised in a way that you think is unaccountable, that is erroneous, and you can't change it quick enough to save people that you're trying to save, it makes you interested in things like what we did with Mr. Noriega or what the BCCI issue was all about or what the S&L bailout turned out to be. It makes you interested in accountability, and I like that.

I like the fact that he's kind of like me, he's interested in all of these technology, future-oriented issues and basically has a rosy view of tomorrow. But the thing I really like is that he cares, still, as a United States Senator, about the issue that still has the capacity to tear the heart out of this country, which is the rising tide of violence among young people.

Let me tell you that the crime rate is going down in almost every major city in America. It's a cause for celebration. It's a tribute to enlightened leadership. It's a tribute to the police forces of this country. It means that our crime bill strategy, which Senator Kennedy and Senator Kerry worked hard for, was the right one to put more police officers on the street and to emphasize prevention as well as punishment. It means all that.

But in spite of all of that, underneath all of those numbers, there is an almost astonishing rising tide of random violence among children. And I'll tell you this one story, from my hometown, Little Rock, Arkansas. Just a few days ago—I get the local hometown paper, and I try to read it, it kind of keeps me rooted—and there is this remarkable story. And I only saw the top—I saw this beautiful picture of this schoolchild, and these little questions this child had answered in the picture—big color picture—''if I could do anything, I would have people be nice to each other.'' ''I wish people''—blank, you know, it was one of those fill-in-the-blanks things. ''I wish people wouldn't ever join gangs.'' ''I want to live a long time.'' ''When I grow up, I want to be a police officer.''

I got to laughing, and then I looked at the headline and the whole thing, and this child whose picture was here in the corner with this—''this is what I want to do, and I want people to be nice and no gangs, no violence''—this child and a brother and a sister, the three of them, young children, 10, 12, and 14, as I remember, were lined up and assassinated, assassinated by, apparently, three young men, only one of them using a weapon, because they had an older sister or half-sister who allegedly was involved in the death of one of these other people's siblings. So their idea of retribution was to go wipe these kids out.

And I'm not trying to get you down about this, but what I'm trying to do is to say to you that a lot of this political rhetoric that we engage in is very divorced from reality. And this country is in a strange position now, because I'm telling you, I still think we're in the best position for the future of any major country in the world: We have the strongest economy, the most vital business sector; we are well-connected with the rest of the world; we're the most ethnically diverse. Everything is great. But underneath this, we've got these kids that literally are so disconnected, so numb, so unreached, that they are killing each other almost without remorse, and really believing that nobody loves them and what difference does it make, and

if they live to be over 21, it will be more than they expect.

This Nation cannot tolerate that. And the only way we will ever turn it around is to reexamine every single thing we are doing, yes, and be willing to change it if necessary. But we also have to make a commitment that somehow we're going to do, on a national basis, what the mayor here is trying to do with this youth council. Because all these kids start out as good kids. You know, when they're 6 months old, they haven't decided that they're going to grow up and wipe somebody out. And things happen that make them unable to imagine the life that we take for granted.

You know that wonderful line from Yeats, ''Too long a sacrifice can make a stone of the heart.'' We have a lot of kids whose hearts turned to stone. Now, I don't pretend for a moment that if John Kerry and I win reelection in 1996 that by 1998, on July the 16th, every teenager in this country will all of a sudden turn into an eagle scout, and no one will ever pick up a gun or a knife. But I do think it makes a difference. I do believe it makes a difference whether the people who hold public office imagine that they must make connections with people that are different from themselves and feel that we have a collective responsibility not only to seize our opportunities but also to beat back our problems.

I say this again not to depress you, because I believe that our Nation is in the best position of any country to seize the opportunities of the 21st century but only—only—if we understand that every single opportunity in this chaotic and fast-changing world has within it the seeds of destruction.

And this is one example: Oh, it's wonderful if you can take advantage of the global economy, but if you can't you're going to be one of the 60 percent of American workers that are working harder today for less money than you were making 10 years ago. It's wonderful if you can hook into the Internet and you're a rural kid somewhere out in the Mountain West and find the whole world at your fingertips. But if you're a paranoid crazy, you can also learn how to make a bomb. It's wonderful that we can move around all over the world, but it also makes us more vulnerable to terrorism.

Every one of these leads us to the same conclusion. It is folly for us to believe that we can live and function and make the most of our own lives all by ourselves. Whether we like it or not, beyond our families, we have work, we have communities, we have States, and we are part of a country.

Near the end of the Civil War, Abraham Lincoln said, ''We cannot be enemies, we must be friends.'' We conduct our national politics as if we are trying to segment each other into different groups of enemies and demonize our Government as the instrument of our common coming together.

You are here, every one of you, because you know better. So I will say to you in the end, the reason I hope you will work hard to reelect John Kerry is that his life is an example of understanding down to the fiber of his being that we must go forward together, and that every time we lose a child, we lose a part of ourselves. And no, we're not making excuses for other people's irresponsible behavior, no, we're not taking on to ourselves things that we cannot achieve. But we do understand that in this imperfect world, the thing that makes America great is when America is together. We have been divided long enough. We have been distracted long enough. We have demonized each other long enough. There are children out there to be saved and a world to be made, and that is what we intend to do.

Thank you, and God bless you all.

NOTE: The President spoke at 9 p.m. at the Park Plaza Hotel. In his remarks, he referred to William Bulger, president of the Massachusetts Senate; Charles Flaherty, speaker of the Massachusetts House; William Galvin, Massachusetts secretary of the Commonwealth; Joe DeNucci, Massachusetts auditor; and Elaine Shuster, Democratic Party activist.

Remarks to the White House Conference on Small Business

June 12, 1995

The President. Thank you very much. Someone once told me that half of making a small business work was just consistent, un-

failing enthusiasm. I think you have demonstrated that today. [*Laughter*] And I hope you never lose it.

Let me thank, first of all, my good friend Alan Patricof for the wonderful job that he has done in putting this whole conference together. I want to thank the other commissioners for the work they have done, the corporate sponsors, all the people, the staff people, who worked on our meetings out in the State and the regional meetings and made sure that we got the reports back here. I thank them all. I thank Phil Lader for the fine job that he has done.

And I want to say a few more words in a moment about the Vice President and the reinventing Government group. But let me tell you, their—we tried to do something that's hard to do, and may never register, but I noticed for years every President would come here and just continue to run against the Government. And it was always good politics, except the Government never changed because most people who worked here say Presidents come and go, but we'll be here when they're gone. [*Laughter*] And we decided that most of those people were pretty good people and that they didn't wake up every day wanting to make your life miserable and wanting to do things that were counterproductive and hurt the American economy.

And the Vice President and people with whom he has worked, Elaine Kamarck, Bob Stone, Sally Katzen, so many others, they actually decided to see if they couldn't get these folks involved in working with us to try to change the culture of Washington so that when we're gone, they'll be different. And that's never been done before in my lifetime. And I want to thank him and all of them for doing it. It's hard work. It's thankless work. It's hour after hour after hour of arguing and gaining ground inch by inch that no one will ever see. But I'm telling you, that is what we were hired to do. And that is what he has led the way in doing. And the country owes him a great debt of gratitude.

You know, there have only been three of these conferences held since our Nation was founded. This will be the last one in the 20th century. I also want to thank the Members of the Congress who made this possible, people in both parties who supported it. And I want to say a special word of thanks to all of you. Everybody here had to take precious time away from your business, and some of you had to close your businesses down and come here at great personal financial sacrifice to yourselves, and I want this to be worth your while. And I'm grateful to you for doing it, and I thank you.

You know, sometimes I think things are pretty rough around here, and I often think they're entirely too partisan. We—the Speaker of the House and I tried to change a little of that yesterday up in New Hampshire, and I think we did the right thing.

Just in case you think this is something new, let me tell you that in 1938, President Roosevelt invited small-business people from around the country to gather over at the Commerce Department. Just after the morning session started, the participants became so argumentative that the Commerce Department guards had to be called in. [*Laughter*] An inventor from Philadelphia became so rowdy that the DC police had to take him out of the room—[*laughter*]—and I quote from the historical record, ''put him in a hammerlock, give him a finger twist, and assign three officers just to keep him quiet.'' [*Laughter*] Well, it was 42 years before they held another White House Conference on Small Business. [*Laughter*] I hope you all make it to the lunch break today. [*Laughter*]

You know, the last couple of conferences have really produced some positive efforts, from the Paperwork Reduction Act of 1980 to the Regulatory Flexibility Act in 1980. This year is no different. This conference is going to produce some substantive changes, and it already has, because of the State and regional meetings. And I want to talk to you about them today, ideas that grow out of the recommendations that you and your colleagues all across America have made.

I ran for President with a pretty simple vision: I wanted to restore the American dream and bring the American people together in a period of rapid change here at home and around the world, an economy in which jobs and capital, technology and ideas flow across borders at lightning speed, with great opportunities, but enormous challenges, an economy in which we were pro-

ducing jobs and businesses at record rates but in which incomes were stagnant and insecurity was rising for people, especially in their middle-aged years when they needed to be thinking about whether they could guarantee their children a better shot than they had had.

My job as President is to do everything I can to see that our people and our businesses have the tools they need to meet the demands of the present age and seize the opportunities. We know that small business is the engine that will drive us into the 21st century. We know that big corporations get a lot of attention—[*applause*]—thank you—we know that the big companies get a lot of attention. And they should; they do important things for America. But you employ most of the people, create more than half of what we produce and sell, and create most of the new jobs, and we need to respond to that.

Small business is the American dream. We look around this room, we see, and you can hear when you share each other's stories, innovation and ingenuity and daring.

I'll never forget one thing that Hillary told me years ago. We were talking about all the jobs we had when we were kids, and all the jobs we had going through college and law school and all of that. And she said that the most important job she ever had in her life she thought as a child was a job she had working in a small store in her hometown when she was in high school in the summertime, because this person just opened this new business to try to compete with the only other person doing the same thing in town. And she said for a couple of weeks nobody came in. And she realized, and I've heard her say it to me 50 times since she first said it, the extraordinary amount of personal courage it takes to start a new enterprise and risk yourselves in this environment. That is what made this country great. And we have to nourish it, support it, enhance it, not undermine it. That's why you're here.

When I came here 2½ years ago, the first thing we had to do is to try to generate a broad-base economic recovery because we were in a period of the slowest job growth since the Great Depression. And we were having serious problems. We had quadrupled our country's debt and tripled the annual deficit in only 12 years, while reducing our investment in the future in many important areas. We knew we had to get our fiscal house in order, bring that deficit down, and at the same time continue to invest in the skills of our people and the technologies of the future, to open markets, to create more jobs, and also, and quite importantly, to reinvent the way this Government works to make it relevant to the future toward which we're heading, not tied to the past which we have long since left.

Now this hard work is paying off. There's a lot of work still to do, but the facts speak for themselves: The economy is up; inflation is low; trade is expanding; interest rates and unemployment are down. The strategy is working. Over 6½ million new jobs have come into this economy in the last 2 years, almost all of them in the private sector, a far higher percentage of new jobs in the private sector as opposed to Government than in the previous decade. We have more than 80 new trade agreements covering everything from cellular telephones to rice from my home State and everything you can imagine in between. The deficit is being cut already by a trillion dollars over 7 years, and we are going to cut it more.

We are reducing—the deficit is now going down 3 years in a row under the budgets already passed for the first time since Mr. Truman was the President of the United States. And under the budgets already passed, thanks to the reinventing Government effort, we are going to reduce the size of the Federal Government by 270,000. It will make it the smallest its been since President Kennedy was the President of the United States.

In 1993, more new businesses sprung up than in any previous year since World War II when we started keeping these statistics. And 1994 broke the record of 1993. And more and more, importantly, are staying alive. In the last 2 years, business failures and bankruptcies have plummeted. We wanted to keep it that way. We're doing everything we can to accelerate that trend.

In the 1993 economic program which was passed by the Congress, there was a 50-percent cut in capital gains for 5-year investments in new businesses capitalized at $50

million a year or less. I think that will increase access to capital for small businesses. We raised the amount that can be deducted for equipment expenses by 75 percent. We extended the research and experimentation tax credit. We have just extended the deduction for self-employed people for their health insurance premiums, and next year it will go up to 30 percent from 25 percent. We've also scrapped export controls and expanded export assistance to help not only big businesses but small businesses sell their products around the world.

When I came to this office, I had three basic goals for small business: I wanted to give new life to the Small Business Administration; I wanted to make it easier for you to get credit; and I wanted to cut Government, regulations that didn't make any sense so you could grow faster. We've come a long way toward meeting these three objectives.

Under the extraordinary leadership of both Erskine Bowles and Phil Lader, two people who became heads of the SBA not because they happened to be involved in politics but because they knew something about small business, which seems to me that should be the basic criteria for anybody who ever gets that job in the future under any administration.

We have a leaner, more invigorated, more committed SBA than ever before. We've shrunk the applications for most common loans from over an inch thick to a page long, one single page. The SBA budget is now less than the taxes paid every year by three companies that received critical SBA help early in their careers—Intel, Apple, and Federal Express.

In the past year more private capital was invested in SBA's venture capital program than in the previous 10 years combined. We have dramatically reduced the credit crunch in many parts of the country by revising banking regulations to encourage lending to smaller firms. And the SBA loans grew from 32,000 in 1992 to an estimated 67,000 this year. And though we more than doubled the number of loans, the cost to the taxpayers was reduced. We've expanded loans to women- and minority-owned businesses dramatically—dramatically—without—this is the important criteria—we have done it dramatically without lowering the volume of loans to other business or without lowering the credit standards one single bit.

The Vice President talked a little bit about the Herculean work that he and the others in our reinventing Government group have been doing to reduce regulations. Last Friday we announced an initiative that will allow you to report wage and tax information to one place. Instead of sending the same data to many different Federal and State organizations, you can now send it to one place, and we'll do the rest. Next year, in 32 States next year, people will be able to file their State and Federal income taxes together, electronically. Now, that will really save a lot of paperwork and problems.

Today I want to make two further announcements. First of all, we're committed to making the regulatory burden lighter, literally lighter, specifically 39 pounds lighter. [*Laughter*] As part of the review I ordered at the beginning of the year, we are taking 16,000 pages from the Government's Code of Federal Regulations. I thought you would like to see those pages.

Could you bring them out, please?

These are our others.

Audience members. IRS, IRS——

The President. Hey, I'm working on that.

Now, if you place these end to end, they would stretch for 5 miles: 50 percent of the SBA regulations; 40 percent of the regulations of the Education Department—I want to compliment them; they're also trying to fulfill my mandate to have national standards of excellence and then support for grassroots education reform, not education reform right out of Washington—40 percent of the regulations; 25 percent of the reporting burden of the EPA. Now, let me give you an example of what this is.

Audience member. IRS, IRS——

The President. Do you want to give this talk? [*Laughter*] We're working on that. I already told you we dramatically cut the reporting requirements. We're working on the regs, too, on the IRS. If you knew how hard we had to work on all these, you'd come on up here and help us some more. [*Laughter*] That's why you're here. Give us a list of the other things you want cut. That's why you're here.

Audience member. IRS.

The President. If you give a list, you file your report—you know how this works. You've got to get your votes up and make your recommendations. But this will make a difference. This will make a difference.

Let me just give you one example of the kind of thing—if I were a betting person, and I could afford it—[*laughter*]—I would wage a considerable amount of money that no one will ever write me a letter complaining about the demise of these regulations. But I was being reasonably conscientious, like I am, I wanted to make sure we weren't getting rid of something terribly essential, and so I asked the reinventing Government folks to give me an example of the kind of things we're getting rid of that I could relate to from my Arkansas roots. And I hate to tell you this, folks, but we're about to lose the regulation that tells us how to test grits. [*Laughter*] Now—it's terrible.

Now, listen to this. I want you to ask yourself if you can do without this: ''Grits, corn grits, hominy grits, is the food prepared by so grinding and sifting clean, white corn, with removal of corn bran and germ that on a moisture-free basis, its crude fiber content is not more than 1.2 percent, and its fat content is not more than 2.25 percent.'' Here's the interesting part—[*laughter*]—''When tested by the method prescribed in Paragraph B–2 of this section, not less than 95 percent passes through a #10 sieve—[*laughter*]—but not more than 20 percent through a #25 sieve.'' [*Laughter*] Now, here's B–2; it tells you how to get that done: ''Attach bottom pan to #25 sieve.'' [*Laughter*] ''Fit the #10 sieve into the #25 sieve, pour 100 grams of sample into the #10 sieve, attach cover and hold assembly in a slightly inclined position. Shake the sieves''—[*laughter*]—''by striking the sides against one hand with an upward stroke, at the rate of about 150 times a minute.'' If you've never been in a marching band, how do you know what 150 times a minute is? [*Laughter*] ''Turn the sieves about ⅙ of a revolution each time in the same direction after each 25 strokes.'' [*Laughter*] ''The percent of the sample passing through a #10 sieve shall be determined by subtracting from 100 percent the percent remaining in the #10 sieve.'' [*Laughter*] ''The percent of material in the pan shall be considered as a percent passing through a #25 sieve.''

I don't know if we can do without that or not. What they ought to do is just have a designated taster like me in every State that knows what grits taste like. [*Laughter*]

Now, I have to tell you, there is some real sacrifice in this, though. We've all had a good laugh, but there's some real sacrifice. I personally am having to give up this 2,700-word regulation on french fries. [*Laughter*] Don't worry about it, folks. Our health insurance plan has counseling for this sort of thing. I'll be all right. [*Laughter*]

Let me tell you that we've had a good laugh here today, but—and while a lot of this seems self-evident, it's not always easy to get rid of these things that are outdated and don't make any sense to us. But it's even harder to make regulations that need to be on the books but have become tangled up and senseless over the years, untangled, sensible, and workable.

So we're also working to make another 31,000 pages of these Federal Government regulations simpler, clearer, and more relevant to your lives—things that most of you would admit ought to be done, but just don't make sense in the way they're being done—to bring common sense back into the way we do business.

Here is proof of the example. Today I want to announce a plan to reform the laws and regulations governing pension plans in our country. And almost every one of them came from you. That's why I am urging—that's why I said to the gentleman who mentioned the IRS and the others, this is what this conference is for. When you hear this, you may want to clap, but remember, it's happening because of you. And we can do more because of you.

But let me just go over this. You may recognize these ideas because we got them from you. The pension laws enacted over the last 20 years with the best of intentions are now so utterly complicated that you need a SWAT team of lawyers and accountants to help you fill out the forms and comply with the rules. Running pension plans takes so much time and costs so much money that only 15 percent of the small businesses in our country

have them. Most of you just give up, and who could blame you?

Simple streamlined pension plans, however, are good for everyone, for small business because they boost morale and give people a stake in the company, for workers because they encourage savings, and we need to do everything we can to see that our people put away more money for the future.

So here's what we're going to propose: Start a simplified IRA-based pension plan for companies with 100 or fewer employees. Under this plan, if you guarantee your employees a certain contribution, you will be exempt from complex anti-discrimination rules.

Second—I don't know how many times I've heard this myself—second, fair treatment for families who work together. Get rid of the family aggregation rule. Get rid of the family aggregation rule, which treats family members as a single entity, dishonors the hard work of individuals, and is a drag on that great American institution, the family business.

Third, simplify. There is currently a seven-part test to determine whether or not someone is a, quote, ''highly compensated employee.'' That is nuts. [*Laughter*] So, we believe that there ought not to be a seven-part test. We simply ought to have a simple guideline that will save all of us time and money.

Now, we can do all of these things without opening the system to abuses. Safeguards for fair play are still in place. But we can do it, and we should. There is a lot more to do.

I want to make two points in closing. Number one, you can make progress on these problems. It's hard work. It's more difficult than giving speeches about how bad it all is, but it can be done.

The second point I want to make is, we know you made a sacrifice in time and money to come here. We know people like you made those sacrifices to come to the regional conferences and the State conferences. This is serious business. We did not ask you to do it just so we could cheer and have a good time, although that's important. We want your further ideas. We are doing these things because people like you all over America said they ought to be done.

Lastly, let me say that for all of the challenges and difficulties in this country, I wouldn't swap with any other country in the world as I look to the future and what it holds.

So, in a few moments, the Vice President and I are going back to the White House and we're going to welcome that fine young Air Force Captain Scott O'Grady and his family there. And I want you to think about everything this country's got going for it.

First of all, and most important, it's got you and people like you, great entrepreneurs, great citizens, people who work hard, make the most of their lives, doing the best that they can with their families, contributing to their communities.

Secondly, we have more diversity in this country, more ethnic and cultural diversity, than any other advanced country. And that's a huge asset in a global economy. It's a huge asset.

Thirdly, we have a phenomenal set of assets and technology and research capability. And we have a Government that can change and can be a partner as we build the economy of the 21st century. We have profound challenges. But what I want you to believe from this experience today is that we can change, we can make it better, and that it comes from you. We will listen. That's why we wanted you to be here. I want you to be screaming and yelling and having a good time. I will not send the DC police after you—[*laughter*]—as long as you will send me some more good recommendations so we can do this again next year.

Thank you. And God bless you all.

NOTE: The President spoke at 10:40 a.m. at the Washington Hilton.

Remarks at a Ceremony Honoring Captain Scott O'Grady

June 12, 1995

Thank you very much, Mr. Secretary, General Shalikashvili, to all the members of the Armed Forces here, the distinguished Members of Congress, the members of the O'Grady and Scardapane families, to our distinguished guests.

I am tempted to say that we actually arranged this weather today so that Captain O'Grady would know for sure that he was not going to be left high and dry. [*Laughter*]

We are all here to thank our men and women in uniform for the rescue of Captain Scott O'Grady. Their mission made all Americans proud, just as Captain O'Grady's courage has made all Americans proud. We know that the skill and professionalism of our Armed Forces and the intelligence that backs them up are unmatched. We know that the months, the weeks, the years in training someday, somewhere will always have to be put into effect. And, last week, those of you who brought life to that training and saved one brave man's life said more about what we stand for as a country, what our values are, and what our commitments are than any words the rest of us could ever utter, and we thank you for it.

Consider this: that an F–16 pilot in Captain O'Grady's "Triple Nickel" squadron picks up a faint radio signal and relays it to an AWACS plane. Within minutes, the AWACS operators positively identify Captain O'Grady and pinpoint his location. Then just hours later, no less than 40 airplanes and helicopters are airborne, led by a combat search and rescue team from the 24th Marine Expeditionary Unit, commanded by Colonel Martin Berndt. The AWACS aircraft, a marvel of our technology, guide two Super Stallion helicopters to within 50 yards of Captain O'Grady. In 2 minutes, the marines secure the landing site, and whisked the captain to safety under hostile conditions.

When I spoke to Captain O'Grady once he was on board the U.S.S. *Kearsarge,* he told me his rescuers were the real heroes. Well, it can't be done any better than they did it. They showed our Nation and the world the best of our teamwork. When we finished our conversation, Captain O'Grady remarked, "Mr. President, I just want to say one thing: The United States is the greatest country in the world. God bless America."

The men and women of our Armed Forces also bless our America with your service and your skills. Because you do your job so well, our Nation will always be "The Land of the Free and the Home of the Brave." Now, let me say it was a very great personal honor for me to host Captain O'Grady and all the fine members of his family, beginning with his grandparents and going down to his brother and sister and some of his friends, at the White House for lunch today.

I can tell you that he certifies he got a better meal today than he did in those 6 days in Bosnia. But he gave us something more precious than we can ever give him, a reminder of what is very best about our country. And I'd like to now ask Captain O'Grady to come up here and say what's on his mind and heart to the people who gave him back his freedom.

Captain Scott O'Grady.

NOTE: The President spoke at 1:42 p.m. at the Pentagon.

Remarks to the United Auto Workers Convention

June 12, 1995

Thank you very much. Thank you, Owen, for that fine introduction, and thank you for your leadership over the years. I want to congratulate you and the other officers who are retiring. I want to say a special word of hello to all the brothers and sisters of the United Auto Workers throughout the country, especially those from my home State of Arkansas, with whom I've worked over the years.

I'd like to say a word, also, to Dennis Fitting, the president of Local 455 out of Saginaw, who was with me last Friday at the White House for a reunion of a group of exceptional Americans whom I met along the campaign trail in 1992. We call this group the Faces of Hope. And I want to thank Dennis for being a member of the group and for his commitment to our efforts to move America forward.

All of you know better than anybody that Owen Bieber has dedicated his entire life to improving the lives of working families. He took over the UAW 12 years ago, during one of the toughest periods in your entire history. In all of the years, he has never wavered, even in the face of administrations here in Washington that were sure less than friendly. He's always stood strong not only for UAW workers and their families and their incomes and their future but for the kind of broad

social progress that has been the hallmark of the UAW since its beginning in the 1930's. Whether it was in the fight for civil rights or the fight to end apartheid in South Africa, your solidarity with the American farm workers, the UAW has always been there for others as well as for your own interests.

Owen Bieber has truly carried on the legacy of Walter Reuther. And moreover, in a very difficult period in our country's history, he has set the stage for even greater strength for you in the 21st century. We all owe him our deepest gratitude and our best wishes. And I feel especially indebted to him for his advice, his counsel, and his ferocious support. Thank you very much, Owen. We all wish you well and Godspeed.

Now, I know you haven't elected your new officers yet, but I wanted to say that I personally would feel a whole lot better about my campaign if we could go into 1996 with poll numbers looking like Steve Yokich's do right now for you.

One of the most memorable moments in my 1992 campaign, and I had a lot of memorable moments with the UAW, but one of the most memorable was the opportunity I had to walk the picket line with Owen and the striking workers of Caterpillar in Peoria. I looked into the tired but determined faces of men and women on that picket line, and I realized how much was at stake, for them and for all the rest of us as well.

I ran for President because I believed we had to do more to help those workers and millions of Americans just like them who had seen their stake in the American dream uprooted during the 1980's; people who were being abandoned by Washington; people who were working harder and harder for less and less. Their struggle showed me better than any report or any poll that the fight to save the American dream and the fight to save American families must begin with the fight to save America's workers and their incomes and their jobs. Of course, the struggle at Caterpillar is still not over, but my administration continues to walk the line with you, and we'll stay there.

I came to Washington to work with you and with all other Americans to turn these disturbing economic trends around. I wanted to shrink the under class and to grow the middle class. I wanted to rebuild a sense of hope and community. I wanted to help people to make the most of their own lives. I wanted to reward the values that have kept this country strong, the values of work and family and community. And so I've worked hard to develop an economic strategy that focuses on both creating jobs and raising incomes. And I've focused on a social strategy that would, instead of just talking about family values or work, would actually reward work and family and responsible parenting and good citizenship. And it's beginning to work.

In the past 2½ years, our economic strategy has added almost 7 million new jobs to our economy, and nearly all of them have been in the private sector. We're cutting the deficit by a trillion over 7 years, reducing it for 3 years in a row for the first time since Harry Truman was President. But we have been able to invest more in the education and training of our people and in the promotion of our children and strengthening our families.

We've been able to give a tax cut to 15 million working families through the earned-income tax credit. What that means in simple terms is that this year working families with two children with an income of under $28,000 will have a tax break of about $1,000.

We want to make it so that every family who works for a living will not live in poverty. We want parents who are willing to work full-time to be good parents and good workers at the same time. That's also why I worked so hard and you worked so hard for the passage of the Family and Medical Leave Act. It will make a real difference to working families in this country.

As you know, we're having a big debate now in Washington over balancing the budget. As I have said many times, I want to balance the budget. It will help you if we do. It will lower interest rates. It will free up money to invest in the private sector and new jobs. It will mean that we can spend more of your tax money on things like the education of our children and less paying interest on the debt.

But we cannot balance the budget by giving a huge and untargeted tax cut that benefits mostly very wealthy people and paying

for it by excessive cuts in the Medicare program. We can't do it by walking away from the fact that we have not only a budget deficit but an education investment. You know as well as anyone, from the increases in productivity the UAW has achieved in the last several years, that we have to have constant education and training if we're going to guarantee our young people the incomes and the security they need.

So I say, we all know that the countries that do the best job of educating all their people will be the real winners in the global economy. No one understands this more than you. You have led the way with your apprenticeship programs and your training programs. You have worked and worked and worked to support the kind of lifelong learning agenda that is central to my efforts to revitalize the American middle class.

And that's why, even though I agree we should balance the budget, we don't have to be targeted into an arbitrary timetable, funding excessive tax cuts to people who are doing well and don't need it, and having excessive cuts either in Medicare for our elderly or in the investments that make our country strong.

I'm fighting to preserve our investments, like the direct student loan initiative, which lowers the cost of college loans to your children, eases their repayment terms and makes it possible for more of our young people to go and to stay in college; our innovative school-to-work apprenticeship efforts, which involves partnerships with unions and community colleges and employers all over the country; our successful national service initiative, AmeriCorps, which gives 20,000 young people college scholarship funds in return for community service work in their local community, helping people to help themselves.

We can't afford not to support something as important to our future as the education and training of all of our people. That's why I am also supporting a new GI bill for America's workers, to collapse about 70 smaller Government training programs into one big block and to give people a check or a voucher when they're unemployed or when they're underemployed so that they can take the money for up to 2 years to a local community college or to any other approved training program to get the kind of training they need. When people lose their jobs in this country today, too often people walk away from them. And it's wrong.

Let me take just a moment to talk about one other aspect of our strategy that is crucial to our future. As we enter the 21st century, trade is becoming more and more important to the long-term health of the American economy. We only have 4 percent of the world's population. Our success in the future rests heavily on being able to sell our goods and our services to the other 96 percent of the world.

When we open new markets, we find new consumers for our products. When we sell more products, we create more jobs. Every billion dollars in new exports creates 17,000 new American jobs. That's why I've done my dead-level best as President to open new markets around the world. The Congress has helped me, because it means so much to our economy and to our way of life. The fight for open trade should not be a partisan issue. Democrats and Republicans work together to put in place more than 80 trade agreements in just over 2 years.

I know you haven't always agreed with us, and I understand. I think I did the right thing, because we get the burdens of low wage countries shipping goods into this country and into our markets no matter what we do. The trade agreements we've reached aren't just pieces of paper, they're meaningful, concrete pacts that open up markets to us and create jobs that, on balance, pay above the national average.

Open trade is now expanding all around the world, everywhere, that is, but Japan. Of all the industrialized countries, Japan imports fewer manufacturing goods for their size than any other by a long shot. At times, some people said it was our fault that we didn't sell more there. They said our deficit was too high. They said our products were not competitive.

Well, we cut the deficit, and on an annual basis now, our deficit is as small a percentage of our income as that of any other advanced country in the world. And all of you and millions of American workers like you worked hard to make sure that our products could

compete and win in terms of price and quality.

Now in some areas we have made progress with Japan over the last 2½ years. We've concluded 14 results-oriented agreements. Believe it or not, they're now eating American rice in Tokyo. Japanese consumers are buying everything from our apples to our telecommunications equipment. But in many areas, Japan's market remains stubbornly closed. There's no question this is about artificial trade barriers, not the quality of American products.

By some estimates, if Japan had open markets, the increase in U.S. exports would create hundreds of thousands of American jobs. By the way, it would have been good for the Japanese, too, because their consumers pay almost 40 percent more than they should for the basic necessities and products of life.

Japan's trade barriers are most unfair, as you well know, when it comes to cars and car parts. In the last 25 years, we shipped 400,000 cars to Japan, and they shipped 40 million cars to us. That's a 100:1 ratio. Be sure and quote that number the next time somebody tells you there's not really a trade problem here.

Twenty-two years ago, in 1973, the Big Three had less than one percent of Japan's auto market. Every President since then has tried to fix this problem and open the Japanese market to American cars. You know what kind of success we've all had, what kind of market share the Big Three has today, after 22 years? A whopping 1.5 percent.

Now, you know how bad this problem is. Our auto industry accounts for about 5 percent of our gross domestic product directly. It employs 2½ million Americans. But when the auto industry does well, so do a lot of other people, the people who make iron and steel and aluminum and rubber and glass and semi-conductors, the things the auto industry needs. American auto parts are so good that we have an auto parts trade surplus of $5.1 billion around the world, because demanding companies, like BMW and Mercedes, use our auto parts all the time. But with Japan, we have $12.8 billion trade deficit.

My fellow Americans, this is a simple question of fairness. The American auto market is open to Japanese products, more open than the European market, more open than most markets in the world. The Japanese auto market, by contrast, is still closed to American products. We have tried and tried other means as long as we could. And we have tried long enough. Now we must act decisively to level the playing field and to protect American jobs.

I have ordered the U.S. Trade Representative to impose 100 percent tariffs on 13 Japanese-made luxury cars by June 28 unless Japan agrees to open its markets to cars and car parts before then. Now the ball is in their court. I hope Japan is ready to reach a serious agreement. But make no mistake, if we have not resolved this by June 28, these sanctions will go into effect.

I'm gratified that there's so much overwhelming bipartisan support for this policy in the Congress. It's time for the Japanese to play by the same rules the rest of us play by. If working Americans see us continue to put up with unfair deals, they'll lose their faith in open trade. And we can't afford that. We've made too much progress opening markets to risk letting this problem with Japan spin out of control. We can't hesitate to fight for our rights.

Japan is a valued friend and partner. We cooperate on a host of other issues. Our trade relationship must also reflect that kind of cooperation. It has to be a two-way street. That's all I'm working to do. Just as we must be good partners with the other nations of the world, we know that Japan must be a good partner with us.

Let me say again, this is not just in our interest; this is in their interest. Even though their incomes are high, they are paying almost 40 percent more for consumer products than they should. We'll all win if we have fair and open trade.

I also want to ask all of you to be partners in strengthening the economy. I believe good, strong unions and good faith collective bargaining are essential to helping us meet the challenges of the future. That's why one of the first things I did upon taking office was to rescind the anti-union Executive orders of the previous 12 years. And 3 months ago I signed an Executive order that states loud and clear we will not allow companies

that do business with the Government to permanently replace striking workers.

The right to strike is a fundamental American right. Anyone who tries to deny that right can expect a fight from this administration. Labor unions have worked too hard in the 1980's and the early nineties. They have made too many concessions. They have changed too many work rules. They have shown over and over and over again the willingness to make changes to become more productive and more competitive. When they make those kind of changes and show that kind of flexibility and when they have the kind of results that have been achieved, they deserve to be respected, and the spirit as well as the letter of the law should be honored.

We will also fight any attempts by companies to dominate labor unions. I will veto any effort to weaken Section 8(a)(2) of the National Labor Relations Act. And I am fighting to preserve your hard-earned wage protections. The Davis-Bacon Act and the Service Contract Act are the foundations for decent living standards for many, many Americans. Some want to take that away, but I want to stand at your side to protect that standard of living that you have fought long and hard to maintain. I don't agree with those who criticize these acts as inefficient or excessive. I believe that the Davis-Bacon and Service Contract Act simply put the American Government on the side of favoring a high-wage, high-growth economy. I don't believe we should support policies that increase the inequality that has grown so much over previous years.

I believe we should go up or down together. We should have shared sacrifice; we should have shared benefits. And I will veto any effort to repeal those laws.

I also believe, as you do, that collective bargaining is not a privilege but a right. Our appointments to the NLRB, Bill Gould, Peggy Browning, and the General Counsel, Fred Feinstein, are committed to preserving that right.

And so, together, we are all working here, fighting hard to help you hold on to what you've struggled to win over six decades. But after standing in your way for 12 years, there are those in Congress who now want you to believe they're on your side. Kind of reminds me of the words to a country and western song, ''How can anything that sounds so good make me feel so bad?''

There are those who talk about the health and safety of working Americans that try to weaken, even to gut health and safety standards; those who say they support work over welfare, but support a welfare reform bill that's weak on work and tough on children, one the Congressional Budget Office says is unworkable in 44 of our 50 States. They say that work should pay, but they oppose raising the minimum wage to make it a living wage. All of you know how important the minimum wage has been to making sure people have a decent standard of living in this country.

You know, I saw something recently that brings home the need for an increase in the minimum wage more than anything else that I've seen in recent months. I was watching a news special on television, and they went down South to a town that had a lot of minimum-wage workers. There they interviewed a remarkable woman in a local plant who was working for the minimum wage. They said to her, ''You know, your employer says if we raise the minimum wage, then they'll either have to lay off people or put more money into machinery and reduce their employment long term, and you could be affected. What do you say to that?'' And the woman just threw back her shoulders and smiled and said, ''Honey, I'll take my chances.''

There are a lot of women and no small number of men out there who are in that situation. Some of them are raising their kids on the minimum wage. The truth is we have looked at all the arguments, pro and con. There is really no evidence that a raise in the minimum wage will cost jobs, but we do know it will make more people want to move from welfare to work. We do know it will reward work. And we know if we don't raise the minimum wage, next year it will be at a 40-year low, once you adjust for inflation.

That's not my idea of the 21st century economy. My idea of the 21st century economy is Americans working hard, working smart, well-trained, well-supported, competing and winning in the global economy, doing the kinds of things the UAW is doing today, not driving down the minimum wage so that more and more people work harder and

harder just to fall into poverty. That's wrong, and we need to turn it around. We need to give everybody a fair shot at the American dream.

In closing, let me say that our work here requires a partnership with you, so that we'll be ready to compete and win in the 21st century; so that we don't raise the first generation of Americans to do worse than their parents; so that, instead, we begin to grow the middle class and shrink the under class again. The future of our Nation depends upon rewarding the efforts of workers like you. You and your families are the heart and soul of America, so we have to work together to preserve not only what has been won but to fight for the jobs, the incomes, the justice, the American dream of the future. We can do it. We can do it.

Thank you, and God bless you all.

NOTE: The President spoke by satellite at approximately 5:45 p.m. from Room 459 of the Old Executive Office Building to the UAW meeting in Anaheim, CA. In his remarks, he referred to Owen Bieber, outgoing president, and Steve Yokich, incoming president, United Auto Workers.

Statement on the Retirement of Lane Kirkland

June 12, 1995

American workers, and workers around the world, owe a tremendous debt of gratitude to Lane Kirkland. For nearly five decades, he has been a catalyst for international democracy and a guiding force for workplace fairness, dignity, and innovation.

His record of achievement rivals the great labor leaders that came before him, and his ideas and accomplishments will benefit working families for generations to come. He served with distinction during some of the toughest times for American workers and brought creativity, a laser-like determination, true grit, and an unparalleled intellect to his job as president of the AFL–CIO.

Hillary and I wish him the very best for the future and will always be grateful for his strong support, keen advice, and valued friendship.

Proclamation 6809—Father's Day, 1995

June 12, 1995

By the President of the United States of America

A Proclamation

As children finish the school year and families begin to enjoy the long days of summer, Americans across the country reach out to their fathers in thanks. Every year, Father's Day gives us a chance to spend time with our families and to honor the bond between parent and child. It is a moment for dads to find joy in the blessings that fatherhood brings. And it is a day for remembering that children can grow up immeasurably stronger with the gift of a father's love.

The most fortunate among us can claim warm memories of our fathers' lessons—times when dads can be models of energy and patience. Whether encouraging their children in taking their first steps, riding a bike or meeting other challenges in life, fathers teach us the importance of balance and stand behind us until we're steady. Through the scrapes and self-doubts that every young person confronts, fathers can be our role models and heroes, soothing childhood fears and instilling the steady values of hard work and fair play. They are our guidance counselors and our best friends. Their faith inspires us to try again when we fail and fills us with pride when we succeed. As coaches and caregivers, teachers and workers, fathers who make parenthood a priority earn their families' lasting respect.

We Americans rely on our fathers for courage and compassion, and the security of having them with us gives us confidence in all of our endeavors. On this special day, let America's sons and daughters show their fathers that they care. Let us continue to strive for a world in which every child grows up safe—a world in which every child knows that though they may feel sometimes unsteady, their fathers are behind them always.

Now, Therefore, I, William J. Clinton, President of the United States of America, in accordance with a joint resolution of the Congress approved April 24, 1972 (36 U.S.C. 142a), do hereby proclaim Sunday, June 18,

1995, as "Father's Day." I invite the States, communities, and citizens of the United States to observe this day with appropriate ceremonies and activities that demonstrate our deep appreciation and affection for our fathers.

In Witness Whereof, I have hereunto set my hand this twelfth day of June, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and nineteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:02 a.m., June 13, 1995]

NOTE: This proclamation was released by the Office of the Press Secretary on June 13, and it was published in the *Federal Register* on June 14.

Remarks at a Memorial Service for Les Aspin

June 13, 1995

I would like to begin by thanking all the people who have spoken before. Each of them has given us a little slice of the incredible, complex, rich person that Les was. I think he would have liked this service. I think somewhere he's saying, "Gee, I guess I did all right."

I always identified with Les Aspin. We were policy wonks. We sometimes worried more about our workload than our waistlines. And on occasion, we forgot that in this complicated world, how things appear are sometimes almost as important as how things are. But I will never forget that the essence of him was truly extraordinary. And I am in great debt to the contribution he made to my life and to the work of this administration.

One of my favorite pictures that has been in the press since I've been in office is one of Les and I walking across the White House lawn. I had my arm around him, and we looked like we were deep in thought. You know, what I was really telling him is, "You have to stop working so hard, lose some weight, loosen up." [*Laughter*] If the Presidency is preeminently a place of the power of persuasion, I failed on that occasion. [*Laughter*]

A friend once described Les' idea of a vacation as thinking about defense in a different setting. [*Laughter*] Once when he did take a few days off, he sent a postcard home to his staff. On the front, there was a picture of a beach; on the back he had scribbled, "Why are you wasting time reading postcards?"

Those of us who had the privilege of being close to Les Aspin know that he was not only exceptionally brilliant, he was iconoclastic in the best sense. That was a great benefit now as we go through this period of transition from the cold war into a new and exciting but still troubling world.

He was always questioning the conventional wisdom and always refusing to be bound by it. He was a good teacher. I learned a lot from him. I remember the first time I came to see him I was the Governor of my home State and not a candidate for President, a curious person. And when I left his office after our first talk, I was utterly exhausted. I thought I had finally found somebody with 4 times the energy I have.

Through the years, I sought him out more and more. And in 1992, he, more than any other person, was responsible for the fact that in our campaign we determined that both parties would be strong on defense.

Les Aspin did a lot of different things in a lot of different ways. He showed sophistication, and then he showed the lack of it. But, as has been said in different ways today, everyone who really knew him never doubted one thing, that his first and foremost concern was to do whatever would make this country stronger and safer and better. That is what he cared about above all else.

As the cold war wound down, he played a critical role as chairman of the Armed Services Committee. But as my Secretary of Defense, he was finally able to put his remarkable knowledge and passion and vision for defense policy at work to reshape our forces to the demands of the 21st century. The blueprint he took the lead in drafting will guide us into that new world. It will guide us for decades to come. And all of us will be in his debt.

After he left the Defense Department, we continued to talk, and I continued to be amazed by his incredible openness to service,

by his incredible passion for the issues with which we were all called upon to deal. And he answered the call to serve again as the head of our Foreign Intelligence Advisory Board, a post that is not much known outside of Washington, but is of profound importance to the future of this country. Then he agreed to serve on the Armed Services Commission on Roles and Missions. He did all these things no matter what else was going on in his life, no matter what had happened to him, with incredible good humor and grace and passionate devotion.

It has been said that true patriotism is not short, frenzied outbursts of emotion but the steady dedication of a lifetime. By that standard, Les Aspin was a true and remarkable patriot who made a dramatic positive difference to the United States and all the people who live there.

We will miss him terribly, but, as you heard today, his legacy remains all around us in the streets of Beloit, Racine, Kenosha, throughout southeast Wisconsin—how he loves that place. It will be seen in the students and the graduates of Marquette University, in the men and women who wear our uniform around the world and do more good in conditions that are more safe and secure because of his labor.

It also lives on, as we heard today so movingly, in the memories of those of us who were lucky enough to have known and loved him. He left each of us our own stock of Les Aspin stories, guaranteed to bring a smile to our faces and warmth to our hearts as long as we remain on this Earth.

Well, Les is God's servant now. And finally, finally, he is with someone with sufficient energy to keep up. [*Laughter*]

NOTE: The President spoke at 3:18 p.m. at St. John's Church.

Statement on a Nuclear Agreement With North Korea

June 13, 1995

I welcome the agreement reached between the United States and the Democratic People's Republic of Korea in Kuala Lumpur on key issues related to implementation of the US–DPRK Agreed Framework. Achieved through close consultation with our friends and allies in the Republic of Korea and Japan, the agreement keeps North Korea's dangerous nuclear facilities frozen and confirms that the Korean Peninsula Energy Development Organization (KEDO) will select the reactor model and prime contractor for the light-water reactor project. At the same time, KEDO has confirmed that both the reactor model and prime contractor will be South Korean.

In addressing these and other issues, today's understandings are an important step on the road toward full implementation of the US–DPRK Agreed Framework, which provides the international community with assurance against a North Korean nuclear threat and North Korea with opportunity to rejoin the community of nations. We also continue to believe that the resumption of North-South dialog is essential not only to the full implementation of the Agreed Framework but also to the continuing effort to build lasting prosperity and a stable peace on the Korean Peninsula.

Statement on the Supreme Court Decision on Affirmative Action

June 13, 1995

The Supreme Court's decision sets a new legal standard for judging affirmative action, but it must not set us back in our fight to end discrimination and create equal opportunity for all.

Despite great progress, discrimination and exclusion on the basis of race and gender are still facts of life in America. I have always believed that affirmative action is needed to remedy discrimination and to create a more inclusive society that truly provides equal opportunity. But I have also said that affirmative action must be carefully justified and must be done the right way. The Court's opinion in *Adarand* is not inconsistent with that view.

It is regrettable that already, with the ink barely dry, many are using the Court's opinion as a reason to abandon that fight. Exaggerated claims about the end of affirmative action, whether in celebration or dismay, do not serve the interest all of us have in a re-

sponsible national conversation about how to move forward together and create equal opportunity.

The Supreme Court has raised the hurdle, but it is not insurmountable. Make no mistake: The Court has approved affirmative action that is narrowly tailored to achieve a compelling interest. The constitutional test is now tougher than it was, but I am confident that the test can be met in many cases. We know that from the experience of State and local governments, which have operated under the tougher standard for some years now.

Some weeks ago, I directed my staff conducting the review of Federal affirmative action programs to ask agencies a number of probing questions about programs that make race or sex a condition of eligibility for any kind of benefit. What, concretely, is the justification for this particular program? Have race and gender-neutral alternatives been considered? Is the program flexible? Does it avoid quotas, in theory and in practice? Is it transitional and temporary? Is it narrowly drawn? Is it balanced, so that it avoids concentrating its benefits and its costs? These are tough questions, but they are the right policy questions, and they need answers.

I have instructed the team conducting the administration's affirmative action review to include an analysis of the *Adarand* decision and its implications in their report.

Message to the Congress Transmitting the Report of the Department of Housing and Urban Development

June 13, 1995

To the Congress of the United States:

Pursuant to the requirements of 42 U.S.C. 3536, I transmit herewith the 29th Annual Report of the Department of Housing and Urban Development, which covers calendar year 1993.

William J. Clinton

The White House,
June 13, 1995.

Address to the Nation on the Plan To Balance the Budget

June 13, 1995

Good evening. Tonight I present to the American people a plan for a balanced Federal budget. My plan cuts spending by $1.1 trillion. It does not raise taxes. It won't be easy, but elected leaders of both parties agree with me that we must do this, and we will.

We're at the edge of a new century, living in a period of rapid and profound change. And we must do everything in our power to help our people build good and decent lives for themselves and their children.

These days, working people can't keep up. No matter how hard they work, one, two, even three jobs, without the education to get good jobs, they can't make it in today's America. I don't want my daughter's generation to be the first generation of Americans to do worse than their parents. Now, balancing our budget can help to change that, if we do it in a way that reflects our values and what we care about the most: our children, our families, and what we leave to generations to come.

That's why my budget has five fundamental priorities. First, because our most important mission is to help people make the most of their own lives, don't cut education. Second, balance the budget by controlling health care costs, strengthening Medicare, and saving Medicaid, not by slashing health services for the elderly. Third, cut taxes for the middle class and not the wealthy. We shouldn't cut education or Medicare just to make room for a tax cut for people who don't really need it. Fourth, cut welfare, but save enough to protect children and move able-bodied people from welfare to work. Fifth, don't put the brakes on so fast that we risk our economic prosperity.

This can be a turning point for us. For 12 years our Government—Congress and the White House—ducked the deficit and pretended we could get something for nothing. In my first 2 years as President, we turned this around and cut the deficit by one-third. Now, let's eliminate it.

It's time to clean up this mess. Here's how: First, I propose to cut spending in discretionary areas other than defense by an aver-

age of 20 percent, except education. I want to increase education, not cut it. We'll continue to cut waste. Under Vice President Gore's leadership, we're already cutting hundreds of programs and thousands of regulations and 270,000 Federal positions. We'll still be able to protect the environment and invest in technology and medical research for things like breast cancer and AIDS. But make no mistake, in other areas there will be big cuts, and they'll hurt.

Second, we should limit tax cuts to middle income people, not upper income people, and target the tax cuts to help Americans pay for college, like we did with the GI bill after World War II. Let's help a whole new generation of Americans go to college. That's the way to make more Americans upper income people in the future.

Third, don't cut Medicare services to the elderly. Instead of cutting benefits, maintain them by lowering costs. Crack down on fraud and abuse, provide more home care, incentives for managed care, respite benefits for families of Alzheimer's patients, and free mammograms. For all Americans, I propose the freedom to take your insurance with you when you change jobs; to keep it longer after you lose a job; insurance coverage, even if there are preexisting conditions in your family; and lower-cost insurance for groups of self-employed and small business people. If we don't have tax cuts for upper income people, as congressional leaders have proposed, we won't need to make harsh cuts in health care or in education.

Finally, balance the budget in 10 years. It took decades to run up this deficit; it's going to take a decade to wipe it out. Now mind you, we could do it in 7 years, as congressional leaders propose. But the pain we'd inflict on our elderly, our students, and our economy just isn't worth it. My plan will cut the deficit year after year. It will balance the budget without hurting our future.

This budget proposal is very different from the two passed by the House and the Senate, and there are fundamental differences between Democrats and Republicans about how to balance the budget. But this debate must go beyond partisanship. It must be about what's good for America and which approach is more likely to bring prosperity and security to our people over the long run. We ought to approach it in the same spirit of openness and civility which we felt when the Speaker and I talked in New Hampshire last Sunday.

There are those who have suggested that it might actually benefit one side or the other politically if we had gridlock and ended this fiscal year without a budget. But that would be bad for our country, and we have to do everything we can to avoid it. If we'll just do what's best for our children, our future, and our Nation, and forget about who gets the political advantage, we don't go wrong.

Good night. Let's get to work.

NOTE: The President spoke at 9 p.m. from the Oval Office at the White House.

Remarks Prior to a Meeting With Congressional Leaders and an Exchange With Reporters

June 14, 1995

Plan to Balance the Budget

The President. I'd like to, if I might, just say a couple of words. First of all, I want to thank Senator Daschle, Senator Moynihan, Senator Breaux, Senator Mikulski for coming here today to discuss welfare with the Vice President and me and Governor Romer and Secretary Shalala.

Last night I laid before the Nation my plan to balance the budget in 10 years in a way that is consistent with the long-term prosperity of the American people and our fundamental interests. And one of the priorities I stated was pursuing the right kind of welfare reform. I still believe that the Republican bill is too tough on children and too weak on work and runs the risk of undermining our fundamental commitment to the welfare of children without moving people from welfare to work.

I want to endorse today the bill authored by Senators Daschle, Breaux, and Mikulski because it does meet those criteria. It is—it supports work. It supports doing the things that are necessary to get people into the work force and protecting children, especially dealing with the child care issues and requiring States to continue to support the children

of the country who, through no fault of their own, are born into poor families.

So I believe this is the right kind of welfare reform. It also saves money. It will help us balance the budget, but it does it in the right way.

Q. Mr. President, the Democratic reaction to your budget has been overwhelmingly negative. Do you have a revolt on your hands on Capitol Hill?

The President. Well, I think it's been sort of decidedly mixed, don't you? Senator Breaux was just telling me that he and Senator Lieberman endorsed it today.

Q. But a lot of people feel that you have let them down, you pulled the rug out from under them.

The President. Well, let me just say, a lot of people—I'm sympathetic with the Democratic position. The Democratic position is the Republicans won the Congress by just saying no. They voted against deficit reduction. They proposed health care plans and then walked away from them. They just said no. And somehow, they were rewarded for that, and therefore, we should just say no at least for a much longer time.

But I do not believe that's the appropriate position for the President even if it—the voters have a lot on their hands in their own lives. It's hard not to figure out what's going on in your own life today without trying to figure out what's going on here. And I don't believe it's right for the Democrats to kind of overreact to the last election.

Even though I don't think they were treated fairly—I don't think the last Congress got anything like the credit they deserved for reducing the deficit, bringing the economy back, and doing all the wonderful things that were done—I still believe that the long-term best interests of the country are furthered by bringing the deficit down in a way that increases our investment in education, preserves our commitment to the historic commitments of the Democratic Party to helping those in need, permits us to protect the environment and have a strong defense and do the things the country needs.

So I believe I have done the right thing. I know there will be those who think that it's the wrong time or the wrong thing, and they are free to express their opinion. But I still feel very good about what I——

Q. Mr. President, much of that criticism appears to be directed at your proposal to cut the growth of Medicare.

The President. Well, I believe—if you look at what we've done—first of all, we've already cut the growth rate of Medicare. The inflation rate has been coming down. And we've done it without cutting services to the elderly.

Their proposal will provide for drastic cuts in services to the elderly. Our proposal will provide for some health care reform which expands health care coverage, including to the elderly, and cuts the rate of increase at a more moderate rate than the Republicans do and in a way that enables us to avoid cutting services to the elderly or charging low-income elderly people a couple of thousand more dollars for health care that they can't afford. We're not going to do that.

So if you look at the details of our proposal compared with theirs, I think ours is going to stand up very, very well. And that's why I have urged all the Members to look at the details, look at the facts before they reach a final judgment.

Q. Do you want to meet with Republicans as well?

Q. Where does it all go from here, Mr. President, a budget summit?

The President. ——the details, like welfare reform.

NOTE: The President spoke at 12:33 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

Exchange With Reporters Prior to Discussions With European Union Leaders

June 14, 1995

The President. Let me say that it's a great honor to have President Chirac here for he first time since his election, although he's been here before and we've had several good visits since I've been President. And I'm looking forward to the conversation. We have had no conversations yet, and we're going to

have a press availability at the conclusion of our meetings.

French Nuclear Tests

Q. Have the French set back the world in terms of resuming their nuclear testing?

The President. I think I would—what we want to do is get a comprehensive nuclear test ban treaty. That's high on our agenda, and we have agreed not to test while we search for that. And I'll—if there are further questions on that, I will answer them at the——

Iraq

Q. Do you have any information about this happening in Iraq? Do you think it is a coup attempt against Saddam?

The President. I'd rather answer all these questions at the press availability.

[*At this point, one group of reporters left the room, and another group entered.*]

France-U.S. Relations

Q. Mr. President, can you say something about this visit of the French President, new-elected?

The President. First, let me say it's a great honor to have President Chirac here for his first visit as President. But we have known each other since I became President. And I think you met my wife before I was elected. I've had many good visits with him, and we've talked extensively by telephone since his election. But I look forward to this. And of course, after our meeting we will have a press availability, and we'll be able to answer questions about the subject of our talks at that time.

Q. How is the mood between France and the United States today with the new President here in Washington?

The President. I think it's very good. I know that I personally have a lot of confidence in President Chirac. I think he's entered office with a lot of energy and direction and conviction about the things that are good not only for France but for our alliance and our common search for security and for democracy and the world and for peace. And I'm looking forward to it. I think he's going to make an enormous contribution to our common causes.

NOTE: The President spoke at 1:48 p.m. in the Oval Office at the White House. The President met with President Jacques Chirac of France in his capacity as President of the European Council and Jacques Santer, President of the European Commission. A tape was not available for verification of the content of this exchange.

The President's News Conference With European Union Leaders

June 14, 1995

President Clinton. It's a great pleasure to welcome President Chirac and President Santer to the White House, the first visit for both leaders in their present positions to the Oval Office.

I begin with congratulations to President Chirac on his outstanding victory last month. From our many contacts with him throughout his long public service, the United States knows that he is a true and reliable friend, and he will be a strong and effective leader for France and for Europe. In his short time as President he has already demonstrated this leadership. We applaud his determination to create jobs and economic growth for his own country, and with Jacques Chirac as President, we are sure that the French commitment to peace, stability, and progress is in excellent hands.

France, as all of you know, was America's first ally. We know that our relationships will grow even stronger in the coming years.

It was a pleasure as well to meet President Santer, whose leadership in the cause of Europe follows in the great tradition that began with Jean Monet. More than 30 years ago, President Kennedy spoke of a strong and united Europe as an equal partner with whom we face, and I quote, ''the great and burdensome tasks of building and defending a community of free nations.'' This is more true that ever. And our summit today shows the United States partnership with Europe is a powerful, positive force.

The three of us reviewed a lot of economic and security issues: Our efforts to help the countries of Central Europe and the former Soviet Union. We reaffirmed our commitment to strengthening NATO and proceeding with the steady process of enlarging the alliance. We agreed to continue liberalizing

trade. We agreed that senior representatives of the U.S. and the EU will work together to develop a common agenda for the 21st century. Secretary Christopher has already provided a road map for this dialog in his recent speech in Madrid.

We discussed our efforts to strengthen the U.N. peacekeeping forces and to reduce the suffering in Bosnia. In the midst of the tragedy, we must not forget that the common efforts have already saved thousands of lives, and we must continue to work together.

We also explored a number of issues that the leaders of the G–7 will deal with in Halifax, and I'd like to mention a couple of them if I might. The Halifax conference marks another step in our effort to build the structures of the global economy for the 21st century. In the face of astonishing change, the growing economic ties between nations, the rapid movement of people and information, the miracles of technology, our prosperity depends upon preparing our people for the future and forging an international system that is strong enough and flexible enough to make the most of these opportunities.

At home we have been working hard to establish a steady record of growth, investment in our people, in bringing down our budget deficit. I am proud that our deficit today is now the lowest of all the G–7 countries. Our new budget proposal to balance the budget in 10 years will permit us to do this and continue to invest in the education and development of our people.

Abroad we have set out clear goals: To open world markets, to help the former Communist countries transform themselves into free market democracies, to promote economic reform in the developing world, to speed reforms in the international financial institutions. These efforts have yielded tremendous successes: NAFTA, GATT, agreements with the Asia Pacific region and in our own hemisphere. We have supported the nations in Central Europe, the New Independent States, and the developing world in their historic turn toward free markets. Now we have a chance to reap enormous benefits in better jobs, greater opportunities, and growing prosperity.

We will build on our agreements last year in Naples when we meet in Halifax to focus on reforming the institutions of the international economy. The IMF, the World Bank, the regional banks have served us very well over the last half-century. And they have grown, taken on new missions as the times demand. But to deal with a new economy we have to give them new guidance and new momentum.

First, we must work to identify and prevent financial problems like Mexico's before they become disasters and rock the global economy. And when crises occur, we must have efficient ways to mobilize the international community.

Second, we have to examine how best to adapt for a new era the multilateral development banks and the social and economic agencies of the U.N. These organizations have helped dozens of countries to build their economies and improve the lives of their people. We must not walk away from those banks and our obligations to the developing world. This is a point that President Chirac made to me in our meeting and one with which I strongly agree.

Finally, together with Russia, we will discuss a range of political issues that include Bosnia, Iran's nuclear ambitions, European security, and reform in Russia. We will consider new forms of cooperation to combat international crime, terrorism, and nuclear smuggling, because prosperity without security means little.

Also, I will be having some bilateral meetings, as all of you know, including a meeting with the Prime Minister of Japan, at which time we will review the position the United States has taken on our trade disputes with Japan with—regarding autos and auto parts. As you know, we are going to be meeting about that again shortly after the Halifax summit. My determination there remains as firm as ever. I believe we can reach a successful conclusion, and I intend to do everything I can to see that it is done.

Let me again thank President Chirac and President Santer and offer them the opportunity to make a couple of opening remarks.

Mr. President.

President Chirac. Mr. President, ladies and gentlemen. Mr. President, 40 years ago, when I was working as a soda jerk in the Howard Johnson restaurant—[*laughter*]—I

didn't think that one day I would be in the White House beside the President of the United States for a press conference. And I appreciate it very much. It's rather moving for me. Since that time I, unfortunately, forgot most of my English. [*Laughter*] That's why I'm going to speak French if you don't mind—[*laughter*]—just to say a few words to start with.

Firstly, I would like to thank you very much for the welcome you have extended to me. I'd also like to tell you how pleased I am to see that on the main issues we are facing in the world today, and namely relations with France and with Europe, we have total convergence of views.

We're living in a world that is becoming increasingly disintegrated. We see a rising trend of selfishness and isolationism in many, many countries. And so, it is very reassuring indeed to see that the world's greatest nations realize how important it is to have solidarity amongst one another. This is true in politics. This is true in the social and economic areas. It's also true when we face challenges together throughout the world and crises together throughout the world. And this is why I said that we are in agreement on most of the points, even if on some issues we do have divergent views.

Mr. President, as the President of the European Union for a few more weeks, I would like to express my gratitude for the stance that you have taken on Bosnia, which is of great concern to me personally. I would like to say to you that we would like the entire Western world to be more attentive to the problems of the developing issues. And this is something that I will take up in Halifax. This is something that we must do something about. It's an ethical problem, a moral problem. It's also in our own interest, given the population growth that we see in many of these countries.

I think that we must also work more closely together when it comes to addressing regional crises. We've seen the eruption of regional crises in many different parts of the world, in Africa, in Europe, elsewhere. I think that we must, again, think more carefully about the main issues, the main challenges we are facing today, mainly employment. And this is why I am very pleased to make—that my request that a second G–7 meeting be held on employment and that you welcomed that. The first meeting was, indeed, a success.

I also think that we ought to undertake great efforts to fight against organized crime. In the United States some recent successes have been achieved in the fight against drugs. And I think that everything that deals with money laundering, fighting against drug trafficking, fighting against the spread of AIDS, again we must pool our efforts, enhance our efforts, and make sure that we work together in a complementary fashion. Now, in Halifax I will be touching on those points as well.

Now, we have an additional issue, monetary insecurity, currency fluctuations. This is something that is a worldwide problem and a European problem, in particular. So these are the issues that I, as President of the European Union, have raised in my conversations with the President of the United States and will also be discussed during our meeting in Halifax.

President Santer. Thank you, Mr. President. The wide range of issues we covered in our stimulating discussions today is testimony to the importance of our mutual relationship. Ours is undoubtedly the world's most important bilateral partnership. The regular six monthly meetings between the United States and the European Union as such are catalysts for announcing our cooperation. The continued strengthening of the Union allows this cooperation to be balanced and effective.

Despite the excellence of our relations, there is no place for complacency. In a world searching for new equilibrium, every opportunity must be taken to broaden and deepen the relationship. This will provide the foundation for global stability and prosperity.

That is why I called at the beginning of this year for a review of the transatlantic partnership and launched the year with a transatlantic treaty. I am happy that since then, on both sides of the Atlantic, vivid debate is starting on the future of American and European relations. Today's meeting shows that there is a clear political will to explore the various means of structuring our relationship in view of the 21st century.

It is too early to commit ourselves to precise concepts. This will need more time. But what we must achieve is a formula which would integrate the political, economic, and security components of that relationship. A lot will obviously depend on the outcome of the 1996 intergovernmental conference, which will define the future shape and role of the European Union itself. But it is not too early to immediately improve our consultation mechanism and to concentrate on concrete action, delivering tangible results in the short term. And that is what we have done today.

We have also discussed the idea of launching a new transatlantic initiative at our next meeting in Madrid in December. I very much welcome that, as I welcome the decision to charge a small group of senior-level representatives to examine ways of strengthening the European Union and the United States relationship and prepare the Madrid meeting.

Today's meeting has confirmed my belief that we are on the right track and that the transatlantic partnership will further prosper to the benefit of our peoples and, indeed, of the whole world.

Thank you so much.

President Clinton. Helen [Helen Thomas, United Press International].

French Nuclear Tests

Q. President Chirac, your decision to resume nuclear testing has provoked worldwide consternation. Are you willing to reconsider? And also, President Clinton, has his decision handicapped the drive for a comprehensive test ban?

President Chirac. Well, obviously, the question that you've put to President Clinton is a question that he shall answer. But for me I would say that no, I am not at all willing to go back on the decision that I've taken. But I would like to recall that we are talking about a very limited number of tests for a pre-established time frame, that is from September to May 1996, and that France has made a commitment to sign without reservations, once it is ready to do so, that is in the autumn of 1996, we will then be in a position to sign the comprehensive test ban treaty.

Q. So the protests don't bother you? I mean, the fact that the rest of the world really is disarmed by your decision?

President Chirac. Well, unfortunately, I haven't really seen that the rest of the world is unarmed in this. [*Laughter*]

President Clinton. As you know, we regret the decision, and we have worked hard to try to stop the test as a way of setting up greater willingness to have a comprehensive test ban treaty. And we have forgone testing ourselves. But I do want to point out that the French have pledged before President Chirac came here—and he has reaffirmed that pledge, which you just heard—to achieve a comprehensive test ban treaty by next year. Also, France was very helpful in supporting the indefinite extension of the Nuclear Non-Proliferation Treaty.

So I believe on the larger goals that we still are united, and I believe we will achieve the success that we seek.

Mr. President, would you like to call on a French journalist?

President Chirac. A French journalist, is there a French journalist who would like to ask a question?

Iran

Q. A question to both Presidents: Concerning the way of dealing with Iran as a terrorist state, are both of the governments on the same wavelength, or is it still a bone of contention?

President Clinton. You think I should go first? [*Laughter*]

President Chirac. Yes, you are the host. [*Laughter*]

President Clinton. It's the least I can do as the host.

I don't know that we're on the same wavelength. As you know, many countries disagree with the position the United States has taken, but we believe the evidence is clear that Iran is a major sponsor of terrorism. And we believe the evidence is clear that they are attempting to develop the capacity for nuclear weapons. And we think that neither of those things should be supported and, in fact, should be opposed.

We also believe, regrettably, that the evidence is that a constructive engagement with the Iranians has at least so far failed to

produce any positive results, failed to change the course of conduct of the country. And that is why we decided to take even stronger action recently and stop our direct and indirect trade with Iran. And I believe it is a proper course. I will attempt to persuade others that it is a proper course, at least insofar—certainly insofar as it affects sensitive things, like technologies which can be used for military benefit and certainly to develop nuclear capacity.

Bosnia

Q. I'd like to ask President Clinton, thousands of government troops are converging on Sarajevo vowing to break the 3-year-old Serb stranglehold on the capital. Do you think that a military solution is possible there? And do you think that the U.N. peacekeepers should get out of the way and open the way for any attack?

President Clinton. Well, you really asked two different questions there. In the first—whether the road can be opened to Sarajevo militarily is not the same question as whether a military solution is possible in a larger sense. And my judgment is, and I think President Chirac agrees, that in the end a military solution is not available to the Bosnian Government. And I'm quite concerned about it.

And, therefore, I believe that what we are trying to do in strengthening UNPROFOR—you know that President Chirac has taken the lead, and the United States certainly supports him in principle, in developing a rapid reaction force to try to strengthen the UNPROFOR troops there and to protect his own troops more. And we believe that that and a vigorous continued pursuit of diplomacy offers the best hope of saving the Bosnian state and minimizing casualties.

In terms of whether in this narrow moment such an action would succeed, I think our military leaders' judgment would be better than mine. But I think the larger point is that we have discouraged all the parties from continued violence. That's one of the reasons that we agreed with the U.N.'s request for a bombing support when Sarajevo was shelled by the Serbs recently. We think that the position of the United States should be to support our allies who are there on the ground, to support strengthening the U.N. mission, and to discourage all increases in violence, to try to keep the lid on the violence and put the pressure on all parties, including Serbia proper, to support those actions which would lead to a negotiated settlement.

Would you like to comment on that?

President Chirac. On Bosnia, we share the same view. Firstly, the UNPROFOR soldiers have been scattered throughout the country as part of a humanitarian and peacekeeping policy. They have been spread out across a vast territory, which is, furthermore, occupied by terrorists and, in particular, Serbian terrorists.

Now, the inevitable happened, that is to say, availing themselves of the first pretext that came along, the Serbians took hostages, and the UNPROFOR soldiers on the ground were incapable of defending themselves. Now, a soldier ought to be able to defend himself at all times, especially if he is running a risk of physical danger or death. And in that kind of case, it is impossible to allow for him to be humiliated. But the soldiers of UNPROFOR have become increasingly humiliated. So it's a question of honor, and that called for a reaction.

And so, France and the United Kingdom, along with some Dutch reinforcements, we have decided to create a rapid reaction force. The objective of this is not to attack anyone. It is going to be part of the existing U.N. mission and will cooperate with NATO, of course. The mission here is to react, to react anytime U.N. soldiers are attacked, humiliated, or deprived of their freedom. In order to achieve this, we had to develop a force that has the means to react, namely artillery, helicopters, and tanks.

Now I have heard, in some quarters, from some political leaders who are wondering whether or not this Franco-British initiative is just a first step towards a withdrawal of UNPROFOR in Bosnia. Well, this is obviously absurd. If such a withdrawal were ever to take place—and I certainly hope that it does not—this is something that has already been planned for. We've already come up with contingency plans for a withdrawal.

So what I would—what we were trying to do with the creation—what we are trying to do with the creation of the rapid reaction

force is to enhance the capability of the soldiers to carry out their mission. And the quicker we can do this, the quicker the Serbs themselves will realize that they can't get away with murder.

And this is why we require the general agreement of the Contact Group. And I can say that the Russians have agreed to this, and almost all the countries we've consulted have agreed. Now, it is up to the United States Congress to give the green light to this initiative. And obviously, I hope that it will.

It's important to bear in mind that any delay shall be seen by the Serbs as a glimmer of hope. And they shall be banking on internal dissension within the Contact Group—shall give them more time. And they have to understand that time is running against them. So that is the rationale behind this rapid reaction force which is being set up and which is, for the most part, composed of French and British troops.

President Clinton. If I might just make one other response to the original question. You know that the sympathies of the United States and this administration are with the struggle of the Bosnian Government to preserve the territory, certainly the territory that has been agreed to in the Contact Group proposal, and to end the kind of behavior that we saw in the taking of the U.N. hostages.

The question here is, therefore, would this action, even if it could succeed, ultimately strengthen or weaken the efforts of UNPROFOR to strengthen itself. President Chirac is taking bold actions here to try to strengthen UNPROFOR. Would it increase or decrease the chances that ultimately these objectives that we all share would prevail? What other consequences could occur in other parts of the country as a result of this? All these things need to be taken into consideration, which is why the United States has taken the position that, for the time being, all the parties should take as much care as possible to avoid further actions, because we believe that we have the best chance now of strengthening UNPROFOR and getting some new energy behind a lot of these diplomatic initiatives. This had nothing to do with where our sympathies are in terms of whether that road ought to be opened.

Yes, it's time for European journalist. Go ahead.

Algeria

Q. Did you talk about Algeria?

President Clinton. No, but we will tonight. Let me say I'm very interested in Algeria and the implications of what happens there for other countries. And President Chirac knows much more about it than I do. Your country has had a very long history there. And I look forward to a rather detailed discussion about it this evening.

Vietnam

Q. Mr. President, you're being urged by Members of Congress and by, we're told, officials of your own State Department, to proceed with the establishment of full diplomatic relations with Vietnam. Do you think the time is right for that? And in your view, does Vietnam now meet your criteria for the establishment of these relations?

President Clinton. I have discussed this issue with some Members of Congress; you're correct about that. I specifically have talked with Senator McCain and Senator John Kerry in my office. And I had a—and Senator Robb. I also had a passing conversation with Senator Bob Kerrey about it. And of course, I've talked with Herschel Gober, the Deputy Director of the Department of Veterans Affairs, who just went to Vietnam on a mission.

They brought back a number of documents, a significant number of documents which I am now having analyzed with a view toward trying to determine whether or not the standards that I have set forth have been met. When that analysis is complete, I will then reach a judgment and, of course, make it public. But, I think I should await the analysis of the documents.

I will say that the Vietnamese have been quite forthcoming. They have worked with us. If you look at the extraordinary efforts the United States has made to determine the fate of POW's and MIA's and the level of success that has been achieved, even though, to be sure, there are still outstanding cases, there's nothing quite like it in the history of warfare. And I think that the American people should be very proud of the efforts par-

ticularly made by our military, our active duty military and those supporting them, to determine the fate of every possible POW and MIA.

But I cannot answer your question until the review of the documents has been completed.

Middle East Peace Process

Q. Mr. President Clinton, what are your thoughts about the July 1st deadline which was set between the Palestinians and the Israelis for implementing the second phase in the Oslo Accords? And what are the economic incentives that you are envisioning to guard and promote the peace process in the Middle East?

And a question for President Chirac. What is the package, the economic package that the European Community is about to promote or to advance to strengthen the peace in the Middle East?

Thank you.

President Clinton. Well, we're working toward the deadline, and we're working closely with the Israelis and the Palestinians. As you know we're in constant contact with both of them. And we're doing what we can to get other supporters involved in the process of rebuilding the Middle East. We support the establishment of a development bank, which we believe is the least costly and most effective way to leverage public capital with private investment to redevelop the region.

And I can tell you that today I feel pretty hopeful about where we are and where we're going there, both in terms of the relationships between Israel and the Palestinians and in terms of the larger issues of Middle East peace. I have been pleased by the courage and the vision shown by all the leaders there in achieving the progress that's been achieved thus far.

And of course, as you know, we still have two countries to go. We have to resolve the differences between Israel and Syria, which are difficult, but they are both working on them. And then, of course, we would then hopefully get an agreement with Lebanon and Israel.

So I feel hopeful about it, and we're prepared to invest quite a lot of money in it. And we believe that the institution of a development bank is not only that favored by the people in the Middle East but also is the most cost-effective way to leverage a large amount of private capital with public investment. We do have to show the Palestinian people some benefits of the peace. And we are committed to doing that.

President Chirac. Yes, I would just like to make a brief reply to that last question. Development in these countries is a categorical imperative. What do the Palestinians today need? They need a house, and they need a job. And for that, it takes money.

Let me just remind you that France is the largest financial contributor to the Palestinian Authority's budget. And France has every intention of participating in the development efforts, which to us seem to be exemplary. Now, we fully agree with the idea of setting up a financial system that would be as efficient as it is quick in bringing forward results.

Now obviously, none of this has been fully decided yet. Is it going to be a bank or is it going to be something that's easier to set up over the short run? I think that that is more a matter of technical detail. But France will be there, and we'll be participating.

President Clinton. [*Inaudible*]—point, and then I owe this journalist a question because she thought I was calling on her.

The other thing that I would emphasize in addition to investment is—to pick up on a point the President made in his opening remarks—is that we, all of us, have to be involved in a stronger effort to combat terrorism because insofar as the Israelis and others can succeed in combating terrorism, the relationships between Israel and the Palestinians can be more open. The biggest threat to the success of the peace has been closing up the borders as a necessity of dealing with the terror so that it drives the income of the Palestinians down. So they will develop a lot of their own economic opportunities if we can permit them to do so in peace and openness. And we should work on it.

Bosnia

Q. Mr. President, is the United States prepared to pay its share of the creation of a rapid deployment force for Bosnia under the U.N.? And President Chirac, you have sug-

gested that the time may have come for the United States to get tough on Bosnia. What did you mean by that remark, and what specifically are you asking the United States to do to help your troops on the ground?

President Clinton. The answer to your first question is that it depends upon whether the Congress is willing to participate as well. And so, I have received correspondence and contacts with Congress about this. I have begun opening discussions about it, and I am consulting with them. But that is up to the Congress as well as to the President. I support, in principle, this rapid reaction force, and I think it has a chance to really strengthen the U.N. mission there. To what extent we can contribute depends upon congressional consultations which have only just begun.

President Chirac. Well, perhaps I must have misspoken, even in French, because I never said that the United States had to take a tougher stand on Bosnia. I never even mentioned the idea that they ought to send ground troops. We have a convergent strategy for the time being, and I fully support the American stance. I hope that this time my point has been made understood.

NOTE: The President's 97th news conference began at 5:15 p.m. in the East Room at the White House. President Chirac spoke in French, and his remarks were translated by an interpreter.

Executive Order 12963—Presidential Advisory Council on HIV/AIDS

June 14, 1995

By the authority vested in me as President by the Constitution and the laws of the United States of America, I hereby direct the Secretary of Health and Human Services to exercise her discretion as follows:

Section 1. *Establishment.* (a) The Secretary of Health and Human Services (the "Secretary") shall establish an HIV/AIDS Advisory Council (the "Advisory Council" or the "Council"), to be known as the Presidential Advisory Council on HIV/AIDS. The Advisory Council shall be composed of not more than 30 members to be appointed or designated by the Secretary. The Advisory Council shall comply with the Federal Advisory Committee Act, as amended (5 U.S.C. App.).

(b) The Secretary shall designate a Chairperson from among the members of the Advisory Council.

Sec. 2. *Functions.* The Advisory Council shall provide advice, information, and recommendations to the Secretary regarding programs and policies intended to (a) promote effective prevention of HIV disease, (b) advance research on HIV and AIDS, and (c) promote quality services to persons living with HIV disease and AIDS. The functions of the Advisory Council shall be solely advisory in nature. The Secretary shall provide the President with copies of all written reports provided to the Secretary by the Advisory Council.

Sec. 3. *Administration.* (a) The heads of executive departments and agencies shall, to the extent permitted by law, provide the Advisory Council with such information as it may require for purposes of carrying out its functions.

(b) Any members of the Advisory Council that receive compensation shall be compensated in accordance with Federal law. Committee members may be allowed travel expenses, including per diem in lieu of subsistence, to the extent permitted by law for persons serving intermittently in the Government service (5 U.S.C. section 5701–5707).

(c) To the extent permitted by law, and subject to the availability of appropriations, the Department of Health and Human Services shall provide the Advisory Council with such funds and support as may be necessary for the performance of its functions.

Sec. 4. *General Provisions.* (a) Notwithstanding the provisions of any other Executive order, any functions of the President under the Federal Advisory Committee Act that are applicable to the Advisory Council, except that of reporting annually to the Congress, shall be performed by the Department of Health and Human Services, in accordance with the guidelines and procedures established by the Administrator of General Services.

(b) This order is intended only to improve the internal management of the executive branch, and it is not intended to create any

right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, it officers, or any person.

William J. Clinton

The White House,
June 14, 1995.

[Filed with the Office of the Federal Register, 4:45 p.m., June 14, 1995]

NOTE: This Executive order was published in the *Federal Register* on June 16.

Remarks on Departure for the Group of Seven Summit at Andrews Air Force Base, Maryland

June 15, 1995

Good morning. As you know, I am leaving this morning for my third annual meeting with the leaders of the G–7 industrialized nations. This summit marks another concrete step in our efforts to advance the security and prosperity of the American people by seizing the opportunities of the global economy.

At home, we are working hard to put our economic house in order. We are creating millions of jobs, working for economic growth, and cutting the deficit, which is already the lowest of all the advanced countries in the world. With our new budget proposal we will wipe out the deficit in 10 years, while still making room for critical investments in education and training, which our future demands. Going into this meeting the United States is in a strong position to continue leading our allies in the fight for long term global prosperity.

From the beginning of our administration, we have led the international effort to expand trade on a free and fair basis. We helped to expand world markets with NAFTA and GATT and trade agreements with the Asian-Pacific countries and here with the nations of the Americas. We are helping the former Communist countries to convert to free market economies. In all these areas we have turned back the forces of isolation which tempt us to turn away from the challenges and opportunities of the world.

In Halifax, together with our partners, we will focus on continuing to reform the institutions of the international economy so that we can have more stable, reliable growth—the World Bank, the International Monetary Fund, and others. For a half century, they have been a sound investment, and we are committed to maintaining our support for them. But now we have to give them new guidance in this new economy so that they can continue to serve our national interests in a changing global economy.

One of the key issues we'll be addressing is creating ways to identify and prevent financial problems from exploding into crises, as they did in Mexico. We will embrace joint initiatives to contain and defuse any crisis that does develop, so that the United States is not the world's lender of last resort. And we'll continue to explore how international organizations, which have helped so many countries to improve the lives of their people, can better aid developing nations and expand the world's market economies.

Finally, together with Russia, we will examine the challenges to our safety and well-being that no country can resolve alone. We'll look at new ways we can work together to combat the scourges of terrorism, nuclear smuggling, drug trafficking, and organized crime. And of course, we will discuss a lot of the security issues that concern us all, including Bosnia and Iran's nuclear ambitions.

When I arrive in Halifax today, I'll be meeting with Prime Minister Murayama of Japan. Our relationship is strong, and we are cooperating on a broad variety of issues, including North Korea, which is terribly important to both of us, the environment, and the problems of terrorism which have visited both our nations recently. But I will also make it clear to the Prime Minister that I am determined to carry through on my effort to open Japan's auto markets. Millions of American exports and thousands of American jobs depend upon our success. And I will say again it is in the long term interest of both the Japanese people and the people of the United States that this trade effort succeed.

All around the world free markets, open trade, new technologies are bringing countries closer together. Every day they are producing untold new opportunities for our peo-

ple; they also lead us into uncharted territory with new problems. I believe on balance the future is very bright if we have the discipline to face these issues as they arise.

As the world's leading industrialized democracies, those of us in the G–7 have a very special responsibility to address these forces of change. That's what we'll be doing at Halifax.

Thank you very much.

NOTE: The President spoke at 8:40 a.m. In his remarks, he referred to Prime Minister Tomiichi Murayama.

Statement on the Resignation of William O. Studeman as Deputy Director of Central Intelligence

June 15, 1995

With regret at his departure but gratitude for his 32 years of service to our country, I have today accepted the resignation of Admiral William O. Studeman as Deputy Director of Central Intelligence.

Throughout an extraordinary and exemplary career, Admiral Studeman has done honor to his uniform. He rose through the ranks of the Navy, serving as a career intelligence officer, Executive Assistant to the Vice Chief of Naval Operations, Director of Long Range Planning, and ultimately, the 53d Director of Naval Intelligence.

The practical and profound expertise Admiral Studeman developed in intelligence has served him and our Nation well in two critical assignments: Director of the National Security Agency, and then Deputy Director of Central Intelligence. Within the intelligence community, in Congress and throughout the executive branch, he earned a reputation for integrity, collegiality, and competence of the highest order.

As Deputy Director of Central Intelligence, Admiral Studeman served two Presidents and three Directors of Central Intelligence. On two extended occasions, he took on the responsibilities of Acting Director. I am especially grateful for the continuity and leadership he provided to the entire intelligence community in a time of great change. Admiral Studeman helped begin the difficult but vital task of transforming the community to meet the new challenges of the post-cold-war world. He led efforts to streamline our intelligence agencies while making sure that they maintained the unique information advantage the United States must have in meeting threats to our security and prosperity. The many initiatives he took and innovations he made have set a strong foundation for the intelligence community as we move into the 21st century.

Admiral Studeman has offered to stay on the job during the coming weeks pending his successor's confirmation—an offer I have gratefully accepted. In the years to come, I know and expect that Admiral Studeman will make his voice heard as we continue to adapt the intelligence community to the demands of a new era.

Bill Studeman has dedicated his professional life to making the American people safer and more secure. Today, on behalf of all Americans, I thank him.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

June 11

In the morning, the President traveled to Hanover, NH.

In the afternoon, the President held interviews with the Union Leader of Manchester, NH, and WMUR television in the Dickey Room of Baker Library at Dartmouth College. Following the interviews, he attended a private reception at the library. He then went to Claremont, NH.

In the evening, the President traveled to Boston, MA. He returned to Washington, DC, later in the evening.

June 12

In the late morning, the President met with Capt. Scott O'Grady, USAF, the pilot who was rescued after being shot down in western Bosnia. Following the meeting, he

hosted a lunch for Captain O'Grady and his family in the Residence.

The President announced his intention to nominate the following individuals to the following ambassadorial posts:

—Michael William Cotter, Ambassador to Turkmenistan;

—Elizabeth Jones, Ambassador to Kazakhstan;

—Kenneth Michael Quinn, Ambassador to Cambodia;

—John K. Menzies, Ambassador to Bosnia and Herzegovina;

—John Raymond Malott, Ambassador to Malaysia;

—John Todd Stewart, Ambassador to Moldova; and

—Victor Jackovich, Ambassador to Slovenia.

The President announced his intention to nominate James E. Goodby for the rank of Ambassador during his tenure of service as Principal Negotiator and Special Representative of the President for Nuclear Safety and Dismantlement.

The President announced his intention to appoint Gerald T. Garvey, Courtney Riordan, and Reginal Spiller to the Geologic Mapping Advisory Committee.

June 13

The President announced his intention to nominate Under Secretary of the Treasury for International Affairs Lawrence Summers as Deputy Treasury Secretary.

The President declared a major disaster in Kentucky and ordered Federal funds to supplement State and local recovery efforts in communities struck by tornadoes, severe wind and hail storms, torrential rain, and flooding on May 13–19.

The President declared a major disaster in Texas and ordered Federal funds to supplement State and local recovery efforts in communities struck by severe thunderstorms, flooding, hail, and tornadoes on May 28–31.

The President took action to protect life and property from the threat of rising water in the State of North Dakota's Devil Lake Basin by determining that certain Federal-aid roads in the basin area are eligible for assistance from the Federal Highway Administration's emergency fund.

The President announced his intention to appoint the following members to the Board for International Food and Agricultural Development: Ada Demb; Walter Falcon; Miles Goggans; Alan Kligerman; Edward Schuh; and Goro Uehara.

June 14

In the evening, the President and Hillary Clinton hosted a dinner for European Council President Jacques Chirac and Bernardette Chirac, and European Commission President Jacques Santer and Daniele Santer in the State Dining Room.

June 15

In the morning, the President and Hillary Clinton traveled to Shearwater Military Base, Nova Scotia, Canada. Following an arrival ceremony at the base, they boarded the H.M.S. *Sir William Alexander* and traveled to Halifax, where they participated in an arrival ceremony at the Historic Halifax Dock.

In the afternoon, the President met with Prime Minister Tomiichi Murayama of Japan in the Board Room at Dalhousie University. Following their meeting, they held a press conference in University Hall.

In the evening, the President attended a welcoming reception and dinner for the Group of Seven leaders at Government House.

The President announced his intention to nominate the following individuals to the following ambassadorial posts:

—Edward Brynn, Ambassador to Ghana;

—Peggy Blackford, Ambassador to Guinea-Bissau;

—Daniel Howard Simpson, Ambassador to Zaire;

—John Hirsch, Ambassador to Sierra Leone;

—Vicki Huddleston, Ambassador to Madagascar; and

—Elizabeth Raspolic, Ambassador to Sao Tome and Principe.

The President announced his intention to nominate John W. Hechinger, Sr., to the National Security Education Board.

The President announced his intention to appoint Scott Bernstein as a member of the Federal Advisory Committee on Greenhouse Gas Emissions From Personal Motor Vehicles.

The President announced his intention to appoint Jared L. Cohon, John W. Arendt, and Jeffrey J. Wong as members of the Nuclear Waste Technical Review Board.

The President announced that Secretary of Health and Human Services Donna Shalala appointed the following individuals to serve on the Presidential Advisory Council on HIV/AIDS: R. Scott Hitt; Terje Anderson; Regina Aragon; Mary Boland; Nicholas Bollman; Robert L. Fogel; Debra Frazer-Howze; Kathleen M. Gerus; Edward Gould; Phyllis Greenberger; Bob Hattoy; Carole laFavor; Jeremy Landau; Alexandra Mary Levine; Steve Lew; Altagracia Perez; H. Alexander Robinson; Debbie Runions; Benjamin Schatz; Denise Stokes; Charles Quincy Troupe; Sandra Thurman; and Bruce G. Weniger.

June 16

In the morning, the President went to Summit Place, where he attended a G–7 leaders meeting. He then met with Prime Minister John Major of Great Britain and attended a working lunch with G–7 leaders.

In the afternoon, the President met with Chancellor Helmut Kohl at Summit Place. He then attended the first plenary session of the G–7 summit at the Maritime Museum of the Atlantic. Following the meeting, he participated in a press conference with the G–7 leaders at Sackville Landing. He then returned to Dalhousie University where he held a press conference.

In the evening, the President attended a reception and working dinner with G–7 leaders at the Waegwoltic Boat Club. He then went to Harbourfront where he and Hillary Clinton attended a brief reception, a performance by Cirque du Soleil, and a fireworks display.

The President announced his intention to nominate Ernest J. Moniz as Associate Director for Science at the Office of Science and Technology Policy.

The President announced his intention to appoint Luis J. Lauredo as the U.S. Representative to the Southern States Energy Board.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted June 13

Edward Scott Blair,
of Tennessee, to be U.S. Marshal for the Middle District of Tennessee, vice Charles F. Goggin III.

Michael William Cotter,
of the District of Columbia, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Turkmenistan.

James E. Goodby,
of the District of Columbia, for the rank of Ambassador during his tenure of service as Principal Negotiator for the Safe and Secure Dismantlement of Nuclear Weapons.

Victor Jackovich,
of Iowa, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Slovenia.

A. Elizabeth Jones,
of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kazakhstan.

John Raymond Malott,
of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

John K. Menzies,
of Virginia, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Pleni-

potentiary of the United States of America to the Republic of Bosnia and Herzegovina.

Kenneth Michael Quinn,
of Iowa, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Cambodia.

John Todd Stewart,
of California, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Moldova.

Submitted June 14

Beth Susan Slavet,
of Massachusetts, to be a member of the Merit Systems Protection Board for the term of 7 years expiring March 1, 2002, vice Jessica L. Parks, term expired.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released June 11

Transcript of remarks by Press Secretary Mike McCurry in Lebanon, NH

Released June 12

Transcript of a press briefing by Press Secretary Mike McCurry

Released June 13

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the announcement that France will resume nuclear testing

Transcript of a press briefing by Secretary of State Warren Christopher and Treasury Secretary Robert Rubin on the G–7 summit in Halifax, Nova Scotia

Transcript of a press briefing by Chief of Staff Leon Panetta, National Economic Council Chair Laura D'Andrea Tyson, Director of the Office of Management and Budget Alice Rivlin, and Treasury Secretary Robert Rubin on the President's address to the Nation on the plan to balance the budget

Released June 14

Joint statement with European Union leaders

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Director of the Office of Management and Budget Alice Rivlin and Health and Human Services Secretary Donna Shalala on the President's plan to balance the budget

Released June 15

White House statement on Senate passage of S. 652

Released June 16

Transcript of a press briefing by Press Secretary Mike McCurry and Department of State Spokesman Dave Johnson on the G–7 meeting in Halifax

Fact sheet on financial reforms

Fact sheet on United Nations reforms

Fact sheet on the Halifax economic communique highlights

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.