

Weekly Compilation of
**Presidential
Documents**



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Contents

Addresses and Remarks

- See also* Meetings With Foreign Leaders
Arab American Institute conference—819
California
California Labor Initiative breakfast in Los Angeles—777
Democratic Congressional Campaign Committee dinner in Beverly Hills—774
Democratic National Committee dinner in Portola Valley—765
Partnership for Advancing Technology in Housing in San Fernando—779
Representative Loretta Sanchez, reception in Westwood—771
Therma, Inc., roundtable discussion with employees in San Jose—755
Delaware
Delaware State Legislature in Dover—823
Dover Air Force Base—832
Illinois, Democratic Senatorial Campaign Committee dinner in Chicago—790
Mayors Conference on Public Schools—812
Radio address—770
Ronald Reagan Building and International Trade Center, dedication—793

Bill Signings

- 1998 Supplemental Appropriations and Rescissions Act, statement—764

Communications to Congress

- “Class-Size Reduction and Teacher Quality Act of 1998,” message transmitting proposed legislation—831
Pemigewasset River, message transmitting report—795
Small business, message transmitting report—796
Sudan, message reporting—799
Ukraine-U.S. agreement for cooperation on the peaceful uses of nuclear energy and documentation, message transmitting—810

Interviews With the News Media

- Interview with Al Hunt for CNBC and the Wall Street Journal—784
News conference with Prime Minister Prodi of Italy, May 6 (No. 158)—801

Joint Statements

- The United States and the Republic of Italy:
A New Partnership for a New Century—808

Letters and Messages

- Cinco de Mayo, message—800

Meetings With Foreign Leaders

- Italy, Prime Minister Prodi—801, 808, 811

(Continued on the inside of the back cover.)

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WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS

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Contents—Continued

Proclamations

- Mother's Day—818
- Older Americans Month—782
- See also* Bill Signings
- Annie E. Casey Foundation report on child care—795
- Drug offenders, coerced abstinence—810
- European Economic and Monetary Union—771
- Methamphetamines, funding to fight—810
- Minnesota tobacco settlement and tobacco legislation—835
- Northern Ireland, new initiatives in support of peace—817

Statements by the President—Continued

- Senate action on legislation
 - Internal Revenue Service reform—818
 - Job training reform—795
- Tobacco legislation, proposed—810

Supplementary Materials

- Acts approved by the President—836
- Checklist of White House press releases—836
- Digest of other White House announcements—835
- Nominations submitted to the Senate—836

Week Ending Friday, May 8, 1998

**Remarks at a Roundtable Discussion
With Employees of Therma, Inc., in
San Jose, California**

May 1, 1998

The President. Thank you very much. I want to thank Joe and Nicki for welcoming me here. I want to thank Dan Kirby for the tour through the operations. He did a great job. Thanks to Congresswoman Zoe Lofgren and Mayor Susan Hammer, my good friends, for joining me here today. I thank the labor leaders that are here—Amy Dean, Ray Lancaster, Mark Van Den Heuvel, Steve Preminger. But most of all, I thank all of you for giving me a chance to leave Washington and come out and visit the real world. It's great. Thank you very much.

Before I say a little more about why I came here today, I'd like to make a brief comment on something very important to your future that did happen in Washington, DC, late last night. Last night an overwhelming bipartisan majority of 80 Members of the United States Senate voted for a treaty that will permit us to bring Poland, Hungary, and the Czech Republic into the NATO military alliance.

Now, why does this matter to you out here on this factory floor? I think it's very important to you and to every American. We fought two World Wars and lost a lot of Americans and waged a long cold war in a deeply divided Europe. The Berlin Wall fell, communism dissipated, giving us the chance for the first time in history, ever, to deal with a Europe that is free, democratic, and undivided. That's important. If we can do that, that means you will know that you'll have stable partners for trading purposes. You can sell them things; you can buy things from them; you can be a part of growing.

Even more important, it means you know that your children will likely never have to go there to fight and die in a war. And furthermore, you know that we'll be able to

work together on the problems that do exist in the world to contain them.

Now, just in the last few years since I've been President, we have used NATO for those purposes. We've brought in two dozen other countries in a Partnership For Peace, and they work with us all over the world, training, working with our militaries together. We made a special agreement with Russia and with Ukraine. And together, we went into Bosnia and stopped the bloodiest war in Europe since the end of World War II, with no conflicts, no shooting, no deaths.

So that's why this is important. Poland, Hungary, and the Czech Republic—three more partners that will make our alliance stronger. If we have to do something in the future, that's three more countries that will be contributing people, sharing our burden, and building a future of strong partnership based on trade and commerce and travel and visitation, not on conflict. It's a big deal.

And I would like to thank the Senate Majority Leader, Trent Lott; the Senate Minority Leader, Tom Daschle; Senator Jesse Helms; Senator Joe Biden—all of them. This was an unusual coalition of people—[laughter]—who worked together to do something that a lot of people didn't think we could do. And it's going to make a better world for our children. Ten years from now it will look like an even bigger vote than it does this morning. So I thank them.

I'd also like, before I begin, to offer my condolences to the family of the police officer, David Chetcuti, who was killed in the line of duty last Saturday, and express my gratitude for the bravery he showed when he lost his life. And in that connection, I'd like to thank the police officers from the motorcycle crew from Santa Clara County, because they had to accompany me on this visit, and they're missing his memorial service that is going on this morning. So I thank them for doing that.

Now, let me tell you why I came here. Because, to me, you guys represent the future. You're good at what you do; you're changing all the time; you're committed to getting better; you're operating in a global economy; you have a good management-labor partnership; you have apprenticeships for new workers; you have training for veteran workers to make sure they learn new skills and master new technologies. You're proving that Silicon Valley's economic revolution does not just include computer programmers; it can include all the workers of America if we're all well-trained, highly competitive, and the best in the world at what we do.

You're evidence of that. I thank you for it. I wanted America to see it. And mostly, I wanted to talk to you and your representatives behind me about how we can do this all over America, in every part of America, and set the processes in motion that will keep it going year in and year out.

You are a very important part of this wonderful economic renaissance going on in America now. Yesterday we saw that the economic strategy that we put in place over 5 years ago in Washington did, in fact, work to unleash the competitive capacities of America. We said we were going to reduce the deficit and balance the budget. We were going to invest in our people, in education, in technology, in scientific research, in environmental investment. And we were going to trade more with the rest of the world. We were going to open more avenues to trade our goods and services.

Yesterday we saw more evidence that it's working. The economy grew in the last quarter at over 4 percent. Unemployment was the lowest in 28 years; inflation the lowest in 30 years; consumer confidence the highest in a generation. For 5 years in a row now, our country has been rated the most competitive economy in the world. You did that, you and people like you all over America, and you should be very, very proud of yourselves.

Another reason I wanted to come here was because this company proves that even in Silicon Valley opportunity to participate in that new economy embraces more than those who work directly with computers or in laboratories or in offices; and also shows, as this

gentleman demonstrated, that computer technology has revolutionized every aspect of American labor, and therefore, that we all must become more familiar with it.

I couldn't believe it—I told the folks that were going around with me that at one point during my long service as Governor of my State, I would go out about once a month and spend a shift working in different kinds of factories. And I was around a lot of sheet metal workers. I've seen a lot of welding in my life, and it was a long time ago now, a few years—that's light years as fast as things are changing—but the machines I saw today and the level of the work I saw, it's just so breathtakingly different than just 10 years ago, it's almost unimaginable. You, of course, understand that better than I do. But for somebody like me who hasn't seen this work in a few years—I don't have as much time as I used to, to do these sort of things—*[laughter]*—it was quite shocking in a very positive way.

And again, I say I think it's important that all of America see that these kinds of things are going on, and that all American workers in all forms of endeavor have an important role to play in building our future.

The other point I wanted to try to explore today is how we can really make sure that everybody has a chance to participate in it. Because you know as well as I do that even though the unemployment rate is the lowest it's been in 28 years, there's still places in America where it's fairly high. And there's still workers in America who work at tasks where they're not improving their productivity; they're not learning new skills; they're not matching new technologies; and they're not getting raises.

And what we have to do now at this moment when the economy is working so well is to try to devise systems that will work for everybody who is willing to work for himself or herself. We have to try to make sure that the lessons that you live every day in this place are somehow learned where they don't exist.

We're doing what we can in our administration to create the special economic incentives to go into inner-city areas and isolated rural areas where there hasn't been a lot of new investment. We're doing what we can

to give people the ability to start their own businesses more easily in those places. But I think you know that unless we can guarantee a world-class education to all our kids and a system of lifetime learning for all workers in America so that they can always continue to learn new skills, we will not be able to reach the people that presently have not yet fully participated in this recovery.

You've done a great job on that, and I just wanted to be here. I've done my best to do two things that I think are important. One is to open the doors of college to all Americans of any age. With our HOPE Scholarships now, we give virtually all Americans a \$1,500 tax credit for the first 2 years of college and then credits for the second and third year, and for people who, like many of you, might want to go back and get further training, we've increased scholarships and made the loan program better. And there's also now an education IRA so that you save—for example, for your children's education, you can put the money into an IRA and that money is not subject to tax when you put it in. And then the gain is not subject to tax when you take it out if you use it for your children's education, to try to help make it easier for people to save for education.

The other thing we're trying to do is to create a training opportunity for people who work in companies that are not as sophisticated or advanced as yours, by passing what I've called—and I've been trying for 5 years to pass this—the “GI bill” for America's workers. We have literally dozens of Federal training programs. And if I gave you a sheet of paper and a pencil and I asked you to write down five of them, I bet you there's not a person in the room who could do it—probably including me. [Laughter] But there are dozens of them. And they were all created for some particular good purpose when the economy was more static than it is, before it started changing like it is now.

What I've been trying to do for 5 years is to collapse all the programs, put it in a fund and just give everybody a certificate who's eligible for the training and let them take it to the local community college or wherever else, to let the people who need the training have the money and then choose the place where they want to get the training.

I think most of you have enough sense to plot your own future, and most other adults do in this country, too. And it would be a lot better than having all these separate bureaucracies and programs there.

So we're working on that. The House has passed a good bill. The Senate has got a bill up—I think they're going to take it up today. And I hope that this vote last night on NATO is a good indicator of what might happen on the “GI bill” for America's workers. Because think what it would mean if every person in every workplace in America—every person in every workplace in America—if they lost a job or if they were grossly underemployed, could get a certificate which would basically empower them to get further education and training at any point during their life. It could revolutionize the lives of a lot of those folks we're talking about that have not yet fully participated in the recovery. And I hope we can get the support for it.

The last thing I'd like to say is that if you all are going to keep producing more things in less time at higher quality, you've got to sell them someplace. And you have to sell them to companies that in turn sell their products. Everybody you sell something to has got to sell what they sell—produce to somebody else. Otherwise they can't buy your product. So it's very, very important that we have a growing American economy and a growing world economy.

If we don't have a growing world economy, we're going to be in deep trouble. Why? Because we have 4 percent of the world's population, but we have 22 percent of the world's wealth. Now, you don't have to be a mathematical genius to know that if you've got 4 percent of the population and 22 percent of the wealth and 96 percent of the people are living someplace else, and for the next 20 years in the developing countries, they're projected to grow at 3 times the rate of the rich countries, somebody has got to sell something somewhere else than America in order to maintain our 22 percent share, in order to maintain the opportunities that we all want for our children.

And that means that we have to help other people get wealthier, too. And you may have noticed, in Washington we're having a big argument now about whether we should pay

our fair share to something called the International Monetary Fund, the IMF. What that fund does is to help countries who get in trouble stabilize their economy so they can start growing again—from our point of view, so they can start buying our products again.

Now, we're out here in California—30 percent of our economic growth in the last 5 years has come from selling to other countries. Over 30 percent of our exports go to Asia. You have been reading in the papers, I'm sure, that a lot of those Asian countries are in trouble. The IMF does not just go in and give people money; it says, if you've got a problem, you've got to clean up your act, organize your business properly, start running your economy efficiently, and if you'll do these things, then we'll help you get stabilized and start growing again.

Those Asian countries are our trading partners. They're an important part of our future. And I think we ought to pay our fair share to the IMF. I don't care what other political business is going on in Washington, and there is a lot of other things that are going on here—we should do whatever is necessary to keep this expansion going. And I hope that you will send that signal. And I want to thank you representative, Zoe Lofgren, for being strongly in favor of this position. But we've got to convince the Congress that America, if we want to lead the world economically, has at least got to pay our dues and put in our part of an institution that is going to help Asia come back so we can keep selling.

I guess that's a long-winded way of saying the best way for us to succeed is for me to do my part and you to do yours. And I'm going to try to do that. But one of the things that we have to do is get the focus in Washington on basic things: How do we build a world-class education system; how do we support companies that are committed to changing technologies; how can we make sure workers can continue to get the education and training they need? That's what I hope to learn from you here today, and what I hope through your voices all America will hear on the news tonight and tomorrow morning.

Thank you for the example you set for our country. Thank you very much.

[At this point, the discussion was joined in progress with Joe Parisi, founder and president, Therma, Inc., noting that his company has benefited from training schools established in partnership with employee unions.]

The President. How do you determine—first of all, who pays for the training?

Mr. Parisi. The employers donate so many cents per hour toward a training fund.

The President. And are the training programs just for the employees of your company, or do they include people from other companies?

Mr. Parisi. All of the people in the construction trades go to the training schools.

The President. And is there a regular schedule for doing it, or does it depend on what new things you're doing at any given time?

[Mr. Parisi explained that most of the employees participate in a 5-year apprenticeship training program in order to become a journeyman and that 60 percent of employees at the journeyman level continue their education in evening classes.]

The President. And you started this company 31 years ago?

Mr. Parisi. Yes.

Nicki Parisi. Yes.

The President. When Nicki was underage. [Laughter] Now, I didn't want to put this out on the record. How many employees did you have when you started?

Mr. Parisi. Well, one or two. [Laughter]

The President. And how many do you have here today?

Mr. Parisi. You're looking at them—1,600, I think, give or take.

The President. That's pretty good growth. That's impressive.

LeRoy, do you want to talk about—

[LeRoy Ginn, project manager, Therma, Inc., discussed how Therma, Inc., gives its employees opportunity to prosper in their careers.]

The President. Give us an idea of the different kinds of customers you have. Do you serve people in the computer business, people in the biotech business?

[Mr. Ginn explained that Therma, Inc., serves every computer manufacturer in Silicon Valley as well as manufacturers of tools

that make computer chips helping manufacturers design and produce tools efficiently. Another participant noted that the short product life cycle in the technology industry encourages employees to be innovative in order to stay competitive. Another noted that the philosophy of Mr. Parisi and his wife, Nicki, cofounder and chief executive officer, Therma, Inc., has worked well because they encourage employee innovation and independent decisionmaking by field personnel.]

The President. Good for you.

[The participant also explained that the fast turnover of projects in the high-tech industry fosters utilization of the best talent. Patricia Glenn, customer service manager, Fix Air Co., discussed the time constraints placed on companies in the industry and noted the ability of Therma, Inc., to work with customers in meeting deadlines. Other participants discussed the benefits of cooperation to the competitiveness of the company and the gratification of the employees.]

The President. That may be the single, most significant revolution, even more important than all the technology, that's occurred in manufacturing in America over the last two decades or so. The companies that are doing really well are the companies that empower their workers and that learn from them as well as teach them, and where people are working together.

I can go to any part of America and spend half an hour in a plant and immediately know, without anybody having to say anything, how people feel about that, because that's the most important thing that you see—anyplace you go, whether the answer is a good one or not a good one, it's down deep inside the most important thing to the people that work there.

[A participant continued the discussion by noting that employees of Therma are a name, not a number; that the lack of a formal hierarchy allows for a friendly and cooperative work environment. Other participants noted that the Parisi's business philosophy translated into not only employee loyalty but customer loyalty as well. Another participant asserted that the company's teamwork ap-

proach inspired high-skilled employees to stay with Therma, Inc.]

The President. That's what you said, right?

Q. It's true. That's right. [Laughter]

The President. You could go somewhere else.

[The discussion continued with participants describing training and learning opportunities provided to employees to enhance their skills and improve their careers.]

The President. You know, it's interesting, I have worked hard—with limited success, I might add—but more than I would like—more than I thought in the beginning we'd have—with the Vice President, to try to organize this kind of workplace in as many Government agencies as possible. And it's harder in some ways because you're organized to make good things happen and to make good things happen in a hurry. A lot of people who go to work for the Government are terrified that something bad will happen, and it will be on them. And they'll read about it in the newspaper, and then they'll have to be a scapegoat for it.

So what that tends to do is to create a kind of a—to reinforce the sort of bureaucratic mentality, don't venture out, don't try, because if you make a mistake, it will be in the papers, all the taxpayers will be mad; you'll be the goat; you'll be out the door sort of thing. As a consequence, more mistakes are made.

If you think about it, we've still got—we are really trying to create an environment in which we can respond more quickly to people's needs. We're having—just a little example—we're having millions of people this year—are filing their income taxes by E-mail or telephone, in just a few minutes. And most people have a fairly simple form. There may be, I don't know, some percentage that will be harder to check, or whatever, but the point is, it's really worth doing because it's a hassle on the best of terms and to make it easier for people is a good thing to do.

And the Social Security Administration, believe it or not, won an award, over L.L. Bean and a lot of other places, for the best

telephone service of any major, big organization in America. [Laughter] But we really worked at it.

But it requires getting people to not be afraid to try something new, and to let them know that, assuming they're not abusing the citizens or something, that if you're actually out there trying to do something new and you're taking a chance, if it doesn't work out, you're not going to be punished because you want people to feel that way.

But it is really—it's an enormous challenge to try to create the flexibility and productivity you have in an organization like this, where you have clear common goals. I mean, it's not like there's no uniformity of objective—or uniformity of standards. But you still have some creativity in carrying it out. And you've kind of got my juices flowing to keep trying today.

But every effort we've made in Government has been worth it. But I just—I want to urge all of you to support us in doing that, too, because it's like everything else. If you give people a lot of freedom and you ask them to try, once in a while you make a mistake, because nobody is perfect. And you have to create an environment in which your people are trying to do the right thing for the right reason and not being reckless in doing it. You support that.

[A participant agreed with the President, and Ms. Parisi asserted that if mistakes aren't made, nothing's being attempted. She also quipped that she and her husband make plenty of mistakes, but the employees cover them up.]

The President. I could say something hilarious about that but I won't. [Laughter]

Let me say again, though, I think—one of the places, interestingly enough, where we've had quite a bit of success is a place that you might not expect, is in the military, because we have very rigorous, uniform training characteristics. I was out here a couple of years ago, actually in the harbor at Oakland, having lunch on an aircraft carrier with some career Navy people. And I talked to an enlisted man who had done 19 years in the Navy, and he'd quit and gone to work in the private sector for 2½ years, and he came back to the Navy because he said that as compared to the pri-

vate sector job he had, he had much more responsibility and they trained him—they gave him at least one new skill every year. It was fascinating. And he said, "Eventually I'll have to quit this, and I'll still be a young person," but he couldn't find another job in the private sector where someone was always teaching him something new and where he was being given more and more responsibility. And that's basically what I'm hearing from all of you.

Q. Hopefully.

[A participant discussed Mr. Parisi's devotion to the company's training center and stressed the importance of training in the high-tech industry.]

The President. You'd be amazed how little of this is done in some other parts of the country and some other sectors of the economy. And yet I'm convinced you would have pretty much the same pay-off everywhere, because what you go around here, you see that—I mean, sure, you're serving all these high-tech industries, but if this company were located out in the middle of the country somewhere where you had a totally different customer base, you would still be making more money if you were doing the same things you're doing here. Isn't that right? And you would still have that gentleman over there running your computer program for you and you'd still have all this—in other words, you'd be doing all this stuff that you're doing here, even if you had a different customer base.

That's what we've got to get people to understand, that we need—that you can't—education and technology dominate every form of production. And just the fact that your end users happen to be in Silicon Valley predominantly, or be in this kind of business, is almost incidental to what we should be doing in every workplace in America, I think.

[The discussion continued with a participant expressing gratitude that he had acquired skills he could take elsewhere if necessary. Other participants agreed and discussed the level of cooperation within the company and with specialists in the industry and the rate of growth of companies in the high-tech industry and fields which utilize technology,

noting the pharmaceutical-biotechnology industry growth.]

The President. For whatever it's worth, our people believe that that will continue for another 20 years because of the human genome project and all the mysteries we're unlocking. Just 2 years ago—year before last, we found these two genes that are predominate in causing breast cancer. We've seen splicing of nerves in laboratory animals that actually repair the spines of laboratory animals that have been broken, so that they can actually have lower body movement again, which offers the possibility, if we can work out the genetic sequencing in people, that people who are in wheelchairs because of spinal cord injuries may be able to walk again.

All these things are happening, and the pace at which these genetic discoveries are being made is accelerating rather dramatically. So I think there will be more of it.

[A participant noted that Therma process engineers were able to design a process for a biotechnology firm to make its product.]

The President. That's an amazing story. *[Laughter]*

Q. No, it happens all the time.

The President. Just your typical sheet metal worker story. *[Laughter]*

But again, it shows the power of ideas. And if you think about it, work can be a lot more interesting now than it even could have been 50 years ago, when it wasn't being powered by ideas and repetition was important in building the kind of traditional industrial society. Now work can be fun and good because the whole economy is being powered by ideas. And that means also that there is an unlimited, inexhaustible supply of future human endeavor, which is why I believe, for example, that the environmental movement, the movement to have—to deal with the problems of climate change and global warming, which we've seen a little bit—a taste of with El Niño this year, that that will not cost jobs, that will generate jobs, because we'll have to figure out how to do it and ideas will be brought to bear on it. All these little people that come up with all this stuff and then become fabulously wealthy are just idea machines.

[A participant agreed with the President and noted that the ban on chlorofluorocarbons and certain other refrigerants caused problems in industry, but was also the catalyst for many cottage industries seeking alternative technology and enhancing growth.]

The President. The CFC thing is a great example. When we took chlorofluorocarbons out of the atmosphere, it not only—it was projected to have a modest negative impact on our economy, and instead it had a noticeable positive impact. And I think that the important thing for the Government, for us, to do is to—when we make these rules is to make them in such a way that allows these kinds of processes to develop.

Q. Phase them in?

The President. Yes. And to give a market solution a time to work. That's a big concern I had when we went to Japan last December to try to come up with some rules about how to deal with climate change. I am positive that—if you look at what puts carbon dioxide into the atmosphere today, about a third of it comes from vehicles; about a third of it comes from buildings, both residential and commercial; and about a third of it comes from power plants and factories. And we now know that there is available technology—just for example—you can buy windows now which let in 6 times as much light and let out only one tenth as much heat. They cost about 3 or 4 times as much, but if they have a 2-year payout, then after that, you're making money. And once you get the technology, once it all works out, then we will be doing these things that we ought to do for the environment because they also are good for the economy. You have to turn the problem into an idea machine.

[A participant described the company's energy retrofit department which aids companies in running more energy-efficient buildings and powerplants by upgrading equipment and operating controls.]

The President. Yes, what do you require? If you start something new like that, how quick does it have to pay out for you to think it's worth doing?

[A participant replied that most customers seek a 1-year payback, though the project

may require more time, and that even when the 1-year payback may be achieved, the cost may still be deemed prohibitive.]

The President. Well, we're trying to see if we can make a few changes in the Tax Code that will change that behavior, because in manufacturing processes there are like—there's not one big thing, as you know, there's dozens of little things that can be done, all of which, at least the ones that I've studied, have a 2-year or less payout, which dramatically cuts your energy bill. And then after that, you're making money eternally.

And so we're trying—I have asked the Congress to adopt some minor changes in the Tax Code which won't cost a lot of money, but which would give significant incentives if you're right up against that decision—you say, "Well, can I wait a year, year and half to get this money back?"

[Participants said that such incentives would be a big stimulus to their industry, noting that ventures are too often undertaken based solely on bottom-line profit and stock market success.]

The President. They would have been better off waiting in the last 5 years. Wait and wait and wait. [Laughter]

Q. It's a tough call.

The President. You've got the biggest stake in this. [Laughter] I asked him if it was true he had nine children. My notes said he had nine children. He said it was true, and I said, congratulations. [Laughter] Well, I mean, it's true; you have a stake in this meeting. You have nine kids that will be able to do hundreds of different things that haven't even been invented yet by the time they're old enough to go into the workplace.

Johnny Gooch. That's true.

Q. What's the age span of them, Johnny?

Mr. Gooch. Oh, God. [Laughter]

The President. He's going to start bragging now. [Laughter]

Mr. Gooch. From 23 to 17 months.

The President. Do you have twins?

Mr. Gooch. Yes. Most of you know who know me, I have 2 sets of twins, 8 years old and 17 months. Big span. [Laughter]

The President. That's great.

Q. —extended production. [Laughter]

The President. Here's a man who wants to be taken care of in his old age. [Laughter]

Q. There won't be enough Social Security. [Laughter]

The President. Oh, yes, there will. [Laughter]

I will say, though, one of the things we're doing now is we're undertaking a process across the country to determine what we have to do to change and modernize both Social Security and Medicare to make sure it's there when the baby boomers retire.

The generation of people who will turn—the oldest baby boomers—I'm one of them—the people that were born between '46 and '64, that group of people, are the largest group of Americans in a given generation in history, until last year when we got—last year there was finally a group of school children that were more numerous than the baby boomers. But that skips a whole generation and then some. So that when we're all in the retirement system, which is roughly 2029—that is when we're all 65 or over, which is about 2029, we'll all be—all the baby boomers will be 65 or over—if we continue the projected work force participation rates and the projected retirement rates, there will be only two people working for every person who's drawing Social Security. And, so, we're going to have to make some fairly substantial adjustments to make sure that the benefits are there to provide at least the minimal support that Social Security provides today.

About half of the seniors in America would be living below the poverty line if it weren't for Social Security, although almost all seniors have income over and above Social Security. Social Security itself is not enough for hardly anybody to maintain the standard of living they had before they retired, but if they didn't have it, they'd be in trouble—most people. So what our trick has got to be is to figure out how to keep what is good about it, but to make the adjustments necessary so that it's financially stable and so we can—and maybe have a little bit higher growth rate from our investments—so that we can deal with the coming population changes.

Q. The one thing nice about the unions is that they have a fabulous pension program. They retire real well.

The President. Pension plan.

Q. [*Inaudible*]*—*with the advancement of all of the medical advancements and lifestyle changes, that the retirement age of 65 is a little bit shy now, that we can extend that out.

The President. Yes. We're raising it to 67.

Q. I think it should be even higher than that. I think people are productive way after that.

The President. Well, one of the things that we're trying to do to deal with that—we've raised it to 67, and then we have made it possible—we've put incentives in the system for people who want to work to work longer.

If you raised it to 70, for example, the real problem with that is that the—and, of course, you have early retirement at 62 and you take a discount. You'd change the discounted value. So the more you raise the retirement age, the less you get if you retire earlier. But the real problem with going—and we're looking at this, and as I said, we've tried to raise the incentives, for example, now, for people to keep working. Because if they keep working, they keep paying taxes and they're paying into the system even if they're also drawing some Social Security. And that really makes a huge difference in leveling up the system.

But if you go to 70, you could probably work here comfortably at 70—here—but there's still a lot of people who work in jobs where it would be quite difficult for them to work that long. And so, if—you say, well, but you still have the early retirement option—that's true, but the early retirement option is worth considerably less, because you take the present value of the whole deal, because you move the full retirement out later than if you retired at 62, you get a little less.

I agree that it has to be raised, and we are raising it to 67. We've tried to—and one of the things that—one of the variables that's being looked at is whether it should be raised more. Other people have suggested that we have, for younger workers, some portion of the payroll tax available for their own investment decisions on the theory that—now, that looks like a wonderful idea now because the stock market has gone from 3200 to 9000 since I've been President, and there's no precedent for that in history.

It's also true that over a 30-year period—any given 30-year period in the 20th century, stocks have always outperformed guaranteed Government investments. The problem is, if you had an individual account, it's not true in every month of every year. So what happens if you have to retire in a year when the thing is down for several hundred points and you don't get it out. If there's some way to sort of share the gains, if you will, across the years—that's one of the things we're looking at. Because, obviously, if we could generate a higher rate of return for the investment that you make in your payroll tax, it would make Social Security more attractive to younger workers.

The other thing, don't forget, that Social Security does that other retirement systems don't, is it's also—it's a disability plan and it's a survivor's insurance policy. So if you pay into Social Security here and something happens to you, then your surviving family at least get something to help them survive, and that can be quite important.

But let me just say this—there is a huge amount of discussion about this out there now, and I think most Americans know we've got to make some changes. And I think most Americans will support us making some substantial changes, because there is no point in being dishonest about it, we can't sustain the present system as the baby boomers retire at the present rates of return.

But there is also—it's important not to overlook how much good this program has done to stabilize—the poverty rate among seniors in America is now under 11 percent, and it is lower than that of the population as a whole. It has been for over 10 years now, for the first time in the whole history of America. And that's something that our country should be proud of. So we have to figure out how to save the best parts of it.

But you ought to tell—if you have any ideas, specific ideas, or you want to even organize the folks in the company to put their ideas up, if you give them to Congresswoman Lofgren, I promise you they will be carefully reviewed by our group, because we're actually trying to go out in the country, tell people what the facts are, and figure out what the best resolution is.

Q. Mr. President, I think I see a signal here that we have to quit. [*Laughter*]

The President. This is Clinton's Second Law of Politics. When you start to have a good time, you're supposed to be somewhere else. [*Laughter*]

I've enjoyed this immensely. Thank you all very much. Thank you. I appreciate it.

NOTE: The President spoke at 12:35 p.m. in the warehouse of Therma, Inc. In his remarks, he referred to Dan Kirby, floor manager, and Johnny Gooch, sheet metal foreman, Therma, Inc.; Mayor Susan Hammer of San Jose; Amy Dean, business manager, and Steve Preminger, community services director, South Bay AFL-CIO Labor Council; Ray Lancaster, Jr., business representative, Plumbers, Steamfitters and Refrigeration Fitters Union Local 393; Mark Van Den Heuvel, business representative, Sheet Metal Workers Union Local 104; and David Chetcuti, a Millbrae, CA, police officer killed in the line of duty on April 25. This item was not received in time for publication in the appropriate issue.

Statement on Signing the 1998 Supplemental Appropriations and Rescissions Act

May 1, 1998

Today I have signed into law H.R. 3579, the FY "1998 Supplemental Appropriations and Rescissions Act." This emergency supplemental legislation makes urgently needed funds available for victims of natural disasters and for our troops in Bosnia and the Persian Gulf. While it is disappointing that the Congress has failed to meet the Nation's financial responsibilities by not approving funds for the International Monetary Fund (IMF) and the United Nations (U.N.), the Congress has provided funds that I requested for victims of natural disasters at home and for our military troops overseas.

I am pleased that this legislation will enable us to meet our commitment to our troops in Bosnia and the Gulf, to support readiness worldwide, and to aid victims of natural disasters at home. This Act provides more than \$2 billion for these purposes.

The Act also includes \$2.4 billion for disaster relief programs for the Federal Emergency Management Agency, for emergency highway repair, for repairing levees and other

flood control systems, for repairing national wildlife refuges and national park property, and for State and private forestry, farm loans, dairy, and other agricultural assistance.

I am also pleased that the Congress has decided to omit a number of extraneous and objectionable items in this legislation, such as provisions to increase the number of assault weapons on the street, to subsidize banks excessively for making student loans without fully offsetting the costs, and to undermine our ability to provide food stamps to certain legal immigrants.

It is very troubling, however, that the Congress placed politics above sound science by insisting on two measures that would diminish our public lands. One of these provisions permits the building of a six-lane commuter highway near Albuquerque, New Mexico, through the Petroglyph National Monument. This is a dangerous departure from the practice of managing National Parks based on sound science and resource protection. Another objectionable section is intended to interfere with the Forest Service's ability to manage the National Forests. This rider is directed at a proposed regulation that would temporarily suspend road construction in roadless areas of our National Forests. It imposes difficult and burdensome paperwork and potentially costly compensation requirements on the Forest Service. In addition, I am very concerned about the limitations placed on the Government's ability to ensure a fair return for oil and gas resources extracted from Federal lands. My Administration will oppose any efforts to make these limitations permanent.

I am deeply disappointed that this Act extends the comment period and delays the effective date of the "Organ Procurement and Transplantation Network" final rule, allowing an unfair organ allocation system to continue. This inequitable system violates the intent of the National Organ Transplant Act, which requires a national, equitable system, free of geographic bias, as well as the American Medical Association's Code of Medical Ethics, which prohibits the distribution of organs on the basis of geographic conditions. The final rule would ensure that organs are allocated to the sickest candidates first.

It is also regrettable that in order to pay for the emergency funding for victims of natural disasters, this legislation demands unnecessary and unwarranted cuts in existing housing programs for low-income Americans. In response to my Administration's strong objections, the Congress pledged to restore this funding fully in the next fiscal year. I call upon the Congress to honor that promise, and to do so without draining resources from any of the housing programs contained in my budget for FY 1999. Instead of cutting housing assistance to low-income Americans, the Congress should provide funding for the 100,000 new housing vouchers proposed in my FY 1999 Budget.

It is imperative that the Congress act quickly so that we may meet our commitment to the IMF and the U.N. Delay or failure to meet the full IMF requests could undermine our capacity to deal with threats to world economic stability and could leave us unable to protect American workers, farmers, and businesses in the event of an escalation or spread of the Asian financial crisis or a new crisis. In addition, failure to provide the full request for U.N. arrears could jeopardize our chance to affect negotiations on lowering U.S. dues and would undermine U.S. leadership in the international community. I call on the Congress to pass new legislation quickly, with workable terms, so that the United States is able to maintain its position as a world leader and to meet its obligations to the IMF and the U.N.

William J. Clinton

The White House,
May 1, 1998.

NOTE: This item was not received in time for publication in the appropriate issue.

**Remarks at a Democratic National
Committee Dinner in Portola Valley,
California**
May 1, 1998

Thank you very much. You know, I always marvel at Walter's energy and fidelity to our cause, and I thank him again tonight. I'm very honored to be here. The last time I was in a tent in this yard was when we had a

dinner for the 50th anniversary of the United Nations, I think—when I came to San Francisco and we had the wonderful event there. And I must say I'm delighted to be back.

I thank Senator Feinstein and Dick for coming tonight, and Representative Eshoo. Mayor Hammer, thank you for coming. Art Torres, our State Democratic Chair, thank you for coming. Len Barrack, thanks for all the work you've done. This man came all the way from Philadelphia. You remember what W.C. Fields said about that. [*Laughter*] He's a good person, and he works hard, and I'm grateful to him.

I'd like to thank the vice chairs of the dinner, Ken Karas, Ernest Gallo, Chong Moon Lee, and Maura Morey. I'd like to thank Senator John Burton for coming. And I'd like to thank my old friend Clarence Clemmons, who gave me a couple of mouthpieces, but I can't make them sound the way he did tonight. And I'd like to thank our young musicians over here, this young saxophone player and his compadres. They've got quite a future as well; I thank them. They did a great job.

And finally, I'd like to thank my former Defense Secretary, and I think the best Defense Secretary since World War II, Bill Perry and his wife, Lee, for being here. Just for a pure rush for me, an old-fashioned American boy who grew up in the fifties and the sixties, I want to thank Willie Mays for coming tonight and making my night. Thank you very much. Thank you.

You know, I feel so indebted to California because the people of this State have been so very good to me and to Hillary and to the Vice President. And of course, now we have the most important person in our lives out here, Hillary and I do, going to school—and it is a long way from Washington. You know, it's hard for the President to do anything without attracting any notice. I can hardly just wake up one morning and decide, I think I'll go have dinner with Chelsea—just get on Air Force One and fly to California. No one will know. [*Laughter*] So it's very frustrating. But still, I'm happy she's here, and I'm happy she's especially in this part of this wonderful State.

I have seen the people of California go through a lot since I first began coming here

as a candidate in 1991. I think—when we were at dinner Walter said, “Well, I want you to know times have never been better for us here than they are now.” And I hope that’s true. I’m grateful that the unemployment rate has dropped 40 percent in California in 5 years; that we have the lowest unemployment rate in 28 years and the lowest inflation in 30 years and the lowest welfare rolls in 27 years; the lowest crime rates in 24 years. I’m very grateful about all that. And insofar as our policies played a role in that, I am grateful.

But what I think is helpful is to look at why all these companies around here do so well and try to see to what extent they could be a metaphor for how our country would work if it were working at its maximum capacity. I visited, with Congresswoman Zoe Lofgren and Mayor Hammer today, a wonderful manufacturing facility in San Jose that was started by a man and his wife 31 years ago with one employee, and they have 1,600 now. And they have a great kind of labor-management agreement, a great continuing education program, a great decentralized, creative manufacturing system where the workers feel empowered, and no one ever quits who gets a job there.

And I thought to myself, I wish Washington worked this way. [*Laughter*] But in a larger sense, I wish all of America had a chance to be part of something that worked this well. I wish every child’s school worked that well. Some of you here have been active in the charter school movements that you know I care a great deal about. When I became President I think there were—well, there were just a handful of charter schools; now there are hundreds. And I know you’re working to establish another 100 a year out here in California, and I heartily endorse that because I think it’s very, very important.

We have got to guarantee and demonstrate that public institutions can provide genuine excellence in elementary and secondary education. Everybody knows we have the best system of higher education in the world; no one thinks we have the best system of elementary and secondary education in the world. The more diverse our student bodies become, the more diverse our society is, the

more important it will be to build excellence in education.

The point I’m making is, this company that I visited today, they’re doing real well; they’re doing better than they’ve ever done, and they don’t spend much time thinking about it. They’re thinking about what they’re going to do tomorrow and how they can do more to develop the capacity of the people who work for the company, and how they can really fulfill the dreams of the people—literally, the dreams of the people that work for the company.

And that’s what I think we ought to do in America. I do not believe this is a moment for complacency. Sometimes when countries are doing well they sort of sit back and relax and wait for something bad to happen, or act like nothing bad will ever happen, or ignore the clear challenges before them. And if you don’t remember anything else I said tonight, I hope you will remember that I believe that America ought to respond to the dynamic times in which we live with gratitude for the prosperity we have, but using it as a springboard to deal with the challenges yet unmet that are right before us and the long-term challenges of the country.

And I tried to keep everyone busy in Washington on positive things that would give us a chance to work together and push forward as a nation. I’ll just mention a few.

We’ve got a budget to pass this year. If we do it right we’ll have the first surplus we’ve had in over 30 years—a really substantial surplus—and we’ll have another one next year and the year after that. Some people want to spend it. I think it’s a terrible mistake. Some people want to give it away, give it back to you in tax cuts. I think that’s a mistake, too—until we know we’ve got a balanced budget, it’s going to stay balanced over the long run, and we figure out what we’re going to do to deal with Social Security when all the baby boomers get into it. We’re going to have to make some substantial changes in Social Security if we’re going to preserve it.

And you know, a lot of young people wish the whole thing—we could just forget about it and give them back their money. But it’s important to remember that not every 5-year period in America has seen the stock market

go from 3,200 to 9,000. [Laughter] As a matter of fact, I don't think there ever has been a period where that happened.

It's important to remember that Social Security is a life insurance program and a disability program, as well as a retirement income program. And it's important to remember as we sit here in Walter's palatial and gorgeous place that almost half of the senior citizens in America today would be living in poverty if it weren't for their Social Security income, even though almost all of them have some other income to go along with Social Security.

But the system will go broke the way it's going because when all us baby boomers get on it there will be two people working for every one person drawing. I mean, it's not rocket science, and we're going to have to make some changes. There may be some ways to increase the rate of return. There may be some ways to give people more individual control. There may be a lot of things that have to be done—we're raising the retirement age already under existing law. But we have to do it in a way that protects everybody. And the worst thing we could do is go off squandering this budget surplus that we worked for 5 years to try to clean our country's financial system up, get interest rates down, get investments up, get the economy going, until we've taken care of this huge long-term challenge for America. So to me that's the first thing I want to say. I hope that gets done this year. And I believe it will.

I hope the Congress will adopt comprehensive tobacco legislation to protect children from the dangers of tobacco—this year. I'm a little concerned about the rhetoric of the last couple of weeks because we've gotten this sort of contentious political rhetoric coming out of the Nation's Capital. But you should know that a committee of the United States Senate voted 19 to 1 for a bill that I believe will actually succeed in dramatically reducing the access of children to tobacco and the incidence of children learning to smoke.

Now, again, this should not be partisan issue. I know this is a Democratic Party event and I'm glad our administration has led the way on this and I'm glad we were the first administration that ever took on this issue.

But I don't necessarily care about the credit for this. This is about kids' lives. Three thousand children start smoking every day. One thousand will die sooner because of it. It is the most significant public health problem in the United States today and we know what to do about it.

Now, are there complexities; are there genuine disagreements if we raise the price of cigarettes and give the States back their share because they participate in a Medicaid program which deals with some of these medical costs? Do I disagree with some of the leaders of Congress about how the money ought to be spent? Yes, yes, yes. It doesn't amount to anything compared to the main issue. The main issue is, can we adopt a plan which will dramatically reduce the rate at which children begin to smoke and become addicted and die sooner?

And the answer to that question is, yes, we can, if we make up our minds to do it. And it is not all that complicated. There are lots of complicated issues around the fringes, but every one of you has got some problem in your life like this where, you know, you think about some problem in your life, your work, whatever—it's just so complicated it gives you a headache, but you know down deep inside the essentials are very clear and the real question is whether you're going to take a deep breath and go on and do what you ought to do. Now, that's what's facing Congress now. And I hope very much that we will do that.

Let me just mention one or two other things. Last night, the United States Senate, by a vote of 80 to 19 voted to let Poland, Hungary, and the Czech Republic join NATO. That comes after—4 years after I first proposed it, but also after we've got over two dozen other countries involved in a partnership with NATO called the Partnership For Peace. Almost all of them are helping us in Bosnia. Our enemy used to be Russia. We've signed—NATO signed a special agreement with Russia and they work shoulder-to-shoulder with American troops in Bosnia. We stopped the bloodiest war in Europe since World War II.

But now, I say that to make the following point. Some of us in this room are old enough to remember that we have fought two World

Wars, as well as a cold war, in a Europe that was divided. When the Berlin Wall came down and communism began to be rejected everywhere, it's easy again to assume that everything is going to be all right and we don't have to think about it. Bill Perry did a lot of work to help me think about what the security framework of the 21st century should be about—just as I want a trade framework for the 21st century, so that the world—or at least responsible free peoples in the world are growing together militarily and economically.

We've got an unbelievable situation in Washington where we won't pay our contribution to the International Monetary Fund, which helps to stabilize, in this case at this moment in time, the Asian economies which are very important to us. Thirty percent of our growth in the last 5 years came from exports. Thirty percent of our exports go to Asia—more from California—but in the country as a whole, go to Asia.

The IMF doesn't just go throw this money away. If you've been reading you know that the people that get it often complain about it, because it comes with conditions necessary to rigorously strengthen the economy so that it can grow over the long run. I don't see how we can expect to be treated as and to continue to be the leading economy in the world if we won't even pay our fair share to the International Monetary Fund because we're having a totally unrelated political difference in Washington about how family planning should be handled.

The same thing is true of the United Nations dues. The United Nations is good for the United States. First of all, it's headquartered in the United States. Secondly, they do a lot of things. They have people that go all over the world doing things that, frankly, we'd be under a lot of pressure to do ourselves if someone else weren't willing to take up the slack.

One of you said something to me tonight about thanking me for my role in the Irish peace process. Every single day for the last 40 years—every single day for the last 40 years—an Irish citizen has been somewhere on patrol for peace on behalf of the United Nations—7 days a week, 365 days a year, for 40 years—the only country in the world that

can say that. They're pretty good partners for us.

And again, the idea that we won't pay our U.N. dues because we're having a fight over family planning—but we want to be the leading country in the world, we want everybody to follow us—but, by the way, would you pay our way while we get over here and fight like kids in a play yard about other things and say, "Well, if you won't give me what I want, I won't pay my U.N. dues." You know, sooner or later, the rest of the world will get tired of that.

So again I say, what we need—it's inconceivable to me that that sort of dispute could arise in the business that I visited today. They would find a more wholesome way to resolve their differences. And they wouldn't let their differences over one thing paralyze them over another. So that's what we need to do in Washington.

And we also have an education agenda, an environmental agenda to deal with climate change—which I hope you're all supporting after what you just went through with El Niño out here—[laughter]—you wouldn't like to have that on a permanent basis—a health care agenda and a child care agenda in the near term. Over the long run, I ask you to think about this. We have to reform our fundamental systems if you want America to continue to grow in the 21st century and then grow together.

We have to, number one, reform both Social Security and Medicare so that they work in the way they should when the baby boomers retire and they don't bankrupt the country. Number two, we have to close the opportunity gap in inner cities and isolated rural areas where the spark of free enterprise has not yet come. Number three, we have to build a world-class system of education for our children and of skills training and lifetime learning for adults in America.

And finally, we have to come together as one country. We have to learn how to celebrate our differences and deal with them. You know, you've got—and it's a complicated thing. It's easy for everybody to say, I want us to be one America; I want us to all get along; I want us to work together. But there are specific, practical, complicated problems. I'll give you just one example.

You've got an issue on the ballot out here in California relating to bilingual education. And most people think of it as Spanish and English. But if you go to any significant California school district you'll see people from 30 or 40 different racial or ethnic groups. The Fairfax County school district across the river from my office in the White House has young people there from over 175 different racial and ethnic groups, with over 100 native languages in one school district.

Now, I've been very concerned about how these children were getting language instruction and whether they were learning English quickly enough. And frankly, there are some significant shortcomings in our bilingual education program. So I think the people that are concerned about this and put this matter on the ballot, they deserve some acknowledgement that the system we have is not working well for all children.

My problem is, I think if this initiative passes it will make it worse, not better. Because it's one thing to say, well, you're in bilingual education, you can have some instruction in your own language for a year and then you're out; it's fine to say that. But we're talking about 100 different languages now, and children at different stages of their own development. And the transition into English from some languages takes longer than others and for some people takes longer than others.

And even more important—and this is where I think people have a legitimate gripe—of all the kids that need this help today, between 15 and 20 percent of them don't get any help at all. I guess they're in the position that this amendment would put a lot of people in. But they're not getting any help at all, and they're suffering in school because of it. There are a lot of others who—basically the rest of them are divided into two different kinds of programs, and the real problem is there are so many children now whose first language is not English that there are insufficient numbers of trained teachers to deal with it.

Now, I'm going into this in some detail because it's an important issue for California. The parents who don't want their kids held back and given second-class education by being kept in bilingual education programs

for 5 and 6 years, they deserve a pat on the back. But the answer is not to say, we'll go to one year and you're out without knowing, number one, what's going to be in that year; number two, can you provide the teachers that need to be provided; number three, is it literally, intellectually possible for every child of every age, no matter what age they are when they come in this country and what their language is, to get that training?

So that's why you have local school boards and local school districts and cities, governments, and all that to try to deal with this. What we're going to try to do at the national level is to develop a program with a presumption that no one should be in these programs for more than 3 years; but that we have to do more to make them mean something.

I hope that all of you in California, particularly here, will debate this, because we need to do right by these kids. And doing right means giving them what they need, but not keeping them trapped in some sort of intellectual purgatory where they'll get bored and drop out of school and won't go forward. So I'm very sympathetic with the impulse that put this initiative on the ballot, but I think it's the wrong answer.

But the main thing is—I'm just another person. I mean, I realize I have a position but—[laughter]—but you all have a vote here and you should see this as an opportunity to debate the face and future of California. And you should see this as an opportunity to examine what your mutual responsibilities are to all these kids that are going to be doing the work for all the rest of us 10 or 20 or 30 years from now. And I think if we do it, then we'll figure out how to deal with this—and I'll try to do my part.

The last thing I'd like to say is this. There are a lot of issues that directly affect Silicon Valley that are going to be debated in Congress. Congresswoman Eshoo has got her uniform laws bill, and we've got a skilled worker visa bill and a lot of other things. And I think that you've got a chance to get most of the things that most people up here want worked out in a fairly satisfactory way before the Congress goes home. I think that's pretty good, and I think Anna's bill will pass. [Applause] Yes, you can clap for that.

But in all of our newness—this is the last point I will leave you with—everything new should really open up to all of us the basic fundamentals in life that don't change, both about our individual lives and about our country. I've spent a lot of time since I've been President—late at night, normally—reading about periods in American history about which not much is known. And also trying to really master the critical turning points in our history.

And I have come to the following conclusion. You can go all the way back to the framers of the Declaration of Independence and all the way forward to the present day and you will find that every—every age has presented challenges which have required us to make the same three decisions in new and different terms, to throw off the dead hand of history and change so that we can make the same three decisions in new and different times. We have had to repeatedly reaffirm our allegiance to liberty and to deepen the meaning of it. I mean, liberty when we became a country was something for white male property owners—a minority in America today, white male property owners. We have deepened the meaning of liberty.

The second thing we've done is to repeatedly have to widen the circle of opportunity. This economy works today on ideas and on the thinking skills of people. And that factory I visited today was being driven to higher and higher levels of achievement because everybody's mind was valued.

And the third thing we have to do is to reaffirm our devotion to the unity of our nation and our communities. You know, I get so tired of the harsh political rhetoric that too often dominates the national landscape because it is unrelated to a specific issue designed to unify the American people so we can all go forward together. If it is true that the best companies in this community do well because people work together, if it is true that we only win wars and overcome depressions and deal with other challenges that are negative because we can work together, it is clearly true that we can only absorb all the changes going on in the world today if we form a more perfect Union.

This is a better country and a different country and a deeper country than it was at

the beginning and it will be well into the 21st century if people like you still care enough to do those same three things in each new time.

Thank you, and God bless you.

NOTE: The President spoke at 10:20 p.m. at a private residence. In his remarks, he referred to dinner host, Walter Shorenstein; Richard Blum, husband of Senator Dianne Feinstein; Mayor Susan Hammer of San Jose, CA; Leonard Barrack, national finance chair, Democratic National Committee; California State Senator John Burton; saxophone player Clarence Clemmons; and baseball legend Willie Mays. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

May 2, 1998

Good morning. Today I want to talk about our efforts to improve service and end abuses at the Internal Revenue Service. American citizens have every right to expect that they'll be treated with respect by a Government that works for them. A big part of our values as a people include courtesy, efficiency, and fairness from Government.

For far too long in the minds of too many Americans, the IRS has symbolized an immense bureaucracy, a place where unfair treatment and unresponsive service were far too common. We've worked hard to give the American people an IRS that is fairer, more efficient, more responsive to their needs, and to support the many dedicated IRS employees who do want to serve them well. And we've made progress.

Two years ago I was proud to sign into law the second Taxpayer Bill of Rights. It's made it easier for taxpayers to appeal IRS decisions and to recover attorney's fees when the IRS makes mistakes. And last May Vice President Gore and Treasury Secretary Bob Rubin began an unflinching top to bottom review of customer service at the IRS. They reported back to me with their recommendations, and we're already beginning to see a new IRS that is more committed to the needs of taxpayers.

We're keeping IRS offices open longer during filing season, launching independent citizen advocacy panels to help taxpayers get

relief. Now you can call the IRS and get telephone service 6 days a week, 18 hours a day; soon it'll be 24 hours a day. And this year 24 million Americans saved an awful lot of time and hassle by filing their returns on the phone or electronically. I've also appointed a new IRS Commissioner and a new kind of IRS Commissioner. Charles Rossotti is an experienced businessman who spent his entire career on the taxpayer side of the table.

But we've got more to do. Like most Americans, I was outraged by testimony at last week's congressional hearings on the IRS, by the stories of our citizens harassed and humiliated by what seemed to be an unaccountable, downright tone-deaf agency. These problems developed over years, of course, and we can't solve them all overnight. But Commissioner Rossotti has moved swiftly to route out abuses and to further reform operations of the IRS.

Also, he's asked Judge William Webster, the former Director of the FBI and the CIA, to conduct an independent review of the criminal investigation division. As further steps are needed, they will be taken.

But above all, our new Commissioner needs new tools to build a better IRS, and he needs them now. Last year our administration worked with the House of Representatives to pass sweeping, strong, bipartisan reform of the IRS, to give citizens more protection, improve service, reduce abuse. Now the Senate is poised to enact very similar legislation. I call on Congress to make this year the year we set aside political differences to enact real reforms of the IRS. When it comes to quality service at the IRS, Congress can't afford to file for an extension.

As we continue to improve our work, we may uncover more problems at the IRS. Now, if we do, I pledge to the American people that once again we'll act swiftly, guarding against abuse, punishing those who cross the line. And as we do, we will build a fairer and more effective Government for a stronger America in the 21st century.

Thanks for listening.

NOTE: The address was recorded at 4:30 p.m. on May 1 at a private residence in Palo Alto, CA, for broadcast at 10:06 a.m. on May 2.

Statement on the European Economic and Monetary Union

May 3, 1998

We welcome this weekend's historic announcement that 11 European countries have qualified for, and decided to establish, an Economic and Monetary Union (EMU). The United States has long supported European integration. We admire the determination that Europe has shown in moving forward toward the economic convergence that makes EMU possible. A strong and stable Europe with open markets and healthy growth is good for America and for the world. A successful EMU that contributes to a dynamic Europe is clearly in our best interest.

Remarks at a Reception for Representative Loretta Sanchez in Westwood, California

May 3, 1998

The President. Thank you very much. First of all, I'd like to thank Loretta and Stephen and all their families for being here and making this a family affair. I think there are enough relatives in this room—[*Laughter*]—to avoid another recount in disputed election. [*Laughter*] And I am here in part because I do not want to go through that again after this next election—and I know you don't either—and I'm sure we will not have to, thanks to you.

You know, when I came here in October—I came to Orange County, to Loretta's district—and we had this huge rally, I was so excited. And I got all my folks together and I said, I honestly believe that woman is going to win. [*Laughter*] And I think if she does win, then she'll win more handily the next time because I think she can do the job. And I'm here to tell you, she is doing the job. I know; I'm there.

Loretta Sanchez has come a long way. She was a Head Start child, and now she's working to give all of you a headstart on the 21st century. I have had so many reasons to be profoundly grateful to the people of California. This State has been so good to me and to my wife and to Vice President Gore and our administration. You have enabled us to

serve the American people for 8 years. And it's been a good 8 years—but it's not over yet. I hope the best is yet to come.

I'd like to make just three points very quickly, if I could. Number one, we really did have a different approach. We believed that if you focused on giving opportunity to every responsible citizen and bringing this country together as one community and then trying to see that America leads the world in this new global economy for peace and freedom and prosperity, that we would all do better. And that was a very, very different view than had been taken before.

And so on the economy, for example, which had to be our first order of business, we said yes, we have to balance the budget, but we have to do it in a way that brings our people together and doesn't divide them; that invests in education and health care and the environment and science and technology. And I think it's pretty hard to quarrel with the fact that even though everybody in the opposite party opposed us in 1993—none more loudly than the former Congressman from Loretta's district—[laughter]—we now have a record. The results are there.

We've got the lowest unemployment in 28 years, the lowest inflation in 30 years, the highest consumer confidence in 30 years, the highest homeownership in the history of our country, the lowest welfare rolls in 27 years, and the lowest crime rates in 24 years.

So the first thing I'd like to say is, it seems to me that if you know that and you have this congressional decision to make, it's a pretty easy decision: she was right, and they were wrong.

The second thing I'd like to say is, even though there are just a few days left in this congressional session—which has been shortened because of the election season and unfortunately altogether too acrimonious to suit me—we still have a lot to do. We have to pass a budget that will be a budget passed for the first time when we have a balanced budget—indeed, a surplus of yet undetermined size—for the first time in 30 years.

Now, there are those who say, "Well, let's spend it." There are those who say, "Let's have a tax cut." My view is, look, we've waited 30 years for this. The economy is coming back because we've been responsible and

kept interest rates down and gotten investment going again. Senator Watson and Controller Connell will tell you that California and other States are in better shape economically because the country is doing better.

And yet, we know that we have a lot of long-term problems, the chief of which is making sure that Social Security is reformed but secure when the baby boomers retire. And so I say we should not fool with this surplus until we have resolved how we're going to save Social Security for the 21st century.

Secondly, we all know that we have a lot of work left to do in education. We have a proposal that will raise standards, help schools to be rebuilt or build new schools where they're needed, enable the schools to be hooked up to the Internet by the year 2000, have smaller classes in the early grades. It's an important agenda. It deserves to be considered.

We have a very important piece of legislation to pass—which I still believe we can pass, notwithstanding the acrimony of the last few days—to finally write into law a comprehensive bill that will protect our children from the dangers of tobacco—the single biggest public health problem in the country; 3,000 kids a day start smoking, 1,000 will die earlier because of it. We have a chance to stop that or to dramatically cut it, to cut the problem in half in the next 5 years. I want to do it before the Congress goes home for the election season.

We have a bill before the Congress that will establish a bill of rights for health care consumers. And with more than half of our people in HMO's and related managed care plans, I think that's important. We have a proposal that will allow people who have retired or been forcibly retired before they are eligible to draw Medicare to buy into the Medicare system. I think that's important. We have significant legislation that will expand the availability of child care—quality, affordable child care—to working families. I think that's important. That should be considered.

These are the kinds of things that we're committed to. We've got an IRS reform bill that's been up there for months. We've got a campaign finance reform bill that finally

the Democrats and a handful of brave Republicans have forced the House to vote on. And I thank them for that. So we've got a lot to do this year.

And then if you look out beyond this year, what will be dealt with after this next congressional election? What are the long-term problems of the country? Well, I already mentioned one. We have to reform Social Security for the 21st century. That's going to be done in 1999. You want her voting on that?

Audience members. Yes!

The President. We have to decide how we're going to reform Medicare for the 21st century. Same sort of problem. It will hit us earlier. We have about 10 years before we reach a real financial crunch there. There are so many people who would be devastated if they didn't have access to health care as provided under Medicare. She needs to be there voting on that, and you've got to understand that.

We will be nowhere near finished with our work in education. Everybody knows that America has the finest system of higher education in the world. We have the most diverse student body in our history. We've got to make sure we've got the finest system of elementary and secondary education in the world. That's terribly important.

We have this great economy but, you know, there's some neighborhoods in our inner cities that it hasn't reached yet. And I put a program before the Congress to deal with that. We can never be satisfied until every child growing up in this country has an opportunity to participate in this economy that we now celebrate. And we're going to be dealing with that over the next 2 years.

And finally, we are going to continue the work of trying to bring our country together, across all the lines that divide us, to build one America out of citizen service and out of mutual understanding and respect. And we'll have a lot of issues that deal with that. And in the Congress, we can either have a forum for dividing the American people or for bringing us together. And in the end that may be the most important thing of all. You cannot name a single, solitary challenge this country has ever had in 220 years that we

haven't done the right thing about when we've been together. And when we've been divided we have gotten in serious trouble, going back to the very beginning.

So for all those reasons, I'm here for Loretta Sanchez. But I'm also here for your children, your grandchildren, and the future of this country in a very new and exciting time.

And finally, in spite of all the newness, let me just say this. If you go back through the history of the country—and I spend a lot of time as President going back and reading about American history, including a lot of periods in American history that most Americans don't pay a lot of attention to, including me when I was a student. [*Laughter*] I've studied a lot, for example, about what happened to America in the 30 years or so before the Civil War, and in the 40 years after the Civil War and before Theodore Roosevelt became President. And I honestly believe more strongly than I did the day I took office that the promise of this country is limitless, that our best days are before us; but that no matter what new things happen, in every pivotal time we have to do the same old things well.

And you look at every time we faced a challenge there are three things we've always had to do. We have had to deepen the meaning of freedom. In our age and time, it means not excluding anybody from the full benefits of citizenship. We have to widen the circle of opportunity. In our age and time, it means recognizing that there are lots of people who still are not part of the American dream. And we have to deepen the meaning of our common community. Or in the words of our Founders, we have to keep working to form a more perfect Union.

That is the message that I have tried to bring to Washington. That is the message that our party reflects. That is the message that the election and service of Loretta Sanchez embodies. And as I said, I want you to have an unambiguous celebration this November. I will do whatever I can to make sure it happens and I want you to do the same.

Thank you, and God bless you. Thank you.

NOTE: The President spoke at 6:41 p.m. at the Westwood Marquis Hotel. In his remarks, he referred to Stephen S. Brixey III, husband of Representative Sanchez; State Senator Diane Watson; and State Controller Kathleen Connell.

**Remarks at a Democratic
Congressional Campaign Committee
Dinner in Beverly Hills, California**

May 3, 1998

The President. Thank you very much. There may be one person in America, Dick Gephardt's 90-year-old mother, who wants to call him "Mr. Speaker" worse than I do—but no more than one. [*Laughter*]

Thank you for your leadership. Thank you for hanging in there these last couple of years. You have no idea, those of you who may not follow this on a daily basis, how many good things happened since the 1994 elections when we lost the majority, because we had a large, strong, united minority that on many occasions made common cause with a brave band of Republicans who would stand with us to continue to move this country forward. In some ways, that's a harder thing to do. And Dick Gephardt also led in that effort, and I'm very grateful to him for that.

Thank you, Martin Frost. I thank all the members of the California delegation who were introduced. I thank Lieutenant Governor Gray Davis and our State Democratic chair, Art Torres, for being here as well. And ladies and gentlemen, I thank all of you, especially Eli and Edye, thanks for having me back at your house.

You know, Martin Frost got up here and sort of made that offhand remark about how this was the largest amount of money that we had ever raised at a private home. And I thought if you got here in time to take a tour, you know it hasn't been a fair fight. [*Laughter*]

I think I should repeat something I said. I once went to Marvin and Barbara Davis's home and I walked down that beautiful spiral staircase, and I said, "You know, this place makes the White House look like public housing." [*Laughter*] That's sort of how I feel tonight. And of course, the White House is public housing. [*Laughter*] And I thank you

for letting me and my family be tenants for a little while. It has effective rent control as well. [*Laughter*]

Ladies and gentlemen, I've had a wonderful time tonight. It's been great to see so many of my old friends and meet some people I haven't met before. I want to thank you for many things. I want to thank you for being so good to me and to Hillary and to Al Gore and to our administration. California has had a very special role in our public life, as all of you know.

I want to thank you for being here for these folks tonight. And I want to ask you to try to in the next few months find every opportunity to put your voice where you've put your investment tonight, because we have a case to make to the American people. When I took office, I believed that the most important thing I could do is to throw off sort of the dead hand of history that I thought had paralyzed Washington, to try to move our country forward and galvanize our party's energies to think about what we wanted America to look like in the 21st century.

Many of you have heard me say this before, but I'm going to say it again; I believe at every age and time, America has to reaffirm three great missions. We have always to deepen the meaning of liberty, to widen the circle of opportunity, and to strengthen the bonds of our National Union. That's an interesting thing to do in this day and age, when there are still vestiges of fairly profound discrimination against some Americans; when, in spite of all of our economic opportunity, there are still places in inner cities and isolated rural areas, Native American settlements on reservations around the country, where the spark of enterprise is still not reached, and where we now are becoming more and more diverse than we ever have been before in every conceivable way. And we are clearly the most diverse democracy in the world in terms of people that actually live in elbow range of one another. In addition, for more than 50 years now, we have had both the responsibility and the opportunity to try to lead the world toward greater peace and freedom and prosperity.

So that's what we set about doing in 1993, and with only Democrats voting for us, we

passed an economic program which had reduced the deficit by 92 percent before the first red cent was saved by the balanced budget amendment that was adopted in the Congress—the balanced budget plan.

Now, we have today the lowest unemployment rate in 28 years, the lowest inflation in 30 years, the highest consumer confidence in 30 years, the highest homeownership in history, the lowest welfare rolls in 27 years, the lowest crime rolls in 24 years—lowest crime rates. And I'm very grateful for all that. But I say something to all of you that you know well because of where you live: we are living in a world where the ground is constantly shifting, where the future is coming quickly on us, where ideas are the currency of economics and politics, and where I think we have an obligation to use this magic moment not to bask in the sun but to bear down and deal with the long-term challenges of the country.

We will never have a time, probably in the lifetime of any of us here, where we have more opportunity to deal with the long-term challenges of America because of the good times. And that's what we ought to do. And that's what this election is all about.

We're doing our best, believe you me, to get a lot done in this session of Congress. We're trying to pass the health care bill of rights for consumers. Over half of our people are in HMO's now. We're trying to allow people who are retired, forcibly or otherwise, who can't draw Medicare and don't have any health insurance, to buy into it. We're trying to pass a dramatic improvement in our schools by going for higher standards, funds to help schools be repaired and remodeled, hook up all the classrooms in the country to the Internet by the year 2000, have smaller classes in the early grades. We are doing our best to try to meet the challenge of climate change and to do it in a way that generates new jobs and new technologies, by helping us to grow the economy as well.

We've got a lot of things to do. We're trying to protect our kids from a dramatic and troubling increase in young people beginning to smoke when we know it's illegal to sell cigarettes to teenagers, and we know 3,000 kids start smoking every day, and 1,000 will die early because of it.

We've got a big agenda. I'm going to do my best to pass it. All of us are committed to it. We're having a little trouble in Washington, as you know if you've been listening to the hot air burn its way off the newswires in the last few days, but we'll get a lot of this done. But make no mistake about it—there will be a lot to do after this election.

And what I would like to do is to spend the last 2 years of my Presidency taking on these big issues that will shape our country in the 21st century, that require someone to be able to stand there and take a position who clearly has no political agenda. I can't run for office anymore—unless I go home and run for the school board or something. [Laughter] I can't do that. But in order to shape the future in a way that creates opportunity and brings us together instead of divides us, it's very important what the texture of the Congress is. It's very important what the values of the Congress are.

You think about the long-term challenges of this country. Let me just mention two or three. We ought to, in 1999, reform Social Security for the 21st century and make it easier for people to save for their own retirement, because hardly anybody can live on a Social Security check alone. But on the other hand, we don't want to scrap the program altogether, because half of our senior citizens today would be in poverty if it weren't for Social Security adding to their income.

In 1999 we ought to reform Medicare for the 21st century. We should do that. You all know what the problems are. I'm the oldest of the baby boomers. When our crowd gets fully in the retirement pool, there will only be about two people working for every one person drawing Social Security. The present system is not sustainable.

Now, if we're going to change it, it's important we change it with the right values in mind. We ought to make a serious commitment in 1999, in my opinion, to a long-term plan to preserve the environment, to reduce global warming, and to do it in a way that will permit us to continue to grow the economy.

If you look at what Californians have done—the California voters have consistently voted, every time they have had a chance, to clean up the environment. And every time

they vote for it, there's this huge campaign which says, "If you do this, you will shut the economy down." And it's been wrong every time. For 28 years, ever since we adopted the Clean Air Act, every time the United States of America has adopted an environmental position, we have been told it was going to hurt the economy.

Since I've been President, we've made the air cleaner, the water cleaner, the food safer, and every time, the economy kept getting stronger. If you do it right, we can do this. But we have a big long-term challenge here that we ought to address in 1999.

We still don't have the kind of education system we need, and we still don't have a system of lifetime learning. We know that the average person will change the nature of his or her work seven or eight times in a lifetime. We've got to create a system in America where our elementary and secondary education is second to none, and then where an adult in the work force, no matter what their level of education, can always go back and learn a new skill. And we haven't done that yet.

And finally let me say, we still have a big agenda in the world. Dick Gephardt mentioned part of it. I hope we'll get it done this year. But, you know, I think most of you are proud of the fact that we saved who knows how many Bosnians from dying when we stopped the war in Bosnia and helped to implement the peace. I'm glad we replaced the military dictators in Haiti and gave democracy a chance there. I'm glad that we have worked for peace in Ireland, and I'm hoping and praying the referendum this month will come out all right. And the Secretary of State starts another round of intense efforts in London tomorrow on the Middle East peace process. I'm also proud of the fact that we have built enormous new trade relationships with our free allies in the Americas and in Asia.

But we can't lead the world if we don't even want to pay our way. And because of an unrelated political dispute in Washington today, we're over a year late paying our U.N. dues. Because of an unrelated political dispute in Washington today, we can't get America's contribution for the International Monetary Fund.

Now, most Americans don't know what the International Monetary Fund is, and that may be why our adversaries think they can get away with not funding our part of it. But 30 percent of the 15 million jobs we've gotten in the last 5 years have come from trade. Thirty percent of that trade is in Asia. Our trading partners in Asia are in trouble today, and the International Monetary Fund helps them. But they don't just write them a blank check, they only give them money if they agree to adopt a plan that will get them out of the trouble they're in.

Now, I haven't always agreed with every decision the IMF has made, and you haven't always agreed with every decision I've made. But you don't pick up your cards and quit voting if you don't agree with everything I do. And we can't pick up our cards and walk away and not pay. And this directly affects the prosperity of the people of California. We would not have seen the Californian economy come back as much as it has, had it not been for exports to Asia. And we owe it to the future of this country and to our children to pay our way at the IMF, to pay our way at the U.N., and to say, we do not expect to lead and not set a good example. Yes, we want to lead the world for peace and freedom and prosperity, but we expect to set a good example.

These are big issues. And I can just tell you, yes, I am a Democrat, and I'm proud of it. And I'm proud of where our party is now, and I'm proud of what's happened. But I'm not running anymore. I'm thinking about what my grandchildren's America is going to look like. And I'm going to do my best to get these big, big things taken care of for you in the last 2 years of my Presidency. But it cannot be done unless we have people of good will who are thinking about our children and our grandchildren instead of how they can cut a wide hole through a spirit of cooperation in Washington and raise the heat and turn down the light for some temporary political benefit.

That's not what we're about. That's not what our administration has been about. And I'm telling you, the three candidates who were introduced tonight and the Members of Congress who are here and their leaders who are here, if you give us a chance, we'll

deliver on those things, and our country's future will be more secure. And you will know you did it.

Thank you, and God bless you.

NOTE: The President spoke at 9:07 p.m. at a private residence. In his remarks, he referred to Martin Frost, chair, Democratic Congressional Campaign Committee; Lt. Gov. Gray Davis of California; Art Torres, chair, California Democratic Party; and dinner hosts Eli and Edythe L. Broad.

Remarks at a California Labor Initiative Breakfast in Los Angeles, California

May 4, 1998

Thank you very much. I want to thank John Sweeney for those kind words and for his brilliant leadership in giving new life and energy and direction to the American labor movement. Thank you, Doug Dority and all the other labor leaders who are here. I thank Ron and Jan for opening their home to us and letting us relive the movie fantasies of the last 60 years here in this great old house.

I'd also like to say a special word of appreciation to my longtime friend John Garamendi for his distinguished leadership as Deputy Secretary of the Interior, and he's now gone to work with Ron. And I wish him well in private life. He also got a daughter married off last weekend; he assures me it is survivable, but I'm not so certain. [*Laughter*] I thank the Members of Congress who are here, and Lt. Governor Davis, thank you for coming.

I would like to just say a few words to all of you who have come here to this fundraiser. First of all, you wouldn't be here if you didn't believe what I think is an elemental truth of the modern economy, which is that we can only have a good economy and a good society if we find ways to widen the circle of opportunity and to reward people for their labors. And insofar as we reward people for doing the right things, then those who are especially well-positioned will do even better.

John mentioned the Therma plant up in Silicon Valley I visited. Most people think that most of the places that are doing well up there are computer companies or biotech companies, but someone has to build all

those buildings that they work in, and someone has to supply them with what they need. And that plant, as John said, is a family-owned business with 1,600 workers, most of whom are sheet metal workers, a few of whom are in the plumbers union, but they're all unionized, and yet they have all the things that the enemies of organized labor always say you never see. They have a flexible workplace; they have incredible partnerships with their owners, and the people who run that plant are very, very proud with their relationship with the union and with the people on the floor. And they have a modern workplace in which no one wants to leave, because they think they're getting their fair share of the labor, and because they believe their labor is respected.

We have tried to do that. I was very disturbed when I became President that our country had had 20 years of increasing inequality among working people. And there were many reasons for it, some of them unavoidable, because we were changing the nature of the American economy, and whenever you change the nature of an economy—it happens about once every 50 or 60 years—the people that are really in the best positions do best. It happened when we went from being agricultural to an industrial economy. But a lot of it was because our people weren't well-equipped and weren't being treated fairly, and that people didn't understand that we had to make extra effort.

So I want to thank the labor movement and John Sweeney and all the other labor leaders for the things they've supported that their own members were not the primary beneficiaries of. Most of the people that got the benefit of the Family and Medical Leave Act were working people who did not have the benefit of union representation. Most of the people who got the benefit of the increase in the minimum wage, directly or indirectly, most, if not all, were union people—were not union workers. Most of the people who get the benefit of the earned-income tax credit, which is now worth \$1,000 a year to a family of four with an income of under \$30,000, and it's lifted 2.2 million children out of poverty—were working families that did not belong to unions. And so I thank you for being the voice, all of you, not only for

your members but for those who are not members of organized labor.

Now, when you look ahead to the future, it seems to me one of the great challenges still facing us is how every single person in our country, and ultimately in other parts of the world, can feel that there is some way they can live out their dreams, raise a family, live a life that makes sense in this new world we're living in.

And it's funny, because one of the things that has clearly happened, with more and more people on the Internet, more and more kids on the Internet at school, more and more people being able to individually access information, is that there really is a new upsurge in the world today in people's desire to have more individual control over their destiny.

We're in the process now of reviewing the Social Security system, for example, and there's this huge age differential—young people all say, well, we should have—not all, but a lot of young people say, "We should have individual accounts, and we'll decide how to invest it." Older people remember that the stock market has not always gone from 3,000 to 9,000 in any 5-year period—and so they say, "Well, you better have a little bit of protection here for what happens on the days when it's not so good."

This initiative on the California ballot can be seen against that background. The people of California have been very good to me and my family and my administration. And I have watched with interest as the State has emerged from its economic recession, starting in 1993 and coming forward—Californians, in the most popular State in the country and a State where it's fairly easy to get an initiative on the ballot, have been asked to come to grips with issues that are being debated.

Now, I think sometimes these ballot initiatives have dealt with real problems, but at least from my point of view, with the wrong solution. For example, if you look at this ballot initiative on bilingual education, I think there is a significant problem in the—I think the way we are handling immigrant children, integrating them into our education system, integrating them into the mainstream of American life, is inadequate. I don't think

it's working as well as it should. But I think the proposal on the ballot will make it worse, not better. That my only—but at least they're debating a real issue. And I'm hopeful on that issue that the voters of California will be able to think it through. And I applaud the speaker of the House here who tried to get an alternative measure through to deal with it in what I believe is a much more positive way.

This issue dealing with labor unions and the relationship with labor unions to their members, I think it's an entirely different one. This is an issue, in my view, which seeks to take a legitimate principle, which is that people should not have their money spent against their will, and turn it into a ballot initiative that will simply put organizations that represent working people at a significant competitive disadvantage to other organizations in the political marketplace.

So this is something that sounds good, but isn't—not something that's dealing with a real problem. There is no real problem here. And that's what you have to get out to the people of California.

John and I—on the way in, he pointed out that, again, that it is labor union members who do not wish their dues money, others who do not wish their voluntary check-off money to be spent on political purposes, can inform their unions of that and get back a portion of their money. I think you said—Gerry McEntee said 33,000 AFSCME members got back a portion of their money last year. This is not a problem. This is being put forth as a problem. This is not a problem that exists. No one is making labor union members contribute to political campaigns.

Now, what this amendment seeks to do is to basically muffle the ability of the collective voices of working people to be heard by putting on them a far, far greater administrative burden than corporations face when they spend their own money—they don't have to get their shareholders' permission every year—or other organizations like the Chamber of Commerce, the NFIB, any other membership organization that spends money either to support candidates or to affect ballot initiatives or other political issues.

Why should labor unions be singled out when they already give their members a better voice at opting out of the system than a lot of other organizations do? Why should we have a system where we say—let me tell you, I've been in Washington now for 5 years—we haven't always agreed on everything. John Sweeney and I don't agree on every issue. But I'll tell you something: If it were up to them, every American would have health care tonight, every child would go to bed tonight not worrying whether or not there would be a doctor there if the baby woke up at 3 o'clock in the morning.

We have family and medical leave. We have this very different tax system for low-income working families. We have all these things in our balanced budget agreement; we've got the biggest increase in child health care in 35 years—going to provide 5 million children with health insurance.

We have virtually opened the doors of college to every American, in no small measure because American labor was working up there in the Congress to try to pass this. This is a better country because of them.

I don't know what the 30-second message is because I'm not part of the ad team out here, but I can tell you this: I believe if the people of California understood, clearly, that every member of every union in America has a right at any time to say, "I do not want my money spent, my dues money spent, to lobby on ballot initiatives or spent for political purposes"—that that is a far more expensive thing that applies to other organizations as a practical matter, and that this is just an attempt to put unions at a disadvantage to other organized groups in the political marketplace, and thereby to diminish the voice of working men and women—and keep in mind—and for people who are not members of unions for whom they speak who would otherwise have no voice—who would otherwise have no voice.

That family and medical leave thing, we had 170 other countries that had family and medical leave for goodness sakes, and we still have people in the United States Congress saying, "Oh, if you do this, it will cost America jobs."

And that's what this is about. And I honestly believe if you can just tell the people

of California the facts, that no man or woman in any labor union anywhere in California or in the country is being ripped off, that they can reallocate their money when they want to, they can say, "I do not want this to happen." And then they understood that this ballot initiative does not apply to business organizations; it does not apply to other organizations; it does not apply to corporations; I think the innate sense of fairness of the people out here will prevail. And all of you who are contributing here at this breakfast today are giving the people who are running this campaign a chance to do that.

But I really believe that it's important that the message get out there that is not like—a lot of these other ballot initiatives are dealing with real, legitimate problems, and then you're just arguing over whether this is the right solution to a real problem. This is not a real problem. This is an attempt to create the impression that individual members of unions are being put upon when they aren't. And it's being done to alter the balance of power in the political debate.

And so I hope very much you will prevail, and I hope my being here helps you a little bit. And I hope between now and the time it's voted on, enough people will understand the facts. This is why we're—if they really know the facts, I think you'll win.

Good luck, and thank you.

NOTE: The President spoke at 9:22 a.m. at a private residence. In his remarks, he referred to John Sweeney, president, AFL-CIO; Douglas H. Dority, international president, United Food and Commercial Workers International Union; breakfast hosts Ron and Janet Burkle; Lt. Gov. Gray Davis of California; State Assembly Speaker Antonio R. Villaraigosa; and Gerald W. McEntee, president, American Federation of State, County and Municipal Employees.

Remarks Announcing the Partnership for Advancing Technology in Housing in San Fernando, California

May 4, 1998

Thank you very much. I think Christy did a terrific job. And the rest of her family is out here; we're glad you're here. And let me

say to all of you how very glad I am to be here. I want to thank Congressman Sherman. I know that Congressman Berman wanted to be here today, but a family emergency prevented him from coming. His daughter Lindsey is here; I thank her for coming. Thank you, Lieutenant Governor Gray Davis, for being here.

We have a number of people who have been involved in this endeavor—William Apgar, who is our Assistant Secretary-designate at HUD; Deane Evans, the staff director for PATH. Thank you, Bob Vila. Thank you, Jeff Lee and Jay Stark, the president and director of development for the Lee Group. I thank the Braemar Urban Ventures who are also a part of this project.

I say a special word of thanks to Don Martin, the president of the National Association of Home Builders—came a good long way to be with us today. And that shows the kind of commitment we have out of this national organization. I thank him very much for his remarks and his presence.

I see a lot of people in the audience, I hesitate to acknowledge some for fear of missing others, but I see our L.A. County Supervisor, Zev Yaroslavsky, and City Councilman Richard Alarcon, former Assemblyman Richard Katz, Assemblyman Bob Hertzberg. I thank them for coming.

And I have to make special notice of one person who is here. I don't know a more ardent environmentalist than Ed Begley, Jr. He's the first person I ever met who owned an electric car. Thank you for coming.

Ladies and gentlemen, this is a very important day. I know that all of us are glad that our country is enjoying good economic times, that we have 15 million new jobs, the lowest unemployment in 28 years, the lowest inflation rate in 30 years, the lowest crime rate in 24 years, the highest consumer confidence in 30 years. We also have another accomplishment as a country that's particularly relevant today: We have the highest homeownership ever recorded in the history of the United States.

And all of that is very good. The housing market has never been stronger. It appears that between now and 2010, we'll have 15 million more new homes built in America. It's a great opportunity for the American peo-

ple. But like all the changes going on today, as I have repeatedly said, this is not a time for us to be smug or complacent. This is a time for us to ask, how can we take advantage of the good times we have and the changes that are going on to meet the long-term challenges of America?

And we have a number of long-term challenges. One is to reform Social Security and Medicare for the 21st century so the baby boomers don't bankrupt the rest of the country. I can say that because I am one. [*Laughter*] Another is to bring the spark of free enterprise to the inner-city neighborhoods that haven't yet felt it, to make sure everybody has a chance to be a part of the economic future of America. Another is to make the most of our rich racial and ethnic diversity so that we are even stronger than we have ever been. Another is to build a world-class system of elementary and secondary education to go along with our system of higher education.

But all of that requires us to be able to live in our global home on free and fair and decent terms with our neighbors around the world. And the biggest challenge to that today, in my opinion, is the challenge of climate change and global warming.

There is virtually unanimous—not complete, but virtually unanimous—opinion among scientists that the globe is warming at an unacceptably rapid rate. We know, for example, that the last decade is the warmest decade in 600 years. It literally—3 years in the 1990's are the warmest years since the year 1400. You know in California from the unusual severity of this El Niño what these kind of disruptive weather events can be like. And we know that if the climate, in fact, continues to heat up through the excessive emission of greenhouse gases into the atmosphere, we will have more extreme, dramatic weather events such as those you've experienced so frequently in California in the last few years on a more regular basis throughout the United States and, indeed, throughout the world.

We also know what to do about it. We know that we can substantially reduce greenhouse gas emissions and we know if we do so, we can—in the right way—we can do it

and continue to grow the economy at a perfectly acceptable rate. Now, it's already been said by previous speakers that emissions from homes in America account for about 20 percent of our total greenhouse gas emission. Let me try to put that into some perspective. Basically a third of the greenhouse gas emissions come from transportation, primarily from cars and trucks. About a third comes from factories and powerplants. And about a third comes from buildings—homes and office buildings, commercial structures. In that third, about two-thirds of that comes from homes.

So if we know that we can do things with available technology—and you just saw it all demonstrated here—that will actually be profitable to homeowners, won't hurt homebuilders, and will help to save the planet, by definition, it will put more money into consumers' pockets; and by saving the environment, we will generate higher not lower economic growth. It will improve the productivity of home building and, in a very profound way, the productivity of living in homes.

Now, that's what this PATH project is all about. It will be the most ambitious effort ever to help private homebuilders and homeowners make cost-effective, energy-saving decisions that will pay big dividends throughout the 21st century.

Now, let me say that we have a specific goal here, and I don't think it's an unrealistic one based on what you have already heard and the specific examples you saw at the beginning of this event. Over the next decade, the goal of PATH is to cut energy use by 50 percent in new homes and 30 percent in 15 million existing homes. Keep in mind, there are 100 million homeowners in America as our homebuilder leader said. That's an achievable goal. If we achieve that goal, it means by the year 2010 we'll save consumers \$11 billion a year in energy costs, reduce annual carbon emissions—listen to this—by 24 million tons, equivalent to the amount produced each year by 20 million cars. For new homes and old ones, therefore, PATH will lead us toward a cost-effective solution to help preserve our real home, the planet Earth.

Now, several weeks ago right here, PATH experts reached out to the Lee Group to help

identify inexpensive ways of building energy-saving features into all the new homes. The results have been dramatic. The new technologies suggested by PATH experts—listen to this—here will save homeowners in this very moderate climate more than \$230 a year on their energy bill, \$7,000 during the life of the mortgage, without adding a dime to the price of the home. In regions where there are greater extremes of hot and cold, the savings will be much, much larger.

The power of this partnership is growing every day. Many Federal agencies are working with builders and suppliers to develop even better technologies. They're working with State and local officials to streamline regulations, and that's very important. That's why I'm glad to see so many State and local officials here today. The Los Angeles City Council just passed a resolution to help speed PATH projects. When homeowners agree to buy ultra-efficient appliances, the Department of Water and Power will help to pay any extra cost. Fannie Mae will make it possible for more homeowners to qualify for home mortgages, giving them credit for the energy savings they will collect in terms of the eligibility for their mortgage. And we ought to congratulate MetroLink, too, for making it so easy for community members to leave their cars at home.

Now, this collaborative approach to energy savings is the same one we're also trying to take with the commercial sector. Remember, residential and commercial together are about a third of our greenhouse gas emissions. We're working with the owners and the managers of the Empire State Building and the World Trade Center in New York, the Sears Tower in Chicago, and many other buildings to cut their energy use by up to 30 percent.

It's the approach we're taking in the car industry. Transportation is a third of the problem. We've already worked with Ford, GM, and Chrysler for 5 years now to help them produce prototypes that will get more than twice the mileage of today's cars, with no sacrifice in comfort, safety, or performance. And we are on the verge of having energy engine technologies in transportation that will reduce greenhouse gas emissions by 75 to 80 percent.

This is the approach that I'm trying to take to this problem in a comprehensive fashion. It's why I have asked the Congress to make a commitment that is unprecedented but a good investment of \$6.3 billion over the next few years for research and for tax incentives to mobilize these new technologies. Some of the incentives I've proposed, such as tax credits for energy-efficient homes or the solar panels you see there that are so dramatically different from the huge contraptions that used to be necessary to put on roofs, are designed specifically to promote the goals of PATH, the ones I've just announced to you.

Today I hope again I can ask all of you to ask the Members of Congress who are here with Brad Sherman and don't agree with Howard Berman and Brad to actually vote for this. It seems to me that every Republican and every Democrat Member of Congress would be for a system of tax credits that actually created a win-win situation. It would generate more economic activity and less pollution. It will save money for consumers and cut down on greenhouse gas emissions by saving natural resources.

Now let me say again, there are still people in Washington who think this is some great plot to wreck the economy. If I'm trying to wreck the economy, I've done a poor job of it. [*Laughter*] Every time in the last 28 years since we started with the Clean Air Act in 1970, every time we have faced an environmental challenge, people have said, "Oh, if they do this, they're going to hurt the economy." I have heard it and heard it and heard it—whether it was acid rain, pesticides, polluted rivers, the ozone hole—everybody said it was terrible.

Well, guess what? The ozone hole is thickening now. The layer is thickening again. We got rid of CFC's, and we did it in a way that actually has improved the economy. Every single environmental challenge we have met as a country in the last three decades has actually served to strengthen the economy by creating a demand for new ideas, new technologies, and new businesses.

So we have generated more jobs, not fewer jobs, by doing the responsible thing for our environment. And that's what will happen again. These new technologies in our homes,

in our cars, our appliances, new sources of energy like solar power and fuel cells, working with other nations of the world in new partnerships—all these things are going to give us a much more well-balanced economy. On the other hand, if we don't do it, I will say again, if you liked El Niño for the last several months, you will love the 21st century if we keep on the path we're on.

I think the answer is clear. And when someone can stand up here and make the kind of very personal testimonial about what it does to your living circumstances, like Christy did, and then say it enables her husband and her son and herself—it enables them to be good citizens by making a statement about what kind of environmental values they have—that's the story we want every American to be able to tell.

So I ask you to support the PATH initiative. I ask you to go home and examine whether you can do something in your own home to be a part of this. I ask you to ask the Members of Congress, without regard to party, to make this an American crusade. Because if you think about the big, long-term challenges America faces, this is clearly one, and we have it within our grasp to meet the challenge in a way that will give these little babies that are in this audience a much better life in the new century.

Thank you, and God bless you.

NOTE: The President spoke at 10:57 a.m. at a PATH development site. In his remarks, he referred to Christy Steindorf, owner of an energy-efficient home who introduced the President; Bob Vila, host of the television program "The Renovation Guide"; Jeffrey Lee, president, and Jay Stark, director of development, Lee Group; and actor Ed Begley, Jr.

Proclamation 7092—Older Americans Month, 1998

May 4, 1998

By the President of the United States of America

A Proclamation

In just over a decade from now, the first of America's 77 million baby boomers will celebrate their 65th birthdays. Fortunately,

visionary programs like Social Security, Medicare, and the Older Americans Act will help to make life easier for them as they reach this milestone.

For more than 60 years, Social Security has provided our older citizens with a measure of economic security. For more than 30 years, Medicare has given them access to quality health care and the latest in medical advances. And older Americans in need of greater assistance have been able to look to programs under the Older Americans Act for the critical home and community-based care services that have enabled millions of elderly men and women to live independently. Together, these farsighted measures have played a major role in dramatically reducing the poverty rate and extending the longevity of older Americans, allowing our citizens to grow old with dignity and peace of mind.

This year's Older Americans Month celebration centers around the theme "Living Longer; Growing Stronger in America." As we enter a new century and address the challenges of an aging America, we must commit ourselves to the health and welfare of our older Americans and to protecting and strengthening Medicare and Social Security. One of the most important achievements of the Balanced Budget Act that I signed last summer was its unprecedented reform of the Medicare program. This bipartisan effort extends the life of the Medicare Trust Fund for a decade, includes new health plan choices, and adds coverage of preventive benefits. The legislation also established the National Bipartisan Commission on the Future of Medicare to, among other things, review and analyze the financial condition of Medicare so that it remains as strong for our children as it has been for our parents.

We must respond with equal resolve to the increasing strains on the Social Security system. Now that we have succeeded in dramatically reducing the Federal budget deficit, I have called on the Congress to reserve all of the anticipated budget surplus until we have a comprehensive plan to strengthen Social Security for the 21st century. We are holding a series of regional conferences throughout the year to engage in a national discussion on the future of Social Security, both to raise awareness of the problem and

to allow all Americans to contribute their ideas for a solution. At the end of the year, I will host a bipartisan White House Conference on Social Security to summarize the lessons we learn from this dialogue and to map out an effective strategy that will enable us to ensure that Social Security will be there for future generations of Americans.

During Older Americans Month—and throughout the year—I encourage all Americans to pay tribute to our older citizens and to follow their example by planning for the future. As individuals, we should take care of our health through proper diet, exercise, and appropriate preventive care, and we should plan for our future financial security by participating in retirement and savings programs. As families and communities, we can help older Americans to remain active and independent members of our communities. And as a Nation, we must recognize our obligation to those who will come after us by preserving and strengthening Medicare and Social Security for the 21st century and beyond.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim May 1998 as Older Americans Month. I call upon Government officials, businesses, communities, educators, volunteers, and all the people of the United States to acknowledge the contributions older Americans have made, and continue to make, to the life of our Nation.

In Witness Whereof, I have hereunto set my hand this fourth day of May, in the year of our Lord nineteen hundred and ninety-eight, and of the Independence of the United States of America the two hundred and twenty-second.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., May 5, 1998]

NOTE: This proclamation was published in the *Federal Register* on May 6.

Interview With Al Hunt for CNBC and the Wall Street Journal

May 4, 1998

National Economy

Mr. Hunt. Mr. President, thank you for being with us. Let's talk about the American economy for a moment, which is really the envy of the world today. Federal Reserve Chairman Alan Greenspan says that it's the best economy in modern memory. But in your view, are there one or two developments that could jeopardize these good times?

The President. Well, I think the thing that I'm most concerned about today is the necessity of having growth in every major region of the world to sustain our own. I mean, we're now in a position where about a third of our growth is due to exports, where a significant percentage of them go to Asia. And our own analyses are that the Asian financial crisis, within its present parameters, won't have a terribly destructive impact on the American economy now. But if we had slow growth everywhere at once, it would, which is why I think it's rather important that we support the IMF and have a really disciplined effort to try to help move the Asian countries through this financial period and get them back to growth again.

And I feel the same way about what I'm trying to do in Africa as well. I just think that we have to understand that our welfare is more inextricably tied with others than ever before. So that's one of the things that I'm quite concerned about.

Japanese Economy

Mr. Hunt. In that context, the greatest threat in Asia, most experts think, is Japan. You and Secretary Rubin have encouraged, have cajoled, have pressured the Japanese to try to stimulate their economy, where it always seems to be too little, too late. What are the consequences if that persists, both in Asia and for the United States?

The President. Well, let me say, this last stimulus package, if it's real—that is if it's real money and it's implemented rapidly and vigorously, I think it will be a plus—

Mr. Hunt. You think it's sufficient—

The President. Well, I think—let me finish, if I might. I think that it might be enough on its own terms if, in addition to that, they have other reforms in the economy, you know, to open the economy to subject it to more genuine competition and open markets. Then I think between the two of those things you would really get growth going again. I think at least there is a chance that it is.

One of the problems that the Japanese have in their political system is that, because the pressures against doing these kinds of things are so enormous, very often they can be proposed and then their impact can be watered down or delayed in ways that make it difficult to implement. But if they actually do what the Prime Minister has proposed, and they do it quickly, and they follow it up with other reforms with banking and competitive market reforms, then I think that there is a chance we can see some real movement in Japan. And, of course, that would lead the whole region out.

And Prime Minister Hashimoto has got an enormously difficult challenge now, but he's a very able man; he's a strong man; and he's trying to, I think, really come to grips with this. And I'm hoping that he'll be able to.

Mr. Hunt. You're going to China for almost a week this summer. Is there any chance you'd stop over in Tokyo to talk to the Japanese about this economic situation?

The President. Well, I hope to see Prime Minister Hashimoto for an extended period in Birmingham, in England, at the G-8 meeting before I go to China. I would not like to wait that long. I'd like to have the chance to really sit down and visit with him and see what, if anything else, we can do to help before then. So I'm looking forward to blocking out some good time on my schedule when we're together for the G-8 meeting.

Mr. Hunt. And no reason then to go to Tokyo on your trip to China?

The President. Well, my instinct is to treat this as I would another—any other state visit, just to go and come. But I have been to Japan a couple of times, and I expect to go back again before I leave office. But I think what we need to do is to deal with this financial challenge they face as old friends and allies in a very straightforward way. I

don't think that the symbolism of a visit is nearly as important as the reality of a partnership, and I'm going to do my best to be a good partner to them.

G-8 Summit in Birmingham, England

Mr. Hunt. You mentioned the meeting coming up in Birmingham, England. What do you expect to come out of that other than a call for more financial disclosure from other nations and the IMF? Is there any more substantive—

The President. Well, I hope so, because I think that we really—I hope we'll do a G-8 version of what we were doing at the Summit of the Americas in Santiago. I thought what we—I hope we'll be talking about how globalization can work to the benefit of all the peoples in our countries, and then how it can only work if we're benefiting other nations as well.

Now, let me just give you an example. Great Britain now has a low unemployment rate, and the Dutch unemployment rate is down, but a number of the other European unemployment rates are still high, even though they're enjoying growth. The Canadians have had strong growth for the last couple of years. Their unemployment rate is only now beginning to yield to it. So there is a lot of interest among the G-8 about how they can generate more jobs without increasing inequality and without undermining growth.

So I expect we'll be talking about things like the earned-income tax credit in the United States as a device for reducing inequality, but still increasing employment. I know we'll spend a lot of time on the training of the work force and wealthy countries' significant obligation to upgrade the skills of their own people because of the change in the globalization of the economy. So I think we'll have a lot of things that really affect people on the street in America and in these other countries.

European Economic and Monetary Union

Mr. Hunt. Let me ask you a question about the European Monetary Union with, I guess, 11 countries coming together. There has been a lot of celebration of that; your administration has been very supportive. And yet, isn't there a concern that when you have

countries with such incredibly diverse cultural and social and economic and political systems, that rather than lead to more unity, it could produce more unrest, more disunity?

The President. It could if people feel that it's been sort of imposed on them. But I believe that the general tendency toward political and economic union in Europe is a positive one. The United States has supported it; I have personally supported it strongly. So I think that's positive. I think the efforts made by many European countries to get their fiscal house in order, get their deficits down so they can qualify for membership, has been truly impressive.

And the European States themselves will have to decide how they want to unify politically and economically, but if they choose to do this European Monetary Union, I want to be supportive. But I think that in order to make it work, they'll have to do other things as well. They'll have to find a way, first of all, within their countries to preserve a sense of sovereignty and integrity in these other countries while they're unifying the currency. And then, in dealing with the United States and others, they will have to find a way to continue to make sure that they're sending us the right signal that they're opening their economy—they're unifying, but they're not closing others out, they're opening. And we are in negotiations and discussions with them now about how we might do that. So, on balance, I'm positive about this.

National Economy

Mr. Hunt. Let's return to the domestic economy for a second. We've now had six quarters where the economy has grown more rapidly than even your most optimistic of advisers, the latest just being in the last few days. But given the inevitable business cycle, do you think it's time to at least start to consider tapping on the brakes so you don't have to slam them on later?

The President. Well, I think the only reason to tap on the brakes with high growth and low inflation is if you think it will actually prolong the period of growth. And there is a lot of debate out there in the world today about the nature of our growth and what would stop it and what would keep it going.

So I think that the judgment ought to be what are the mix of policies we can adopt that are most likely to keep this period of economic growth going for the longest period of time.

I don't believe we've repealed the business cycle, but I think perhaps we've fundamentally altered it. That is, if you look at the impact of the technological revolution working through the economy, which is, I think, giving us higher productivity levels than we can measure accurately—I think if you look at the globalization of commerce and America having still a relatively open economy, which keeps inflation down by having everything subject to more competition, if you look at the benefits we're reaping now from the painful adjustments that were made in the 1980's by the business community—all these things happening now—I think there is a chance that we now know it's more possible than it used to be for a government to have a prolonged period of growth if it's properly managed.

Do I think that there is no business cycle and that the laws of supply and demand in the global context never come back to shorten the leash on a country? No. I think it's still out there. But I think we can continue to prolong this if we do the right things.

Mr. Hunt. Just to follow up for a moment, your predecessors were always—several—were quite critical of Chairman Greenspan whenever he put brakes on. Your administration, particularly Secretary Rubin, have had very good ties with Chairman Greenspan. Do I take it from that answer that, whereas you're not encouraging him to tap on the brakes, that you wouldn't be critical if he did?

The President. Well, we've tried to work together while respecting our independence. And I have believed always that if I provided America with a responsible budget that was moving toward balance so that in the short term we were behaving in a responsible way and that had the long-term investments necessary to triumph in the kind of economy we live in, that that would permit him to do his job with the lowest possible interest rates. That is, I thought he would be able to leave interest rates than he otherwise would feel he could. I think on balance that's what's happened.

I know that he couldn't possibly agree with every decision I've made in the last 5½ years, and he put the brakes on pretty tight in 1994, trying to keep this thing going. And we had a big—we had a pretty good slowdown, but then we were able to keep it going, keep the expansion going. And so it's continued right the way through until here we are, almost to the middle of '98. And I believe that he'll do what he thinks is right for the long-term interests of the American economy.

Mr. Hunt. You were asked the other day at your news conference about the stock market continuing to go up, and you were an optimist. If you were private citizen Clinton today, would you invest in the market?

The President. Yes, but I would also recognize that it goes down and it goes up and it goes down and it goes up. And what the American people need to know is that if you can hold your investments long enough, over any given 15- or 20-year period, the stock market has always outperformed private—I mean Government bonds in earnings.

The insecurity is if you enter, particularly if you enter at a fairly high point now, and you happen to get one of those downward bumps and you have to liquidate your investment. Then you could lose. But if you look at the stock market—the stock market has always tracked the fundamentals in the end. And I just feel that if I can work with the American people and keep the fundamentals good, keep productivity up and investment for the long run up, keep the unemployment rate down, keep the inflation rate down—if we keep the fundamentals in good shape, then the stock market, over time, will track that.

And I know that there are a lot of people who are worried because it's gone quite high lately, but the market—they correct themselves; they always do, one way or the other. I just think over the long run, what—if you're President, you can't be thinking about next month in the market; you have to be thinking about what's the long-run economic scenario. And then you just have to trust the market to follow the market realities in the American economy over time. I think that's what will happen.

Mr. Hunt. In this booming economy, some critics have worried that it's been too

uneven. I'll give you one example: The pay of CEO's of the largest companies last year rose 35 percent, rose 54 percent the year before. That's 13 times greater than the pay of average workers. And I think the figure now is that the average boss earns 326 times what the average worker earns. Is that, a, acceptable; and, b, should Government do anything about it?

The President. Well, I think that in and of itself, it's probably a phenomenon of companies bidding for management talent at a time when management talent is important in how these companies do in the market. So in that sense, it may not be any different than asking whether it's acceptable that professional athletes earn as much money as they do.

I think the real question is, are working people earning a fair share of their company's prosperity and their country's prosperity? And are we, in the aggregate, decreasing the level of income and equality that developed over the last 20 years, because we had a very—as you know, very sharp increase in inequality among various classes of working people, with folks on the bottom getting the short end of the stick? Government policies I think had something to do with it, but I think the larger thing was that we were changing the dominant economic factors of this age. And now the dominant economic factors relate to people's level of education and skills, so that there became—there's a huge education premium now in the work force, and people that don't have it, particularly younger workers, tend to get punished very harshly by the low incomes they earn.

So to me, what I've tried to do is to reduce income inequality—not necessarily by reducing upper income people's incomes, except to ask them to pay their fair—what I believe is a fair share of the country's tax burden—but instead, by lowering the incomes of the lower 40 percent of the people and trying to create more high-wage jobs by tying more of them to trade, because we know trade-related jobs and technology-related jobs pay 17 to 20 percent more than average wages. And the evidence is that in the last couple of years, we have slowly, finally, begun to reduce income inequality, particularly when you take into account the impacts of the

earned-income tax credit, which is worth about \$1,000 a year to a working family of four with an income under \$30,000.

Federal Budget Surplus

Mr. Hunt. Another of the benefits of the booming economy, of course, has been we have something that people thought unimaginable a few years ago, a budget surplus. The latest CBO estimate I think, was——

The President. Well, we hope we do. We think we will.

Mr. Hunt. But with April receipts coming in, I gather, much stronger than anybody anticipated, I've now heard some people suggest you could have a budget surplus of as much as \$50 billion this year. Is that right? Is that reasonable?

The President. Could be.

Mr. Hunt. Could be that high? Now, you have said that you're going to veto—that Social Security comes first with any budget surplus—if they try and enact a big tax cut before they do that, that you would veto it. But there's also a big-spending, highway pork bill coming down the pike right now. As things stand now, would you also veto that?

The President. If it got into the surplus. I met with Senator Lott and Senator Daschle yesterday, and we discussed this. And it's very interesting—historically, always highways have been the one thing that Congress, whether Republican or Democrat, they always want to spend more on than the President. And part of it is the President's desire to maintain some control over the budget. At least for me that's been the case. Now, I like the—I believe we need to invest money in infrastructure, in highways and mass transit and bridge repair. I think it's good for the economy in terms of the jobs it creates, but it's even better for the economy in terms of giving people safer roads to travel on and less wear and tear on their cars, less accidents—fewer accidents—the whole thing. I'm all for this.

And we need more mass transit because, among other things, it's an important part of the welfare reform component. If we're requiring people who are poor and on welfare to go take jobs and they have to travel, they've got to have some way to get there.

So I'm for a hefty increase in investment in infrastructure.

But I think that these bills that have been passed—the thing that bothers me is, I can't see, based on what I understand to be the options, how either one of these bills can be funded without either getting into the surplus or cutting our investment in education, medical research, the environment, and other critical areas. So we're just going to have to try to find a way to fit all these things in, in a manner that doesn't spend the surplus.

Social Security

Mr. Hunt. Let me ask you just a couple more quick questions. On Social Security, you've said very clearly you don't want to have a specific proposal now. But some of your Democratic colleagues—Senator Moynihan and Kerrey, are talking about private accounts alongside traditional Social Security. No matter the specific details, is that a good idea to consider?

The President. Absolutely, it should be considered. But what I want to say—I'd like to make two points—first, is the reason that I think it would be a bad thing for me to have a specific proposal now is I think it would shut down debate rather than increase it. And then everything would be, are you for or against this proposal? Right now, we've still—the American people I think, on this issue—the good news is that everybody knows something fairly substantial is going to have to be done to make this system survive into the 21st century when all the baby boomers retire. That's good.

Secondly, I think the younger people are the more likely they are to be open to all kinds of new ideas, and that's good. But I think that what has not been accomplished yet in the public education process that we're now undertaking this year is for people to understand the tradeoffs involved in making a set of choices.

That is, I could call you on the telephone, and I could say I am a reporter for the Clinton polling agency, and I'm going to ask you these 10 questions and do you like these ideas, and you might like them all. But if I said, you can only have four of them, and then you have to rank them in rank order

of priority, that's a much more sophisticated judgment. That's what I'm trying to get done now.

On the individual accounts, I think it's absolutely an idea that deserves a lot of consideration. There is some debate, as you know, in Congress about trying to dedicate the surplus to individual accounts now just starting. The problem I have with that proposal is that it doesn't deal with the underlying Social Security program. What are you going to do—I think we still need some baseline Social Security in the 21st century that's a baseline protection for people that may not have a lot of money in the market or may lose some in the market or don't have a chance to accumulate a lot of wealth, and we've got to know how we're going to fix that. And then, the people—admittedly, that's what Senators Moynihan and Kerrey tried to do. They tried to guarantee a baseline Social Security benefit and, over and above that, have an individual account. And that's one of the things that I think ought to be fully explored here.

Corporate Mergers

Mr. Hunt. We only have a few more minutes, but as long as we're talking about whether things are good or bad, there have been a rash of big mergers lately, particularly in the financial service banks. Do you think, generally, without commenting on any one, but as a general proposition, is that good or bad for consumers and the economy?

The President. I don't know yet. I think, to some extent, they were inevitable because of both the nationalization of finance, bank finance across our whole country, and the globalization of commerce, which puts a premium on bigness partly so you can afford to get into new market areas, partly so you can afford to handle bad years; you have more money.

So I think some of this is inevitable. I think that the test which ought to be applied—and I honestly have not had time to get a detailed analysis of it—but the test of all these mergers ought to be this: Does it allow them to become more globally competitive in ways that don't unfairly raise prices or cut the quality of service to consumers in America? Or does it superficially allow them to become

more globally competitive, but, in effect, undermine their competitive position because they're not attractive to their customers anymore because of what happens to prices or service?

And I think that's the test we ought to apply, that's the test Government agencies ought to apply, in terms of any lawfulness—you know they're looking at that. But I think it's too soon to say yet. On balance, I think it was inevitable. I think these things were coming, and we have to do what we can to make sure that they're good for the consumers of the country.

Tobacco Legislation

Mr. Hunt. Next to the last question, on tobacco, would you be willing to give up some of the initiatives that you have proposed as part of the tobacco deal in order to get legislation that limits any revenue strictly to tobacco and health related areas?

The President. Well, let me say, first of all, most of the initiatives that I proposed to fund—in education, for example—were not coming out of tobacco revenues, except those that were being collected to be sent back to the States.

Now, I wanted to say that those should be spent for the benefit of children and smaller class sizes in the earlier grades and in child care, and not children's health, for the simple reason that in the Balanced Budget Act we had the biggest increase in children's health in 35 years.

If Congress wanted to give the States some more flexibility in spending that money, we could argue about that, but that wouldn't be a deal breaker for me. We can also have a debate about that in the election, whether I was right or they were right and what we should do with the priorities in the future.

My sole concern, in terms of what bill I would sign or not, is the question of whether it will substantially reduce teenage smoking and thereby lift the health fortunes of all these children that are otherwise going to be imperiled.

Mr. Hunt. Do you think the McCain bill does that? Is that correct?

The President. I do. I do. There are a couple things that if I were writing the McCain bill, I'd change, and maybe we can

even get a few changes in it. And I'm sure there are people on the other side who would like to change a couple things about it. But I think that the McCain bill is—I think Senator McCain and the Democrats and Republicans who worked with him—keep in mind, 19 people voted for that bill—made an honest effort to, first of all, protect our children from the dangers of tobacco; secondly, raise enough money that we can invest it in an advertising campaign and medical research and to do the things that ought to be done from a health point of view; took decent care of the tobacco farmers, gave them an opportunity to buy their way out of what they are doing now in ways that seem to find favor among the farmers; and basically did the kinds of things that ought to be done. It's certainly a good vehicle through which we can work to try to get a bill out of the Senate and then hopefully get one out of the House.

Independent Counsel's Investigation and Consumer Confidence

Mr. Hunt. Last question. One of the reasons the economy has done so well is unsurpassed consumer confidence. Consumers really feel good about how things are going in general. If you and Independent Counsel Kenneth Starr become embroiled in a huge, high-stakes battle over impeachment charges and countercharges, could that threaten or jeopardize consumer confidence in general?

The President. Oh, I don't think so, because, for one thing, I've done my best to demonstrate to the American people that I'm letting all this business from Mr. Starr be handled by my lawyers and others speaking on my behalf, that when I have to answer questions about it, I do, but that I'm working on their business. And I'm very optimistic about it. So I don't think that anything that can conceivably happen is likely to impact on consumer confidence, unless somebody tries to do something completely irresponsible and insupportable. By the facts at hand, we're going to be fine on that.

Mr. Hunt. Or impact upon your stewardship of—

The President. No. No. I think that early on in this process I was somewhat bewildered by it, and it was distracting. And finally, I decided what I owed the American people

was not to be distracted, and so I'm doing pretty well now, and I intend to keep right on doing it.

Mr. Hunt. Mr. President, thank you very much.

The President. Thank you.

NOTE: The interview began at 3:24 p.m. in the Roosevelt Room at the White House on April 30. This interview was embargoed for release until 6 p.m., May 4. In his remarks, the President referred to Prime Minister Ryutaro Hashimoto of Japan. A tape was not available for verification of the content of these remarks.

Remarks at a Democratic Senatorial Campaign Committee Dinner in Chicago, Illinois

May 4, 1998

Thank you very much. Well, first, let me—a lot of things have already happened here tonight that I didn't intend to happen. [Laughter] And I feel that I should quit while I'm still not too far behind. [Laughter] It's not often that a man in his declining years can demonstrate a loss of hearing, a loss of memory, and a loss of the muscles necessary to play a saxophone all in one fell swoop. [Laughter] But even when I was a kid, when I was a teenager and I could play pretty well, there was one unbroken rule that all of us who actually played and tried to earn a little money—never, never walk into a strange place and pick up a strange horn. [Laughter] And if you do, always have your own mouthpiece. [Laughter] And if you disregard both rules, you deserve whatever happens to you. [Laughter] But I had a good time. And the musicians and Shelley covered my sins pretty well. You were terrific. Thank you, Bill and Shelley for having us here. [Applause] Thank you.

I want to thank Bill and Shelley and Jim and all the people who worked on this dinner tonight. I thank all of you for coming. I thank Dick Durbin for his great service in the Senate and for his good humor. I wish I'd written down those cracks; they were pretty funny. [Laughter]

Thank you, Mayor Daley, for everything you do, and everything they said about you, I agree with, and then some. I'd like to also

thank Bill Daley for being a truly terrific Secretary of Commerce and doing a great job for us. I'd like to also tell you that another Chicagoan whose parents are here tonight, Todd Stern, who served for sometime as basically the White House secretary—he organized all the affairs of my life, virtually—has now taken on a huge responsibility to lead our administration's effort at complying with the climate change treaty we signed onto, to try to figure out how we can make our contribution to fight global warming and continue to grow the American economy. We were out in California today illustrating just exactly how we intend to do that. And so, he has done a great job.

You know, I love to come to Chicago. I am so indebted to Chicago—for my wife, for a great convention, for two elections. I still have the picture on my wall in my private office in the White House where Hillary and I were together at the hotel here in Chicago on St. Patrick's Day in 1992. It was on that night when the votes from Illinois and Michigan came in, in the primary that I knew I would be the nominee of my party. And I owe Illinois a very great deal in this great city.

I want to just take a couple of minutes—you know, you're all here; you've made your contributions; you're warm; and you want to go home. [Laughter] And you had to put up with our music, and I thank you. But I'd like to ask you to leave and ask yourselves, why did I go there tonight, and if somebody asked me tomorrow morning, what answer will I give—somebody I know who had never been to a fundraiser, asked me tomorrow morning why did I go there, what answer will I give? It certainly can't be that you wanted to hear me play the saxophone. [Laughter]

In 1992, and indeed, in '91, I ran for President because I thought our country was moving into a dramatically different era, the way we work, the way we live, the way we relate to each other, the way we relate to the whole rest of the world would be challenged and would have to change.

And at every great time of challenge in this country's history, we have always met the challenge by throwing off the dead hand of the past in terms of policies and finding new ways that were consistent with our oldest and

deepest values. We've always found a way to deepen the meaning of our freedom, to widen the circle of opportunity, to come together as one country.

And a lot of people said to me, "That's not going to be possible in a global economy. Our country is just going to be pulled apart by all these economic forces moving through the world. And we're not going to get closer together, we're going to get more divided, because we're becoming simply too diverse." It's all very well to talk about it, but you've got county after county after county with people from more than 100 different racial and ethnic groups. The school district across the river from the White House that I can literally see when I walk to work every morning has children in it from 180 different racial, national, and ethnic groups, speaking over 100 different languages in one school district.

And people have said to me, but look at this deficit—you're a Democrat, you'll never be able to do anything positive because you've got this big deficit. And I believe we could do better. And for 5½ years, with the help of the two people who just spoke before me, we've been working at it steadily.

So the first thing I'd like you to think about is, we're all very fortunate tonight and no one can claim full credit for it, but we live in a country that has its lowest unemployment rate in 28 years, its lowest inflation in 30 years, its highest consumer confidence in 30 years, its highest homeownership ever, its lowest welfare rolls in 27 years, its lowest crime rate in 24 years—as a nation. And we should be grateful for that.

The second thing I'd like to say is, the last thing we should do is to stop doing the things that got us to where we are in the last 5½ years. The last thing we should do is to be complacent, smug, arrogant, or lazy, or, I might add, small-minded. Because all you've got to do is follow the news, events around the world, events at home—the world is still spinning very fast; times are still changing profoundly. And this is a time to take advantage of the good things that are happening in our country, of the high level of confidence people feel in our ability to deal with our challenges, and get on about the business of moving our country into the 21st century.

The second point I want to make is that we represent a party—Dick Durbin, Carol Moseley-Braun, the mayor, the Secretary, all of us—that is not trying to sit on its laurels and spend a lot of time crowing and claiming credit. We're trying to drive an agenda of change that will see us through to a new century and a dramatically new era.

What is the agenda in Washington today? Our agenda is we're going to have the first budget surplus in 30 years; let's don't spend it until we save Social Security. Our agenda is let's do something to protect our kids from the dangers of tobacco; 3,000 kids start to smoke every day, even though it's not legal, and 1,000 will die sooner because of it.

Our agenda is let's adopt a health care bill of rights. Over half our people are in HMO's; they can do a lot of good, but they ought to know that their choices and their quality is not going to be compromised. Let's provide affordable child care for all the working families that need it. Let's reform the IRS in a responsible way. Let's pass campaign finance reform. In the House of Representatives, our Democrats and a handful of very brave Republicans risked the ire of their superiors and said we're going to get one more shot at it this year.

And most important of all, let's begin to deal with education on a national level, the way Chicago is trying to deal with it here in this community. If it were for no other reason—and there are more reasons—but the most important reason, I believe, to re-elect Carol Moseley-Braun for the rest of the country is she has come to symbolize the idea that the National Government has a responsibility to help communities make our schools the best in the world again. She has come to symbolize that.

She started with the idea that we ought to help rebuild a lot of these schools that are breaking down, that we ought to build new schools in the places where kids are being educated in house trailers, that we cannot meet my goal of hooking up every classroom in the country to the Internet by the year 2000 when half the schools can't even take a computer hookup because they're in such desperate conditions.

We also are trying to have smaller classes in the early grades. All that is part of the

plan that she and I and Dick and our allies are trying to push in Congress. We also have a part of our budget which would give schools more money to open after school. Most juvenile crime occurs after school lets out, before the parents get home. And we're doing our best to actually get massive help to cities who will agree to do what Chicago has done—stop social promotion and give somebody the authority to make decisions in our schools.

A big part of the problem in American schools today in the cities—there are good teachers everywhere; there are bright kids everywhere; there are dedicated principals everywhere; but somebody has got to be in charge. And if you have two or three different bureaucracies with four or five different sources of funds and people can keep batting the ball back and forth and nobody gets to say, up, down, or sideways, you cannot reform a reluctant bureaucratic system. Our children deserve better.

When the history of these schools is written on what is happening now and people look back on it, they will say one of the most important things that was done is they changed the way the laws work so someone could make a decision and then live with the consequences, good or bad. That has to be done. You cannot hope to do it.

But we're saying in Washington, if you pass our budget and another city wants to undertake the efforts that Chicago is making, we'll give you some funds, we'll help you, we'll bring in experts, we'll do everything we can, but you have to take responsibility for your children and your future, and you have to be responsible first.

So we have an agenda. The third point I want to make is, we're thinking about the long-term interest of the country. If you vote for Carol Moseley-Braun and she gets 6 more years—and I'll have by then, after that election, 2 more years—I'll tell you what I want to do. When I finish, I want to know that we've got a huge headstart on the long-term problems that will affect our country for the next 30 years.

What are they? We have to reform Social Security and Medicare for the 21st century for the baby boom generation. We've got to prove we can grow the economy without con-

tinuing to deplete the environment. We have to prove that we can bring the spark of enterprise and jobs and opportunity to these inner-city neighborhoods and isolated rural places and to Native Americans living on reservations that have felt none of this economic recovery, so we can say everybody's got a fair chance in America. We have to prove we can build the best education system in the world—not just universities but elementary and secondary schools. And we've got to prove we can live together as one America.

The other thing we have to do that I hope to persuade the American people I'm right about—I'm having a mixed record of success according to all the polls—is we have to continue to lead the world for peace and freedom. We have to continue to expand trade. We have to continue to stand up in places like Bosnia and Northern Ireland and Haiti. And the Secretary of State is in London today working for peace in the Middle East. We have to continue to do these things. And if we're going to do it, we have to pay our way. We have to pay our U.N. dues; we have to contribute to the International Monetary Fund. We can't say to people, we'd like to lead the world, but you pay the way. We're having a little fight in Washington, so we're not going to fulfill our responsibilities. This is an interdependent world, and our success depends upon our ability to be good, responsible partners.

So I'd like to focus on those things. We need positive forces in Congress to do that. The President is not a dictator, and much of what needs to be done requires a cooperative relationship between the President and Congress. So when you go home tonight, you say, I went there because I'm grateful for what's happened and I support it; because they've got an agenda that they're working on even in this election year; because they're interested in the long-run problems of the country, and Carol Moseley-Braun is the best person to fight for those long-run solutions; and finally, because we love our country, and we want to do what's right by it.

Thank you, and God bless you.

NOTE: The President spoke at 9:05 p.m. at a private residence. In his remarks, he referred to William Farley, chairman and chief executive officer, Fruit of the Loom, Inc., and his wife, Shelley,

dinner hosts; Jim Levin, dinner cochair; Mayor Richard M. Daley of Chicago; and Todd Stern, Assistant to the President for Special Projects.

**Remarks at the Dedication of the
Ronald Reagan Building and
International Trade Center**

May 5, 1998

Thank you very much. Mrs. Reagan, Mr. Barram, Secretary Daley, Senator Moynihan, Delegate Norton, Senator Dole, Senator Lott, all the Members of Congress and the Diplomatic Corps who are here; Mr. Mayor, Secretary Shultz and General Powell, and all the former members of the Reagan administration who are here and enjoying this great day; to Maureen and to the friends of President and Mrs. Reagan who are here; I'd like to begin by thanking Jim Freed and his team for a magnificent building. I think we all feel elevated in this building today.

I also want to say on behalf of Hillary and myself a special word of appreciation to Mrs. Reagan for being here. From her own pioneering efforts to keep our children safe from drugs to the elegance and charm that were the hallmarks of the Reagan White House, through her public and brave support for every family facing Alzheimer's, she has served our Nation exceedingly well, and we thank her.

The only thing that could make this day more special is if President Reagan could be here himself. But if you look at this atrium, I think we feel the essence of his presence: his unflagging optimism, his proud patriotism, his unabashed faith in the American people. I think every American who walks through this incredible space and lifts his or her eyes to the sky will feel that.

As Senator Moynihan just described, this building is the completion of a challenge issued 37 years ago by President Kennedy; I ought to say, and doggedly pursued for 37 years by Senator Moynihan. [*Laughter*] I must say, Senator, there were days when I drove by here week after week after week and saw only that vast hole in the ground, when I wondered if the "Moynihan hole" would ever become the Reagan Building. [*Laughter*] But sure enough, it did, and we thank you.

As you have heard, this building will house everything from an international trade center to international cultural activities to the Agency for International Development to the Woodrow Wilson Center for Scholars. It is fitting that the plaza on which we gather bears the name of President Wilson. And it is fitting that Presidents Wilson and Reagan are paired, for their work and, therefore, the activities which will be culminated in this building span much of what has become the American century.

Since President Reagan left office, the freedom and opportunity for which he stood have continued to spread. For a half century, American leaders of both parties waged a cold war against aggression and oppression. Today, freed from the yolk of totalitarianism, new democracies are emerging all around the world, enjoying newfound prosperity and long-awaited peace. More nations have claimed the fruits of this victory: free markets, free elections, plain freedom. And still more are struggling to do so.

Today, we joy in that, but we cannot—indeed, we dare not—grow complacent. Today we recall President Reagan's resolve to fight for freedom and his understanding that American leadership in the world remains indispensable. It is fitting that a piece of the Berlin Wall is in this building. America's resolve and American ideals so clearly articulated by Ronald Reagan helped to bring that wall down.

But as we have seen repeatedly in the years since, the end of the cold war did not bring the end of the struggle for freedom and democracy, for human rights and opportunity. If the history of this American century has taught us anything, it is that we will either work to shape events or we will be shaped by them. We cannot be partly in the world. We cannot lead in fits and starts or only when we believe it suits our short-term interests. We must lead boldly, consistently, without reservation, because, as President Reagan repeatedly said, freedom is always in America's interests.

Our security and prosperity depend upon our willingness to be involved in the world. Woodrow Wilson said that Americans were participants in the life of the world, like it or not. But his countrymen did not listen to

him, and as a result, there came the Great Depression, the rise of fascism, the Second World War. Our Nation then learned we could not withdraw from the world.

Then a new generation of Americans reached outward in the years after World War II, building new alliances of peace and new engines of prosperity: NATO, the United Nations, the IMF, the international trading system. It is no accident that during this period of great American leadership abroad we experienced unparalleled economic prosperity here at home. And it is no accident that freedom's great triumph came on America's watch.

Today, on the edge of a new century, the challenges we face are more diverse. But the values that guide America must remain the same. The globalization of commerce and the explosion of communications technology do not resolve all conflicts between nations. Indeed, they create new challenges. They do not diminish our responsibility to lead, therefore; instead, they heighten it. Because today's possibilities are not tomorrow's guarantees, we must remain true to the commitment to lead, that every American leader of both parties, especially Ronald Reagan and Woodrow Wilson, so clearly articulated in this 20th century.

For 50 years we fought for a Europe undivided and free. Last week the United States Senate took a profoundly important step toward that goal by welcoming Poland, Hungary, and the Czech Republic into NATO, an achievement I believe that would make Ronald Reagan proud. The alliance that helped to keep the peace for a half century now brings us closer than ever to that dream of a Europe united, democratic, and at peace.

Now Congress has other opportunities to fulfill the spirit and honor the legacy of the man whose name we affix to this building today. Congress has the opportunity to maintain our leadership by paying for our support to the IMF and settling our dues to the United Nations. I hope they will do it.

President Reagan once said we had made what he called an unbreakable commitment to the IMF, one that was unbreakable because, in this age of economic interdependence, an investment in the IMF is simply an

investment in American prosperity. And we fought for 50 years for peace and security as part of the United Nations.

In 1985, Ronald Reagan said the U.N. stands as the symbol of the hopes of all mankind for a more peaceful and productive world. "We must not," he said, "disappoint those hopes." We still must not disappoint those hopes. President Reagan understood so clearly that America could not stand passively in the face of great change. He understood we had to embrace the obligations of leadership to build a better future for all. The commerce that will be conducted in this great building will be a testament to the opportunities in a truly global economy America has done so much to create.

The academic and cultural activities that will be generated from people who work here will bring us closer together as well. Because the Agency for International Development will be here, we will never forget that the spark of enterprise and opportunity should be brought to the smallest, poorest villages in the world. For there, too, there are people of energy, intelligence, and hunger for freedom.

This is a great day for our country. This is a day of honoring the legacy of President Reagan, remembering the service of President Wilson, and rededicating ourselves to the often difficult but, ultimately, always rewarding work of America.

As I stand within the Reagan Building, I am confident that we will again make the right choices for America, that we will take up where President Reagan left off, to lead freedom's march boldly into the 21st century.

Thank you, and God bless you.

NOTE: The President spoke at 1:36 p.m. in the atrium of the Ronald Reagan Building. In his remarks, he referred to former First Lady Nancy Reagan; General Services Administrator David J. Barram; former Senator Bob Dole; Mayor Marion S. Barry, Jr., of Washington, DC; former Secretary of State George P. Shultz; former Joint Chiefs of Staff Chairman Gen. Colin Powell, USA (Ret.), chairman, America's Promise—The Alliance For Youth; Maureen Reagan, daughter of former President Ronald Reagan; and architect James I. Freed.

Statement on the Annie E. Casey Foundation Report on Child Care

May 5, 1998

I want to commend the Annie E. Casey Foundation for its *KIDS COUNT Data Book* which highlights the need for safe and affordable child care for millions of America's working families. The report, released today, provides important evidence of the child care challenges facing families, businesses, and the economy.

KIDS COUNT reports that every day parents of 29 million children struggle to find safe and affordable child care so that they can go to work. The challenge is especially great for the working parents of 10 million children in low-income families. The report tells us that this need continues to grow; that child care is unaffordable for many families, consuming 25 percent of income for many low-income families; that quality is uneven and often poor; and that inadequate care can have a dramatic impact on children's development.

This report provides further evidence of the urgency for Congress to act on child care legislation. Too many American families are struggling to find and afford child care to meet their obligations as workers and their more important responsibility as parents. My child care initiative will help working families pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early learning. Today I again call on Congress to act, and I look forward to working with Members in both parties to enact comprehensive bipartisan child care legislation that meets the needs of children and families.

Statement on Senate Action on Job Training Reform Legislation

May 5, 1998

More than 3 years ago, I proposed my "GI bill" for America's workers to reform our employment and training system for the 21st-century economy. Today I am very pleased that the Senate passed—with overwhelming bipartisan support—legislation that incorporates the principles articulated in my origi-

nal proposal. This legislation reforms our job training system so that it works better for America's workers and is more responsive to today's rapidly changing economy. I particularly thank Senators Jeffords, Kennedy, DeWine, and Wellstone for their hard work at getting this legislation passed.

This legislation will fundamentally reform our workforce development system by empowering Americans to gain new skills with a simple skill grant. It also consolidates the tangle of training programs; creates a network of One-Stop Career Centers; increases accountability to ensure results; allows States and communities to tailor programs to locally determined needs; and ensures that business, labor, and community organizations are full partners in system design and quality assurance. It targets vocational and adult education funds to educational agencies and institutions with the greatest need and to activities that promote program quality. It improves the vocational rehabilitation program by streamlining eligibility determination, improving State planning, and strengthening program accountability. And it includes the Youth Opportunity Areas initiative—which was funded in last year's appropriations process—that will create jobs and opportunity for out-of-school youth in high-poverty areas.

While I have outstanding concerns with both the Senate- and House-passed versions of this legislation, I am confident our differences can be resolved quickly in conference. I urge Congress to continue to work in a bipartisan manner and finish the job of reforming our job training system by early this summer.

Message to the Congress Transmitting a Report on the Pemigewasset River

May 5, 1998

To the Congress of the United States:

I take pleasure in transmitting the enclosed report for the Pemigewasset River in New Hampshire. The report and my recommendations are in response to the provisions of the Wild and Scenic Rivers Act, Public Law 90-542, as amended. The

Pemigewasset River study was authorized by Public Law 101-357.

The study was conducted by the National Park Service with assistance from a local study committee. The National Park Service determined that the 32.5-mile study segment is eligible for designation based upon its free-flowing character and outstanding scenic, recreational, geologic, fishery, and botanic values. However, in deference to the wishes of local adjoining communities, six of seven of whom voted against designation, and the State of New Hampshire, I am recommending that the Congress not consider designation at this time. If the local communities and/or the State should change their position in the future, the question of designation could be reevaluated.

William J. Clinton

The White House,
May 5, 1998.

Message to the Congress Transmitting a Report on the State of Small Business

May 5, 1998

To the Congress of the United States:

I am pleased to present my fourth annual report on the state of small business. In short, the small business community continues to perform exceptionally well. For the fourth year in a row, new business formation reached a record high: 842,357 new firms were formed in 1996.

The entrepreneurial spirit continues to burn brightly as the creativity and sheer productivity of America's small businesses make our Nation's business community the envy of the world. My Administration has worked hard to keep that spirit strong by implementing policies and programs designed to help small businesses develop and expand. We have focused our economic strategy on three pillars: reducing the deficit, opening up markets overseas, and investing in our people through education and technology. Our efforts with respect to small business have been concentrated in a number of specific areas, including directing tax relief to more small businesses, expanding access to capital, supporting innovation, providing regulatory re-

lief, opening overseas markets to entrepreneurs, and strengthening America's work force.

A Balanced Budget and Taxpayer Relief

When I took office, the Federal budget deficit was a record \$290 billion. I determined that one of the best things we could do for the American people, including small business, would be to balance the budget. Because of our hard choices, the deficit has been reduced for 5 years in a row. By October 1997, the deficit had fallen to just \$22.6 billion—a reduction of \$267 billion or 90 percent. These lower deficits have helped to reduce interest rates, an important matter for all small businesses.

Small business owners have long recognized the importance of this issue. At each of the White House Conferences on Small Business—in 1980, 1986, and 1995—small businesses included on their agenda a recommendation to balance the Federal budget. With passage of the Balanced Budget Act of 1997, I signed into law the first balanced budget in a generation. The new budget will spur growth and spread opportunity by providing the biggest investment in higher education since the GI bill more than 50 years ago. Even after we pay for tax cuts, line by line and dime by dime, there will still be \$900 billion in savings over the next 10 years.

And at the same time we are easing the tax burden on small firms. My Administration and the Congress took the White House Conference tax recommendations seriously during deliberations that led to the Taxpayer Relief Act of 1997. The new law will direct billions of dollars in tax relief to small firms over the next 10 years. Small businesses will see a decrease in the estate tax, an increase to 100 percent over the next 10 years in the percentage of health insurance payments a self-employed person can deduct, an updated definition of "home office" for tax purposes, and a reduction in paperwork associated with the alternative minimum tax.

Significant new capital gains provisions in the law should provide new infusions of capital to new small businesses. By reducing the

capital gains tax rate and giving small business investors new options, the law encourages economic growth through investment in small businesses.

Access to Capital

For so many small business owners, gaining access to capital continues to be a very difficult challenge. The U.S. Small Business Administration (SBA) plays a key role as a catalyst in our efforts to expand this access. The SBA made or guaranteed more than \$13 billion in loans in 1997. Since the end of fiscal year 1992, the SBA has backed more than \$48 billion in loans to small businesses, more than in the previous 12 years combined. In 1997, the SBA approved 45,288 loan guaranties amounting to \$9.46 billion in the 7(a) guaranty program, a 23 percent increase from 1996, and 4,131 loans worth \$1.44 billion under the Certified Development Company (CDC) loan program.

Included in the 1997 loan totals were a record \$2.6 billion in 7(a) and CDC loans to more than 10,600 minority-owned businesses and another record \$1.7 billion in roughly 10,800 loans to women-owned businesses. Over the last 4 years, the number of SBA loans to women small business owners has more than tripled, and loans to minority borrowers have also nearly tripled.

The Small Business Investment Company (SBIC) program, the SBA's premier vehicle for providing venture capital to small, growing companies, produced a record amount of equity and debt capital investments during the year. The program's licensed SBICs made 2,731 investments worth \$2.37 billion. In 1997, 33 new SBICs with combined private capital of \$471 million were licensed. Since 1994, when the program was revamped, 111 new SBICs with \$1.57 billion in private capital have entered the program.

And in the past year, the SBA's Office of Advocacy developed a promising new tool to direct capital to dynamic, growing small businesses—the Angel Capital Electronic Network, or ACE-Net. This effort has involved refining Federal and State small business securities requirements and using state-of-the-art Internet technology to develop a brand new nationwide market for small business equity.

Government Support for Small Business Innovation

As this report documents, small firms play an important role in developing innovative products and processes and bringing them to the marketplace. Federal research and development that strengthens the national defense, promotes health and safety, and improves the Nation's transportation systems is vital to our long-term interests. Our Government has instituted active policies to ensure that small businesses have opportunities to bring their innovative ideas to these efforts.

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs help ensure that Federal research and development funding is directed to small businesses. In fiscal year 1996, more than 325 Phase I and Phase II STTR awards totaling \$38 million went to 249 small businesses. Also in 1996, the SBIR program invested almost \$1 billion in small high technology firms. The program has touched and inspired individuals like Bill McCann, a blind—and once frustrated—trumpet player who used SBIR funding to help start a company that designs software to automatically translate sheet music into braille. Today, Dancing Dots Braille Music Technology is rapidly expanding the library of sheet music available to blind musicians.

Other initiatives include the National Institute of Standards and Technology's (NIST) Advanced Technology Program, enabling small high technology firms to develop path-breaking technologies, and NIST's Manufacturing Extension Partnership, which helps small manufacturers apply performance-improving technologies needed to meet global competition. Two of the SBA's loan programs—the 7(a) and 504 loan programs—currently assist 2,000 high technology companies. And the SBA's ACE-Net initiative is especially designed to meet the needs of these dynamic high technology firms.

Because they give small firms a footing on which to build new ideas and innovative products, these efforts benefit not only the small firms themselves, but the entire American economy.

Regulatory Relief

A pressing concern often identified by small businesses is unfairly burdensome regulation. My Administration is committed to reforming the system of Government regulations to make it more equitable for small companies. In 1996, I signed into law the Small Business Regulatory Enforcement Fairness Act, which strengthens requirements that Federal agencies consider and mitigate unfairly burdensome effects of their rules on small businesses and other small organizations. A small business ombudsmen and a new system of regulatory fairness boards, appointed in September 1996, give small firms new opportunities to participate in agency enforcement actions and policies. Because agencies can be challenged in court, they have gone to extra lengths to ensure that small business input is an integral part of their rulemaking processes.

Many agencies are conducting their own initiatives to reduce the regulatory burden. The SBA, for example, cut its regulations in half and rewrote the remaining requirements in plain English. All of these reforms help ensure that the Government maintains health, safety and other necessary standards without driving promising small companies out of business.

Opening Overseas Markets

Key in my Administration's strategy for economic growth are efforts to expand business access to new and growing markets abroad. I want to open trade in areas where American firms are leading—computer software, medical equipment, environmental technology. The information technology agreement we reached with 37 other nations in 1996 will eliminate tariffs and unshackle trade in computers, semiconductors, and telecommunications. This cut in tariffs on American products could lead to hundreds of thousands of jobs for our people.

Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes help ensure that our own Government is no longer the hurdle to small businesses entering the international economy.

A 21st Century Work Force

American business' most important resource is, of course, people. I am proud of my Administration's efforts to improve the lives and productivity of the American work force. We know that in this Information Age, we need a new social compact—a new understanding of the responsibilities of government, business, and every one of us to each other.

Education is certainly the most important investment we can make in people. We must invest in the skills of people if we are to have the best educated work force in the world in the 21st century. We're moving forward to connect every classroom to the Internet by the year 2000, and to raise standards so that every child can master the basics.

We're also training America's future entrepreneurs. The SBA, for example, has improved access to education and counseling by funding 19 new women's business centers and 15 U.S. export assistance centers nationwide. And we are encouraging businesses to continue their important contributions to job training. The Balanced Budget Act of 1997 encourages employers to provide training by excluding income spent on education for employees from taxation.

We are taking steps to improve small business workers' access to employee benefits. Last year, I signed into law the Small Business Job Protection Act, which, among other things, makes it easier for small businesses to offer pension plans by creating a new small business 401(k) plan. We made it possible for more Americans to keep their pensions when they change jobs without having to wait before they can start saving at their new jobs. As many as 10 million Americans without pensions when the law was signed can now earn them because this law exists.

Given that small businesses have created more than 10 million new jobs in the last four years, they will be critical in the implementation of the welfare to work initiative. That means the SBA microloan and One-Stop Capital Shop programs will be uniquely positioned to take on the "work" component of this initiative. The work opportunity tax credit in the Balanced Budget Act is also designed as an incentive to encourage small

firms, among others, to help move people from welfare to work.

A small business starts with one person's dream. Through devotion and hard work, dreams become reality. Our efforts for the small business community ensure that these modern American Dreams still have a chance to grow and flourish.

I want my Administration to be on the leading edge in working as a partner with the small business community. That is why an essential component of our job is to listen, to find out what works, and to go the extra mile for America's entrepreneurial small business owners.

William J. Clinton

The White House,
May 5, 1998.

Message to the Congress on Sudan *May 5, 1998*

To the Congress of the United States:

I hereby report to the Congress on developments concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997, and matters relating to the measures in that order. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c). This report discusses only matters concerning the national emergency with respect to Sudan that was declared in Executive Order 13067.

1. On November 3, 1997, I issued Executive Order 13067 (62 *Fed. Reg.* 59989, November 5, 1997—the "Order") to declare a national emergency with respect to Sudan pursuant to IEEPA. Copies of the Order were provided to the Congress by message dated November 3, 1997.

The Order blocks all property and interests in property of the Government of Sudan, its agencies, instrumentalities, and controlled entities, including the Central Bank of Sudan, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, in-

cluding their overseas branches. The Order also prohibits (1) the importation into the United States of any goods or services of Sudanese origin except for information or informational materials; (2) the exportation or re-exportation of goods, technology, or services to Sudan or the Government of Sudan except for information or informational materials and donations of humanitarian aid; (3) the facilitation by a United States person of the exportation or reexportation of goods, technology, or services to or from Sudan; (4) the performance by any United States person of any contract, including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Sudan; (5) the grant or extension of credits or loans by any United States person to the Government of Sudan; and (6) transactions relating to the transportation of cargo. The Order also provided a 30-day delayed effective date for the completion of certain trade transactions.

2. Executive Order 13067 became effective at 12:01 a.m., eastern standard time on November 4, 1997. On December 2, 1997, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued General Notice No. 1, interpreting the delayed effective date for pre-November 4, 1997, trade contracts involving Sudan if the pre-existing trade contract was for (a) the exportation of goods, services, or technology from the United States or a third country that was authorized under applicable Federal regulations in force immediately prior to November 4, 1997, or (b) the reexportation of goods or technology that was authorized under applicable Federal regulations in force immediately prior to November 4, 1997. Such exports or reexports were authorized until 12:01 a.m. eastern standard time, December 4, 1997, and nonfinancing activity by United States persons incidental to the performance of the preexisting trade contract (such as the provision of transportation or insurance) was authorized through 12:01 a.m. eastern standard time, February 2, 1998. If the preexisting trade contract was for the importation of goods or services of Sudanese origin or other trade transactions relating to goods or services of Sudanese origin or owned or controlled by the Government of Sudan, importations under the preexisting trade contract

were authorized until 12:01 a.m. eastern standard time, December 4, 1997.

3. Since the issuance of Executive Order 13067, OFAC has made numerous decisions with respect to applications for authorizations to engage in transactions under the Sudanese sanctions. As of March 12, 1998, OFAC has issued 55 authorizations to non-governmental organizations engaged in the delivery of humanitarian aid and 77 licenses to others. OFAC has denied many requests for licenses. The majority of denials were in response to requests to authorize commercial exports to Sudan—particularly of machinery and equipment for various industries—and the importation of Sudanese-origin goods. The majority of licenses issued permitted the unblocking of financial transactions for individual remitters who routed their funds through blocked Sudanese banks. Other licenses authorized the completion of diplomatic transfers, preeffective date trade transactions, and the performance of certain legal services.

4. At the time of signing Executive Order 13067, I directed the Secretary of the Treasury to block all property and interests in property of persons determined, in consultation with the Secretary of State, to be owned or controlled by, or to act for or on behalf of, the Government of Sudan. On November 5, 1997, OFAC disseminated details of this program to the financial, securities, and international trade communities by both electronic and conventional media. This information included the names of 62 entities owned or controlled by the Government of Sudan. The list includes 12 financial institutions and 50 other enterprises.

5. OFAC, in cooperation with the U.S. Customs Service, is closely monitoring potential violations of the import prohibitions of the Order by businesses and individuals. Various reports of violations are being aggressively pursued.

6. The expenses incurred by the Federal Government in the 6-month period from November 3, 1997, through May 2, 1998, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$425,000, most of which represent wage and

salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureaus of Economic and Business Affairs, African Affairs, Near Eastern Affairs, Consular Affairs, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsel's Office).

7. The situation in Sudan continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the United States Government opposition to the actions and policies of the Government of Sudan, particularly its support of international terrorism and its failure to respect basic human rights, including freedom of religion. The prohibitions contained in Executive Order 13067 advance important objectives in promoting the antiterrorism and human rights policies of the United States. I shall exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

William J. Clinton

The White House,
May 5, 1998.

Message on the Observance of Cinco de Mayo, 1998

May 5, 1998

Warm greetings to everyone celebrating Cinco de Mayo.

On this day in 1862, brave Mexicans stood up against seemingly overwhelming odds to defend their right to self-determination, and they emerged victorious. It is their spirit and their valiant contribution to the cause of freedom that we celebrate today.

This annual commemoration of the Mexican Army's triumph at the Battle of Puebla gives us a wonderful opportunity to celebrate

the richness of Mexico's cultural contributions to U.S. society and the long-standing ties of friendship between our two peoples. The reverence for freedom that we share has been the firm foundation of our relationship in the past and will continue to strengthen us as we look forward to the promise of the future.

Hillary joins me in extending best wishes to all for a memorable celebration.

Bill Clinton

Remarks at the Welcoming Ceremony for Prime Minister Romano Prodi of Italy

May 6, 1998

Prime Minister, Mrs. Prodi, members of the Italian delegation, welcome to the White House and welcome to the United States. Hillary and I are delighted to see you again, and I look forward to our talks today which will deepen our relationship. But first, let me say I was terribly saddened to hear of the torrential rains and mudslides in southern Italy which have resulted in the loss of Italian lives. United States forces from Aviano are now transporting Italian civilians to the scene to assist in rescue efforts.

The history of our partnership is long and special. Every schoolchild knows that Columbus crossed the Atlantic in 1492, soon to be followed by other great Italian explorers, Amerigo Vespucci, John Cabot, Giovanni da Verrazano. That was only the beginning of a relationship that has now flourished for centuries, bringing us together in new ways generation after generation.

Today, Italians once again are expanding the world's horizons. Italy stands at the forefront of a new Europe, leading efforts to promote peace and unity throughout the continent, from economic and monetary union to military cooperation.

In recent months, Italy has led efforts to restore civil order in Albania and is seeking to avert a deepening conflict in Kosovo. Italian and American troops patrol alongside one another in Bosnia. And we will continue to work together to build stability throughout southeastern Europe and the Mediterranean. And finally let me say, we are deeply grateful

for Italy's hospitality toward United States forces working to preserve peace in Europe.

Mr. Prime Minister, under your leadership Italy is building a better future, enterprise is thriving, the rule of law prevails. Today's dreams are being shaped into tomorrow's reality.

Together we are exploring outer space, fighting crime and terrorism, restricting the spread of dangerous weapons, and creating a climate where goods and ideas can be freely exchanged between our countries and around the world. Truly, Italy is setting an example for the new Europe.

This week in Washington and next week at summits in Europe, we will forge even stronger bonds of cooperation to equip our people to succeed in the global economy, to combat international crime and other threats to the security of our citizens, to nurture the health of our planet. The year from now, we look forward to meeting here again when the NATO alliance celebrates its 50th anniversary and asks to make the alliance stronger for the next 50 years.

The great seal of the United States contains the words, *novus ordo seclorum*, a new order of the ages. Those words were written by Vergil in Italy more than 2,000 years ago. But they have fresh meaning today, as a new generation builds a new order of peace and freedom, prosperity and security for the 21st century. Vergil's words apply to your deeds, Mr. Prime Minister, and we are very glad to welcome you to the United States of America.

NOTE: The President spoke at 10:07 a.m. on the South Lawn at the White House. In his remarks, he referred to Flavia Prodi, wife of Prime Minister Prodi. The transcript made available by the Office of the Press Secretary also included the remarks of Prime Minister Prodi.

The President's News Conference With Prime Minister Prodi

May 6, 1998

President Clinton. Good afternoon. Please be seated. I have very much enjoyed having this opportunity to welcome the Prime Minister to Washington again. For more than 50 years Italy has been among our

closest allies. Today we charted a course to strengthen our cooperation for the next 50 years.

We discussed our common efforts to build an undivided Europe at peace. We welcomed the Senate's recent vote on NATO enlargement and hope the Italian Parliament will also act favorably soon.

I thanked the Prime Minister for Italy's contributions in Bosnia and more recently in Albania, where Italian troops played a critical role in bringing an end to violent unrest. We also discussed our deep concern over the situation in Kosovo. The absence of genuine dialog there is fueling a conflict that could threaten regional stability. We're working urgently to establish unconditional talks that can avert escalating violence. But we must and will be ready to substantially turn up the pressure on Belgrade should it keep blocking the search for a political solution or revert to indiscriminate force.

I congratulated Prime Minister Prodi on the historic step Italy and other EU members took this past weekend on the European Monetary Union. I admire the way he has led Italy on a path of fiscal responsibility and genuine recovery. I'm confident that a strong Europe with open markets and healthy growth is good for America and good for the world.

We discussed new ideas to reduce the remaining barriers to trade and boost prosperity on both sides of the Atlantic. I'm pleased that we've agreed to begin the next round of talks on an open skies agreement, with the goal of concluding an agreement as soon as possible to bring greater choice and better service to our tourist and business travelers alike.

We're also looking forward to the G-8 Summit in Birmingham, where we'll take the next steps in preparing our nations for both the opportunities and the challenges of the future.

As to the challenges, from terrorism to drug trafficking, from international crime to environmental damage, threats that disregard national borders demand international responses. Italy has been at the forefront of international efforts to fight crime. It has led in getting the G-8 to join forces in combating crime rings that smuggle illegal immigrants

for sweatshop labor and for prostitution. This will build on the work America and Italy have begun together to fight the horrendous international crime of trafficking in women and children. Victims are lured with promises of jobs, opportunity, and hope, too often to find themselves instead in conditions of virtual slavery and actual physical danger.

In Birmingham we'll announce a new joint action plan to crack down on crime rings that smuggle immigrants, bring the perpetrators to justice, and protect the lives of innocent victims. This is not only about public safety, it is about basic human rights.

The partnership between our two nations is far-reaching. Our extensive collaboration in science, technology, and space exploration makes that clear. But the friendship is anchored in basic values at the core of both our societies, liberty, tolerance, love of family, devotion to community and country.

In closing, let me note that this is the 50th year of the Fulbright program between the United States and Italy, a program that has given generations of our young people the chance to live with and learn from one another. As we celebrate all the ties that bind us, we are looking ahead to the next 50 years, to an even stronger and more vibrant partnership which will shape a brighter future for all our people.

Mr. Prime Minister.

Prime Minister Prodi. Thank you. Very few comments to add to your speech.

I enjoyed so much to exchange our views in what I can call the magic moment of American-Italian relations. We have no point of disagreement. We have—our goal is only to build up a stronger relation and to bring them into the future.

In a moment that is very favorable that we did in the last weekend, we concluded one of the most important achievements, never seen in world history, to put 11 different currencies together. And this will bring, I'm sure—this is my firm opinion—a new period of strong growth, very similar to the period that you did in your country, President. And it's very rare to see 8 years of continuous growth without inflation, with decreasing unemployment, as you did in your country, and to think that the Euro may give

us the same possibility for Europe. But Europe needs a renewed set of relations between Europe and the United States because this new event needs a new organization of our relations.

So I am very favorable to the proposal of transatlantic—a new set of economic and political relations. To this new set, we shall start to work immediately and with a realistic program and with a long-range view.

Second, we analyzed our bilateral relations, and this was the easiest chapter because there are no fundamental problems of dissent. But we also analyzed the hot point of the regional difficulties in the Balkan and Mediterranean area. In this, we have not only to act together, but to have the continuous fine-tuning of our action. Kosovo is a source of worry for us. But Bosnia is still there, with all the problems and with these long-term solutions that, briefly, you have indicated that we are executing together.

But another point that we analyzed is the Mediterranean area, not only the Middle East—that is, of course, the object of our attention—but the pivotal problem of Turkey, the Greece-Turkish relation, Cyprus, and all of that—in the end, the enlargement of the European Union to the East and the consequence that this enlargement will bring in world politics.

This has been the agenda. And I'm so happy that we could discuss this not only in deed but with a strong, strong common commitment.

President Clinton. Thank you.

Terry [Terence Hunt, Associated Press], would you like to go first? We will alternate. I will call on an American journalist; the Prime Minister will call on Italian journalists. We'll just go back and forth.

Court Decision on Executive Privilege

Q. Mr. President, while the matter remains under seal, lawyers familiar with the case say that a Federal judge has denied your assertion of executive privilege in the Monica Lewinsky investigation. Do you intend to appeal that decision? And what's the difference between your case and Richard Nixon's effort to stop the Watergate investigation?

President Clinton. Well, first of all, as you pointed out, the matter is still under seal.

And as I've said in all these cases, at least one party in every case should follow the judge's orders, preferably—it's better if both do. So I can't comment on it. But let me remind you, I have asked for the release of the briefs and the pleadings in the case so that you and the American people can evaluate my position and any differences that exist between that which we have asserted in previous assertions of executive privilege. I would also remind you that the facts are quite different in this case.

Q. How so, sir?

European-American Relations

Q. Mr. President, would you consider the four European countries part of the G-7 as the more natural counterpart to the U.S., even more so now that there is a European Central Bank—not a central political authority in Europe? And do you subscribe to the work of President Prodi for the launching of a new transatlantic negotiation for a new marketplace?

And for Mr. Prodi, the French President is resisting the idea of transatlantic negotiations. Will you take a leadership with that against his position?

President Clinton. Well, the answer to your second question to me, would I support the launching of new negotiations to broaden our partnership, the answer to that is yes.

I think the proper answer to your first question is that from the day I took office, I have supported increasing unity within Europe and any specific step that the Europeans might decide for themselves to take, including a common currency. And what I want is a strong, united Europe that is our partner in dealing with the challenges and in seizing the opportunities of the 21st century world. That's what I look forward to. I think that is one of the legacies I would like to leave when I leave office in 2001. So for me, this is a positive step, these things which are happening now.

Q. I'm sorry, on the G-7 though, Mr. President, I mean, there is no counterpart to the European Central Bank—

President Clinton. Well, on the G-7 we all—in the G-7, we operate by consensus, so it's not like—we do everything together anyway.

Prime Minister Prodi. On my side, it's true that the French oppose it at the present time, the negotiation. But they didn't oppose the general idea. They opposed the specific proposal, and we decided to go on. We decided that we must make a very concrete, step-by-step approach. We have a lot of things that we can deal with unanimity now, but we have decided that this is one of the most important issues, not because of Far East crisis but because of the future of humanity. We think that the relations between Europe and the United States are still the foundation of the world peace. This is what we told, and so we will have to accompany them with increasing economic and political relations.

From the point of view of the transatlantic negotiation, we shall find concrete steps to start immediately for the negotiation. I can't take the initiative alone, because I am part of the European Union, but I am happy to start this type of pressure in order to convince all my colleagues to have a quick starting of this negotiation.

I want to express also my gratitude—I already have done in another interview—to President Clinton, to the American people, for the attitude they had during this process of monetary union. It's completely infrequent to be so clear, so transparent, not to put any obstacle, any suspicion in this—such a big change—it will be a change also for American policy. This is enormous change in the world economy. And this is, I think, the real meaning of what is a long-term friendship.

President Clinton. Lori [Lori Santos, United Press International].

Middle East Peace Process

Q. Sir, Israel's Prime Minister says he won't accept U.S. dictates in the Middle East peace process. What will you do if Israel rebuffs the U.S. proposal for a 13 percent withdrawal?

President Clinton. Well, I don't believe Israel or any other country should accept the dictates of the United States in a peace process. We cannot and we should not attempt to impose a peace on parties because they have to live with the consequences. What we have tried to do for a good year now is to

listen to both parties, look at the situation on the ground, understand their respective concerns, and come forward with a set of ideas that we believe are most likely to get the parties to final status talks.

Keep in mind, they're supposed to finish these talks a year from this month, by their own agreement. Now, the ideas we put forth, as Secretary Albright said, were accepted in principle by Mr. Arafat. The Prime Minister said he was unable to do so, but he asked that he be permitted to go home—not permitted, but that he be given time to go home and talk through with his Cabinet what might be an acceptable position, bring it back to us and see if we could bring the parties together. That is what we are trying to do.

And keep in mind what we are trying to do. We are not talking about here a final settlement of all the outstanding issues between Israel and the Palestinians. We are talking about a settlement of sufficient number of issues that will permit them to get into the final status talks within the framework embodied by the agreement signed here in September of '93.

And the first person to advocate a more rapid movement to the final status was Prime Minister Netanyahu. I have tried to find a way actually to do what he suggested. He said, "The facts have changed. The Government is different. Things are different than they used to be. Let's go on and go to final status talks and try to resolve all this at once in a package." I thought it made a lot of sense at the time, and I have done my best for a year now to find the formula that would unlock the differences between them to get them into those final status talks. That's all I'm trying to do. There's no way in the world I could impose an agreement on them or dictate their security to them, even if I wished to do that, which I don't, because when the agreement is over, whether it's in the Middle East or Ireland or Bosnia or anyplace else, they have to live with the consequences.

Q. Will you go Monday, if it's not—[inaudible].

President Clinton. Well, I expect to do—first of all, we are working—let's wait and see what, if anything, Prime Minister Netanyahu comes back with. Let's wait and see, and then see where we are. I hope very

much—I would like very much if we could get the parties together so they could get into the final status talks. I do believe if they could get over this hurdle, if they could demonstrate good faith to one another, and then they got in the final status talks and everything were on the table, all the outstanding pieces, then I think that give-and-take would be more likely to produce a final agreement.

So I'm very anxious to get them over this hill, so they can get into discussing the final arrangements. That's one thing I thought Prime Minister Netanyahu was right about, but I hope that both sides will help us get there. That's what we're trying to do.

Italy's Role in the United Nations

Q. President Clinton, you have been praising Italy as a faithful ally of the United States. Now Italy is also a major contributor of the United Nations. Do you think that your Government would support a reform of the U.N. Security Council which would give Italy a bigger role?

President Clinton. Well, we would support an expansion of the Security Council with the membership still to be determined. I don't think we can dictate it all. And we would support other efforts to give Italy a larger role, generally. First of all, let me say that as long as I have been President, for 5 years, the Italians have been as forthcoming as any country in being willing to make contributions to solving our common problems, whether it's in Bosnia or the Former Yugoslav Republic of Macedonia or now in Albania, where you took the initiative. And all we had to do, if you will, was to sit on the sidelines and cheer you on and try to be supportive.

Then, in the government of Prime Minister Prodi, we see a remarkable strength and cohesion and singularity of purpose, which has led to a marked improvement in your economic situation, early entry into the European Monetary Union. So I think the prospects for greater roles of leadership for Italy in many, many different forums are quite good. And I would support that. I think that Italy can justifiably say, "We should be a part of more and more of these decisionmaking bodies because we're making a bigger con-

tribution." And in general, I think that's a positive thing.

Randy [Randy Mikkelsen, Reuters], you have a question?

U.S. Forces in the Persian Gulf

Q. Mr. President, there are reports today that the United States has cut the level—cut its aircraft carriers in the Gulf from two to one. What does that say about the level of threat in the region and the state of U.S. relations with Iraq? And what can you say about reports that morale among U.S. troops there is at an all-time low?

President Clinton. Well, we have sent—the *Eisenhower* is sailing on schedule, as you probably know. And there's been some speculation about the timetable there, but I can tell you that I have not—Secretary Cohen has not recommended a final decision to me on this, and I have certainly not made one, and we've done our best to keep all of our options open.

The main thing I want to reaffirm is our determination to see the United Nations resolutions complied with and the inspection regime continue until it finishes its work. But no final decision has been made on that yet.

Q. And the morale issue, sir?

President Clinton. I can't really comment on that. I think you should talk to Secretary Cohen about that to see if he agrees with the assessment of it.

But one of the things that we recognize is that as we ask more and more and more of our men and women in uniform, and they have longer deployments, we're going to have to work harder to make sure they get adequate support and their families back home get adequate support in order to keep morale high. I can't comment on the specific assertion, because I'm not sure that it's so. But I am sure that our men and women in uniform, because we have so many responsibilities in so many parts of the globe, are called upon to do quite a lot and be away from home base for extended periods of time. And that puts a bigger responsibility on those of us who make these decisions, beginning with me, to do everything we can to give them the support they need and to make sure their families are taken care of.

U.S. Aircraft Incident in the Italian Alps

Q. Prime Minister Prodi, are you satisfied with the way the American authorities are dealing with the accident in the Italian Alps?

Prime Minister Prodi. Since the first moment when I called personally President Clinton, I found a very warm and prompt response to the problem. And I have to thank Ambassador Foglietta, who is here, who—he understood immediately how big was our sorrow, how deep was our regret. And the following evolution of the problem—they've always kept with a daily communication between the American Government and the Italian authorities. So I am waiting for the future development of the case, but I've seen a deep involvement of the American political authorities.

President Clinton. I'd like to just make a brief comment about that. This was a horrible human tragedy. I can't even describe how I felt the first moment I heard about it, and——

Prime Minister Prodi. I do remember your call.

President Clinton. My regret is profound. Since that time, we have done everything we could both to cooperate with the Italian Government in the investigation into the case and to handle the disposition of the charges, as well as the treatment of the families of the victims, in accordance with the agreements signed between our two countries and to be as faithful to it as we could. And we will continue to do that.

I regret terribly what happened. And I cannot bring back the people who perished, but I will do my best to make sure that we behave in a completely honorable way, in a way that is completely consistent with the commitments we have made.

Stewart [Stewart Powell, Hearst Newspapers].

Cuba

Q. Thank you, Mr. President. I wanted to ask you about Cuba for a moment.

President Clinton. Go ahead, I'm sorry.

Q. Your former Atlantic Commander, Jack Sheehan, came back from a visit to Cuba—he spent a week there, spent 8 hours with Fidel Castro and returned with—seeing opportunities for some rapprochement with

Castro. I wonder if you're now willing to undertake some steps to ease the embargo or take additional steps to provide humanitarian relief in Cuba, and secondly, whether you're willing to undertake any steps to dismantle or ease the defense perimeter around Guantanamo Bay as a symbolic gesture toward Cuba at this moment.

President Clinton. Well, in the aftermath of the Pope's visit to Cuba, I did take some steps which I hope would send the right signal to the Cuban people—[inaudible]—in the hopes that it would help to support a move toward a civil society there. As you know, what further steps I could take are clearly circumscribed by the passage of the Helms-Burton Act. And furthermore, there have been mixed signals coming out of the actions of the Government in Cuba since then about whether they really wish to have a rapprochement that is more than Government to Government and maybe trade to trade but also includes what our real concern is.

Our real concern is for the people of Cuba: Can we move the society toward freedom and human rights and a democratic system? These things don't have to be done overnight, but then again, they have to be done. There has to be some clear signal.

I understand the desire of the Cuban Government to keep its health care system, to keep its commitment to universal literacy to even its poorest citizens. That's a commendable and laudable thing. But I do not accept, nor can I ever accept, some of the antidemocratic and, frankly, clearly antihuman rights policies of the Government. So we have to have some basis for doing more, especially given the constrictions of the law. Now, nothing would make me happier than to see some basis for doing more. I think all Americans would like to be reconciled with Cuba because of our ties of blood in this country and because of its proximity to us.

Death Penalty

Q. Mr. President, you have spoken of the common values that unify our two countries, but there is one big issue that is opening an ever-widening gap between the two countries, and it has a lot to do with values, and it is the issue of the death penalty. And I

was wondering, because this issue is seen with tremendous sensitivity in our country, if you could give us a sense of what your personal feelings are on this issue. And I hope Mr. Prodi might want to add his own comment.

President Clinton. Well, first of all, I do not believe that our different views on the death penalty should drive a wedge between our two countries, since that is a matter of, essentially, domestic not foreign policy and since in our country, criminal defendants are given extensive procedural protections to avoid abuse as well as extensive rights of appeal.

I support capital punishment under certain circumstances. The law in our country is that for most cases involving murder, it is up to the States of our Republic to decide whether to have the death penalty. Some States do have the death penalty, and some States don't. It is a question of State law. There are a few crimes on the Federal books for which capital punishment can occur. But it's, by and large, most of the cases—the great majority of the cases are matters of local law, State law, in our country. And unless the Supreme Court were to reach a contrary decision and invalidate all death penalty laws, which it has explicitly refused to do, under our Constitution it would remain that way.

Prime Minister Prodi. From my point of view, I belong to a country which the death penalty has been abolished since a long time. It is in the roots of our tradition, of our values, of our society not to have it, and I stick on it.

President Clinton. Wolf [Wolf Blitzer, CNN].

Hubbell and McDougal Indictments

Q. Thank you, Mr. President—Mr. Prime Minister, Mr. President. Mr. President, since your last news conference, Ken Starr has indicted Webster Hubbell and Susan McDougal once again. And at the same time Congressman Dan Burton has released all these prison tapes involving Webster Hubbell and his wife and his lawyer and others. I wonder how you would assess all of this in light of the problems that you and your supporters are facing as this investigation into the Monica Lewinsky matter continues to es-

calate and perhaps reach some sort of conclusion sooner rather than later. Obviously your thoughts on all of this would be interesting to all of us. [Laughter]

President Clinton. Well, I think it was clearly a violation of privacy of Mr. and Mrs. Hubbell for the tapes to be released. And I think virtually everyone in America now recognizes it was wrong to release selected portions of the tapes, apparently to create a false impression of what the whole record indicated.

On the other matters you mentioned, the parties have spoken for themselves about what they think was behind it, and I can't really add anything to that.

Kosovo

Q. Mr. President, did you discuss the eventuality to send troops to Kosovo?

And to Mr. Prodi, is our country available to send troops to Kosovo?

President Clinton. I suppose the literally accurate answer to your question is we did not discuss that. But I have made it clear, and I believe we have made it clear between us, that, at least from my point of view, no option should be ruled out. We do not want another Bosnia in Kosovo. Too many people have died there already in indiscriminate violence. And of course, it happened very quickly. Neither, however, do we want to get in the position where Italy has to send troops to every one of its neighboring countries, and the United States has to send troops every time there's a dispute in that part of the world.

But I don't think we can rule out any option, because we don't want another Bosnia to happen, and we don't want—both in terms of the human loss of life or in terms of the regional instability. So I wouldn't rule out any option. But I think the most important thing is to keep the carrots and the sticks we have on the table and for a genuine dialog to occur.

Look, this is not—we have a saying in America, sometimes: "This is not rocket science." You've got a part of Serbia which is 90 percent Albanian, and they want some kind of autonomy and to have their legitimate concerns addressed. The Serbs don't want to give up a big part of their country, which

they believe and is legally part of their country. So they obviously need to sit down and talk through how the legitimate aspirations of the Kosovo Albanians can somehow be manifest in giving them some measure of self-government and decisionmaking authority over their lives within the framework of Serbia. There are 50 different ways this could be worked out in a humane, legitimate way. They do not have to kill each other to get this done, and they should not do that.

Prime Minister Prodi. I completely agree, but probably the question was not put in the right way. The problem is not to send troops in the general way, but there is the problem of how to protect the border in order to avoid in the short term the problem of smuggling weapons from one side to the other one. Even this option is dangerous, because in some ways, whenever you send troops, you send hostages, potential hostages, to the situation.

But as President Clinton told, we didn't rule out any solution. We are just making an effort to arrive to a peaceful solution, and also we had a long conversation concerning the possibility of helping the civilian recovery of Kosovo in this difficult situation, in which Kosovo has been abandoned in some ways. But of course, you can't rule out anything now.

President Clinton. Thank you all.

NOTE: The President's 158th news conference began at 1:50 p.m. in Room 450 of the Old Executive Office Building. During the news conference, the following persons were referred to: President Jacques Chirac of France; Chairman Yasser Arafat of the Palestinian Authority; Prime Minister Binyamin Netanyahu of Israel; Thomas M. Foglietta, U.S. Ambassador to Italy; Gen. John J. Sheehan, USMC (Ret.), former commander in chief of the U.S. Atlantic Command; President Fidel Castro of Cuba; and former Associate Attorney General Webster L. Hubbell, and his wife, Suzanna, Deputy Director of External Affairs, Department of the Interior.

Joint Statement: The United States and the Republic of Italy: A New Partnership for a New Century

May 6, 1998

The United States and Italy have built a strong, genuine and enduring relationship during more than fifty years of close cooperation. Today President Clinton and Prime Minister Prodi assessed the new opportunities and challenges before both countries as this century comes to a close and a new millennium begins. They agreed on a common agenda to create an even closer partnership in the 21st century.

Transatlantic solidarity remains the indispensable cornerstone of the U.S.-Italian relationship and the basis for a Europe secure, prosperous and free. As Allies in NATO, participants in the Organization for Security and Cooperation in Europe and partners in the U.S.-EU New Transatlantic Agenda, the United States and Italy reaffirm their confidence in a new Europe and a strong, enduring transatlantic community. Our shared commitment to build a better future does not stop at Europe's borders, but extends to the Middle East, Africa, Asia and Latin America.

As we move into the next century, the world will require increased international cooperation to meet common challenges, foster economic development and uphold democracy and human rights. In pursuing these goals, we reaffirm our strong support for the international institutions we worked to create more than fifty years ago. The United Nations and the Bretton Woods institutions must continue to play a key and reinforced role in tomorrow's increasingly interdependent world.

Joint leadership in political and economic areas is essential as we strive to enhance European security and address new challenges around the globe. We look forward to a historic NATO Summit in Washington in April 1999, which will celebrate NATO's fifty years as the most successful alliance in history, welcome three new members and prepare

NATO for another fifty years of close transatlantic cooperation. We recognize that maintaining our security will require vigorous efforts by the range of Euro-Atlantic institutions to promote stability in Southeastern Europe and the Mediterranean.

An even stronger and more effective Organization for Security and Cooperation in Europe is a central part of our vision for a more democratic and stable Euro-Atlantic region. We will work closely within the OSCE to focus on ways to spread the security, democracy, freedom and prosperity enjoyed by Western Europe over the past fifty years to other areas of Europe in the coming years.

Europe is pursuing accelerated political and economic integration through the European Union, which the United States has consistently supported. Both the United States and Italy recognize the historic step just taken by Italy and other EU Members to create an Economic and Monetary Union. Italy and Europe can benefit from a successful EMU underpinned by sound macroeconomic and structural policies, which would also be in the best interests of the United States. Indeed, a successful EMU has the potential to benefit the entire transatlantic economic relationship, as will our shared determination to reduce barriers to trade and to work together in the WTO to promote multilateral trade liberalization. The EU, which demonstrates so clearly the vital link between democracy and prosperity, will become an even more dynamic entity and partner for the United States as it welcomes new members and projects increasing stability throughout the Continent.

We will strengthen our overall cooperation through these institutions and other mechanisms to enhance European security. We will consult closely on the most effective ways to prevent new conflicts and address threats to security that do arise, as we have done in Bosnia and Albania and are doing now in Kosovo. We agree that the situation in Kosovo is increasingly serious. The decisions taken by the Contact Group in Rome must be implemented. Absent dialogue, the conflict will only deepen and spill over, threatening regional security. We will continue raising the pressure on Belgrade if it continues to obstruct a political resolution. We will also

continue efforts underway to promote stability in Southeastern Europe through the Southeast Europe Cooperation Initiative and other means.

We are committed to expanding the spectrum of our bilateral cooperation in the years ahead. We will increase already strong efforts to stem the proliferation of nuclear, chemical and biological weapons. Our cooperation on law enforcement and judicial matters, particularly in the fight against organized crime, terrorism, illegal arms trading, drug trafficking and alien smuggling, is exemplary. Our statement today on increased efforts to combat international trafficking in women and children launches our intensified cooperation in these areas. We will also increase our efforts to promote safety on the high seas through the International Maritime Organization.

We agreed to begin negotiations next month in Washington aimed at concluding an Open Skies and aviation agreement as soon as possible. We have also created a joint working group to enhance U.S.-Italian aerospace cooperation and take advantage of opportunities that will benefit both countries.

One of the strongest pillars of our science and technology relationship has been space cooperation. We welcome recent achievements in this area, including the successful launch of the Cassini mission to Saturn and agreements for cooperation on the International Space Station. We look forward to new initiatives in astronomy, planetary exploration, earth science, biomedical research and commercialization of space.

We also have made significant efforts to expand our longstanding collaboration in biomedical sciences and to jointly address global health concerns. Our respective institutes for health have recently committed to measures which will enhance opportunities for inter-institute collaborative projects in a range of fields, including HIV/AIDS, aging and cancer. We look forward to the implementation of these projects as well as to joint efforts in the fight against malaria, particularly in sub-Saharan Africa.

Noting our shared objectives to protect the global climate and environment, we are proud of recent agreements to foster joint development of geothermal, biomass, solar

and other applied technologies to reduce emissions, improve air and water quality and conserve scarce natural resources. Mindful of the recent declaration of the G-8 environment ministers at Leeds, we will together address the risks posed by climate change, enforce multilateral environmental agreements, protect marine diversity and reduce threats to the health of our children.

Together the United States and Italy, working with our partners in Europe and elsewhere, have the opportunity to shape a future that is more secure, peaceful, free, and brighter for all. We pledge to do all we can to make the most of this chance to build an enduring legacy of peace and prosperity for the 21st century.

NOTE: An original was not available for verification of the content of this joint statement.

Statement on Proposed Tobacco Legislation

May 6, 1998

I commend Representatives Hansen and Meehan for their hard work in putting together a strong bipartisan comprehensive tobacco bill designed to reduce youth smoking in this country. The Hansen-Meehan bill contains a substantial price increase, strong industry and company penalties for failure to reduce youth smoking, full FDA authority to regulate tobacco, strong restrictions on advertising and youth marketing of tobacco products, and strong protections against exposure to environmental tobacco smoke. I look forward to working with them to ensure that their legislation adequately protects tobacco farmers and to pass a comprehensive tobacco bill this year.

Statement on Coerced Abstinence for Drug Offenders

May 6, 1998

This week, the Connecticut legislature adopted a statewide policy of coerced abstinence for drug offenders. Two States—Connecticut and Maryland—have now joined the Federal Government in embracing tough systems of testing and sanctions for drug of-

fenders. All States should follow their lead, and Congress should support their efforts. The choice is simple: cut crime and drug use by demanding that criminals kick their drug habits, or release drug offenders back into the community knowing they will commit more crimes to feed their addiction.

Statement on Funding To Fight Methamphetamines

May 6, 1998

I am pleased today to announce \$8.8 million of new Federal money from the Office of National Drug Control Policy's High Intensity Drug Trafficking Program to fight methamphetamines, a deadly drug. These new funds will bolster joint Federal, State and local law enforcement efforts now underway as part of this Administration's comprehensive National Methamphetamine Strategy. By further strengthening the ability of law enforcement to target those who produce and push methamphetamines, we take this deadly drug and the accompanying crime off our streets and protect our children.

Message to the Congress Transmitting the Ukraine-United States Agreement for Cooperation on the Peaceful Uses of Nuclear Energy and Documentation

May 6, 1998

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153 (b), (d)), the text of a proposed Agreement for Cooperation Between the United States of America and Ukraine Concerning Peaceful Uses of Nuclear Energy, with accompanying annex and agreed minute. I am also pleased to transmit my written approval, authorization, and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to

me by the Secretary of State and the Secretary of Energy, which includes a summary of the provisions of the agreement and various other attachments, including agency views, is also enclosed.

The proposed agreement with Ukraine has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed agreement meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. The agreement provides a comprehensive framework for peaceful nuclear cooperation between the United States and Ukraine under appropriate conditions and controls reflecting our common commitment to nuclear nonproliferation goals.

The proposed new agreement with Ukraine permits the transfer of technology, material, equipment (including reactors), and components for nuclear research, and nuclear power production. It provides for U.S. consent rights to retransfers, enrichment, and reprocessing as required by U.S. law. It does not permit transfers of any sensitive nuclear technology, restricted data, or sensitive nuclear facilities or major critical components of such facilities. In the event of termination, key conditions and controls continue with respect to material and equipment subject to the agreement.

Ukraine is a nonnuclear weapon state party to the Treaty on the Nonproliferation of Nuclear Weapons (NPT). Following the dissolution of the Soviet Union, Ukraine agreed to the removal of all nuclear weapons from its territory. It has a full-scope safeguards agreement in force with the International Atomic Energy Agency (IAEA) to implement its safeguards obligations under the NPT. Ukraine was accepted as a member of the Nuclear Suppliers Group in April 1996, and as a member of the NPT Exporters Committee (Zangger Committee) in May 1997.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security.

Accordingly, I have approved the agreement and authorized its execution and urge that the Congress give it favorable consideration.

Because this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation, I am transmitting it to the Congress without exempting it from any requirement contained in section 123 a. of that Act. This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. My Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House International Relations Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session provided for in section 123 d. shall commence.

William J. Clinton

The White House,
May 6, 1998.

Remarks at a State Dinner Honoring Prime Minister Prodi

May 6, 1998

Good evening, and welcome to the White House, Mr. Prime Minister, Mrs. Prodi, distinguished members of the Italian delegation, my fellow Americans.

Mr. Prime Minister, today we accomplished a great deal. Tonight we celebrate the ties that bind us.

Those ties begin with the discoveries of Columbus and Vespucci, whose busts adorn the Blue Room next door. When the Founders created the American Republic, they looked to Rome for inspiration. George Washington was likened to Cincinnatus, the Roman hero who abandoned his plow to rescue his country by popular demand. I might say, they were the last two people to head our countries only by popular demand. [Laughter]

Poets and philosophers of the Roman Republic were read and rejuvenated as our new Republic looked to the past to plan our future. In the writings of ancient Roman thinkers like Cicero and Cato, America's Founders saw the promise of democratic representative

government. Every aspect of our new Republic paid tribute to the simple grandeur of Rome: from our architecture to words like “senate” and “capitol.” Indeed, after our Constitutional Convention, Benjamin Franklin was asked what our Founders had produced. His simple reply was, “A Republic, sir, if you can keep it.”

Towns sprang up with the names from the ancient Mediterranean world, names like Utica, Troy, or the Vice President’s hometown, Carthage. Artists portrayed America’s leaders wearing togas, as the bust of George Washington in the hall demonstrates. Thankfully, that is a tradition we have left to the 19th century. [Laughter]

In the 19th and 20th centuries, our Republic turned into a bustling nation, thanks in no small measure to Italian-Americans. Ancient Rome was replaced by young Italy in the American imagination. And democracy was given new life by heroes like Mazzini and Garibaldi.

America’s growing cities attracted millions of Italians, eager to build a new life in a new world. They worked hard. They prospered. Today American Italians, or Italian-Americans, are leaders in every enterprise conducted in our Nation. And as we all know, it is impossible to walk more than a few blocks in any American city without hearing the words “caffè latte.” [Laughter]

The people here in this room tonight are the link between our two countries, between two cultures that have nourished each other since America was just an idea. From our highest courts to our finest tables, from our playing fields to our silver screen, from one side of the aisle in Congress to the other, Italian-Americans have graced our Nation with their intellect, their industry, their good will, and above all, a contagious love of life.

Mr. Prime Minister, you have accomplished so much in your time in office. You have presided over a string of economic successes. And Americans especially admire your perseverance, in leading Italy toward European monetary union. Without Italy, Europe is not Europe. And without Europe, the world would be a poorer, less free, and much duller place.

Italy has been a force for peace and security in its region, on the continent, around

the world, in Albania, in Bosnia, and in Kosovo, where we’re working hard together to bring about a peaceful resolution. America is proud to know you as a partner and an ally, and we are grateful for your provision of our military bases, sent to help maintain Europe’s hard-won peace.

Mr. Prime Minister, we take pride in our strong friendship. We know it will continue to grow stronger as we enter the new millennium, a word that brings us, once again, back to Rome. For just as the *Pax Romana* spread far and wide through the ancient world, we hope and work for the peace of a new millennium that will allow more people than ever before to live their dreams in security.

If we can achieve a peace of the millennium, then the ancient dream of Columbus to explore new places can be lived by more people than ever—new places in outer space, in biotechnology and medical research, in the hearts and minds of people around the world who still look to Italy and America for confirmation that a good society can be created from many parts.

“*E pluribus unum*,” the motto of the United States, a principle cherished by Italians and Americans: Out of many, one. Mr. Prime Minister, let us make it so.

Ladies and gentlemen, I ask you to join me in a toast to the Prime Minister and Mrs. Prodi and the people of Italy.

NOTE: The President spoke at 8:30 p.m. in the East Room at the White House. The transcript made available by the Office of the Press Secretary also included the remarks of Prime Minister Prodi.

Remarks to the Mayors Conference on Public Schools

May 7, 1998

Thank you very much. Mr. Mayor, Secretary Riley, thank you for your outstanding work. I’d like to thank Attorney General Reno and Secretary Slater, Secretary Herman, Secretary Glickman for also coming, along with James Lee Witt, our FEMA Director. I’d like to thank Mickey Ibarra and Lynn Cutler for the work that they do with you and all the other members of the White

House staff, and say a special word of welcome to Senator Kennedy and Congressman Martinez, about whom I'll say more in a moment.

I'm sorry if I cost Mayor Helmke any votes in the Republican primary. [Laughter] It is his great misfortune to have been my friend for a long time. But surely, whatever he lost he got back by outing me as a law school truant today. [Laughter] I hope he has recovered all that lost ground. [Laughter] Unfortunately, it's true. [Laughter]

Because this is my only opportunity to appear before the press today, before I get into my remarks about education I would like to make a few important comments about the peace process in the Middle East.

First, I think it's important in the temporary frustration of the moment not to forget what Israelis and Palestinians have accomplished in just the past few years: the peace agreement signed here in September of 1993, based on the Oslo Accords, the agreement over Hebron, continuing in very open dialog, an unprecedented amount of security cooperation. What we are trying to do now is simply to regain the momentum that has been lost in the past few months, not by imposing our ideas on anyone, because only the parties can make decisions that will affect the lives they have to live, their security, and their future.

What we're searching for is common ground to achieve what Prime Minister Netanyahu asked us to pursue a year ago, the start of accelerated permanent status negotiations. It's important not to forget that. We are not talking about a final agreement between the Palestinians and the Israelis. What we're talking about what kind of agreement can they make within the framework of their previous agreements that will get them into discussing all the difficult issues that would allow them to wrap this up, hopefully on time by the end of May next year, which was the timetable established in the Oslo Accords.

Secretary Albright, I believe, made some real progress in London. Both Prime Minister Netanyahu and Chairman Arafat were seriously constructive. They discussed a set of ideas that we believe are necessary to get into those final status talks.

Prime Minister Netanyahu has asked us to send our Special Envoy, Dennis Ross, back to the region to pursue creative ways to make our ideas acceptable to both sides. He leaves later today with my instruction to literally go the extra mile, to seize this opportunity for peace, to launch the final status talks.

The Prime Minister and I agreed to try to do this a year ago, and we're going to do our best. I do not want to minimize the difficulties. Both sides have to make very hard decisions if we're going to keep moving forward. But the prize is a just and lasting and secure peace, and the prize can be attained. We're going to do everything we can to make it a reality.

Now, let me say what I said to you before when I was asked to appear before this conference. I applaud the mayors for holding this meeting on education. You have done an enormous service to the county by being here and by putting this document out. You can lead the way to a revolution of high standards and high expectations, of genuine accountability and real choice in education. And I believe you are determined to do so.

In the past few years, a lot has been done by dedicated teachers, fine principals, supportive parents, other committed reformers, and our students. But all of us know we have a lot more to do. We know that we have the world's best system of higher education, and we've taken unprecedented steps to open the doors of college to all Americans. We're moving forward on other levels, as well.

Tuesday, the United States Senate passed 91 to 7 a bill that articulates the principles that I set out 5 years ago in my proposed "GI bill" for America's workers. I think all educators know that we have to create a system of lifetime learning in America. Everybody has got to be able to go back to school throughout their lifetime. Indeed, one of the most important provisions in the balanced budget was that which provided a HOPE scholarship tax credit of \$1,500 a year for first 2 years of college and continuing tax credits for other forms of education for people of any age when they have to go back to school.

What this "GI bill" will do, this present legislation that the Senate passed, is to untangle and streamline the current large number of Government programs on job training so

that workers can get a simple skill grant to choose the training they need. That is very important.

But everyone knows we still have a lot of work to do in our public schools. Our public schools, for generations, have taught our children not only how to read and write but what it means to be an American. And they have embodied the principle that everyone ought to have a fair and equal chance to live out their dreams. We know we have to strengthen them to do their job for the 21st century. As I said, there is a lot to be proud of. It's important to remember—and I think the evidence will show—that since the issuance of the "Nation At Risk" report in 1983, dedicated teachers, visionary principles, committed students, and involved parents have accomplished a lot. But a lot needs to be done.

Our schools are still not giving our children, particularly our children who come in from the most difficult circumstances that Mayor Helmke discussed, the best education in the world. And therefore, I really thank you for this action plan. It reflects the lessons that have been learned in communities across America. It reflects the goals I have sought to advance, that Secretary Riley has worked his heart out on for more than 5 years now.

And I think it's worth mentioning what they are. Every child in every community must master the basics with national standards in reading and math. Every child must have the chance to learn in small classes, especially in the early grades. That's why I proposed a national effort to hire 100,000 more teachers and distribute them in a way that will enable us to get average class size down to 18 in the first three grades. Every child should have more public school choice and the opportunity to learn in a modern, safe, state-of-the-art school. No child in any community, in my opinion, should be passed from grade to grade, year after year, without mastering the material. I believe that those things are principles that, if they were real in every school in America, would strengthen education dramatically.

I've often said, based on my own personal experience, that there's no education problem anywhere in America that hasn't been solved by somebody somewhere in America.

We have to do more, all of us, to shine a spotlight on reforms that work at the local level and then to encourage people to embrace other people's changes.

You know, our Founding Fathers set up the States as laboratories of democracy. That was the phrase used by James Madison and by other Founders. And in so many ways, they are. I used to say, when I was a Governor, I was much more proud of being the second State to do something than to be the first State to do something, because if we were the second State to do something, it meant we were paying attention to the laboratories, and we weren't embarrassed to take somebody else's good idea if it would help our people.

I think today, more than any other single group of people, the mayors embody that spirit, and this report that Secretary Riley is issuing today called "Turning Around Low Performing Schools," shows that, number one, it can be done and shows what is done. Let me just show it to you. Dick just gave me a copy of it before I came in.

I hope this will be read by every mayor, every Governor, every school superintendent in the entire United States of America. If nothing else, it will give people the courage to know that no matter how difficult their problems are, things can get better, much better. And I hope that others will be as unashamed as I was when I was a Governor to take other people's ideas. It's okay to give them credit, but the main thing you need to do is to take them.

When parents and teachers take responsibility, asking more of themselves, their children, and their leaders, you can replace triumph—you can replace failure with triumph. That's what this report shows. It shows that no school is a lost cause and that no child is a lost cause.

A lot of you have been kind and generous and open-minded enough basically to embrace and elevate the remarkable experiment launched by Mayor Daley in Chicago. They looked at their schools; they saw low test scores, high dropout rates, students literally earning diplomas who couldn't read them. But instead of walking away, they went to work. Chicago ended social promotion, but

Chicago also gave more after-school opportunities, had mandatory summer school for children who did not pass from grade to grade, and we now see, in addition to a lot of other changes, including far more involvement by parents, school by school, we now see high standards and uncompromising excellence coming back into the classrooms of that city. And I have been in the Chicago schools I believe 3 times in the last couple of years—I was just there recently—and it is truly amazing.

The thing that has moved me most, I think, was we were at a school—not the last time there but the time before last—in which there were lots of parents there who had clearly rejected the notion that the worst thing for their child's self-esteem was being forced to go to summer school or forced to repeat a grade. They understood that by the time they were 30 years old, if they couldn't fill out a job application or read it in the first place, that would do far more damage to their self-esteem than having to spend a few more months learning. And that was a terrific achievement. And I think you deserve a great deal of credit for it. And I thank you for what you've done.

I believe we have to use standards in testing to identify children who are failing to learn, to make sure they get the extra help they need. I believe that we have to say to every student that America cares about you; America believes in you whether you believe in yourself or not, right now; but it is our fundamental value in education that you must learn in order to be certified as a learner.

Let me also say, I think we have to say that it is absolutely wrong to go about this business of saying you're going to end social promotion or have testing with standards and then not do what it takes to bring the children up to speed. It would be wrong to do this without giving those after-school opportunities, without providing those tutorial opportunities, without providing those summer school opportunities.

And I want to say—I see Sandy Feldman here—I want to say that I think that the teachers of this country will lead the way on this if they believe that the kinds are going to get the long-term support they need to

be held to the high standards. And I think the leaders of the AFT and the NEA feel that way, and I think local teachers in every school throughout this country feel that way.

No one wants to be a part of a failing enterprise, especially when the stakes are the highest they could possibly be, the future of our children. And if you look at these two things, if you say, "Okay, we know this can be done and everybody wants to do it," then the only remaining question is what do we have to do and why aren't we doing it? And I see now more and more cities responding to this call: Boston, Cincinnati, Long Beach, Rochester, Washington, New York, Philadelphia are all taking steps to end social promotion. I've been in many of the schools in cities that are here in this audience represented, and I know that there are people working to take the kind of responsibility for transforming their schools.

Now, if you're going to do that, we have a responsibility to help. As Paul said, there are some disputes about what the role of the National Government should be as opposed to the States as opposed to the local level. I think it's important to put on the table first that the Federal Government's role in education has always been somewhat limited. It's less than a dime on the dollar of the education money. That means that we should focus on what works, on national priorities, and on helping schools that need the most help because they have the least ability to provide for the needs of their people.

We also ought to focus on those that manifest a desire to do the right thing. If you know what works, you ought to reward that. That's why I have proposed a network of what we call education opportunity zones. Today, Senator Kennedy, Congressman Clay, and others, and Mr. Martinez—thank you for being here—will introduce legislation to create these zones all across America.

They will target poor urban and rural communities where schools are often in crisis. They will spread reforms that work. You get the benefit of these zones if you're prepared to end social promotion, impose higher standards, recognize good schools, turn around failing ones, give parents public school choice, reward outstanding teachers, help those who are having trouble, remove

those who cannot make the grade, and make sure that all children get the help they need through after-school tutoring and summer school.

This bill should be supported by everyone in both parties who cares about children and who cares about turning around failing schools. It is the only way we can offer opportunity to and demand responsibility from all the children in all of our communities all across America.

I think one of the most interesting things—I asked for a report before I came out here about the cities that are working in environments where they don't have the level of direct control that the mayor enjoys in Chicago, and I got a good report on what some of you are doing in various cities. And the only thing I would say about that is that, either through a cooperative process or in some other way, in the end someone has to have the ability to make a decision and make it stick. Someone has to have the ability to make a decision. We don't make those decisions in Washington. We can create a framework. We can create opportunities. We can give money. But in the end, if a change has to be made, there has to be someone who can make the change.

I've already said that I believe—and I strongly believe—there's enough evidence of what works that if we get the people together at the local level, you can create an environment in which that's happening. But the mayors, even if they don't directly control the schools, have to be willing to speak up and say that this is not being done if it's not being done. You are the only people who can do that. You are still the single voice of your cities.

And I have now spent hours and hours and hours looking at the Chicago experiment. I have spent no little amount of time on several other school systems, including some represented in this room, and I honestly believe that in the end, if no one can make a decision, and they can always bat authority back and forth, and no one can be held accountable, and no one's willing to be responsible for what doesn't work as well for what does, it's going to be very tough.

So we'll do our best to push this bill. I hope you'll help us pass it. I think it will really

support what you're trying to do. But you know as well as I do, that if we have a value of no social promotion, if we have a value that says every child can learn, if we're trying to propose what works, in the end someone has to be able to take responsibility for making that decision.

Now, let me say that we've got a comprehensive education agenda in the Congress, as all of you know. We're trying to get the funds to aid for school construction and school repair. Many of our cities have average age of their school buildings over 65 years. Many of our other cities have huge numbers of children going to school in trailers every day. I hope we can pass the construction bill. I hope we can pass the smaller classes.

We're doing our best to get full authorization for America Reads, to continue our work to help you hook up all the classrooms and libraries in the country to the Internet by the year 2000, to continue our struggle for national standards, including the tests in reading and math at the fourth and eighth grade.

We have made some progress on some of these issues in Congress. We may have a chance to talk about that in the question and answer period, but so far we have not been able to persuade the Congress to embrace the smaller class sizes, the modernized schools, the more teachers, the higher standards. We're going to keep working to do that. I want to ask Congress to join with the mayors across party lines to do what is right for our children in the 21st century.

You have set an example, all of you, without regard to party, who have put your children first. Just remember this, I had a meeting with the head of the Federal Reserve Board, Alan Greenspan, a couple of days ago. And he said—it was really interesting—he said, "You know, it's hard to be sure about everything that's going on in this economy, but one thing is absolutely clear. It is now being powered by ideas. We live in an economy of ideas. You have more wealth growth on less density of physical product than ever before in human history, and the trend will continue unabated. That means all the opportunities of tomorrow are those that are

in the minds of our children waiting to be brought out.”

You recognize that, and together we have to bring them out. Thank you very much.

NOTE: The President spoke at 3:10 p.m. in the East Room at the White House. In his remarks, he referred to Mayor Paul Helmke of Fort Wayne, IN, president, U.S. Conference of Mayors; Prime Minister Binyamin Netanyahu of Israel; Chairman Yasser Arafat of the Palestinian Authority; Ambassador Dennis Ross, Special Middle East Coordinator; Mayor Richard M. Daley of Chicago, IL; and Sandra Feldman, president, American Federation of Teachers.

Statement on New Initiatives in Support of Peace in Northern Ireland

May 7, 1998

Today, I met with 10 women and men representing the WAVE Center in Northern Ireland, a support group for those who have been touched by the political violence of the past three decades. Each of these extraordinary individuals, representing both traditions in Northern Ireland, has suffered—losing members of their families or being badly wounded themselves. I was inspired by their courage in rejecting violence and working for lasting peace in a land where people are not labeled by religion or national preference, inspired by their vision of a future marked by reconciliation and cooperation. And I will never forget their personal stories of sorrow and suffering, stories which are shared by many people of both communities in Northern Ireland. WAVE proves hatred can be overcome by hope, division can give way to unity, as victims of Northern Ireland’s tragic past work together for brighter future.

The Good Friday Agreement, forged by an extraordinary group of leaders representing the full range of Northern Ireland society and politics, offers the people of Northern Ireland the chance of a lifetime to secure a lasting peace. It is time for all the parties to say no—once and for all—to violence and yes to hope, to make a decisive break with the past and launch a brighter future. There is no better way to honor the sacrifice of the

people with whom I met today—and so many more like them.

America has stood by those who have stood for peace, and we will continue to do our part to help the people of Northern Ireland realize tangible benefits of peace—so the despair that accompanied violence can give way to faith in the future.

Since 1993, this administration and the Congress have contributed \$100 million to the International Fund for Ireland for Northern Ireland and the border counties of the Republic of Ireland. I am today announcing a series of actions to bolster the foundations of peace.

First, I am committed to seeing that the new West Belfast Springvale Campus project is completed. I intend to work with Congress to make available up to \$5 million to make this happen. As a first step, I am directing Jim Lyons, my adviser for economic initiatives, who is also our observer on the Board of the International Fund for Ireland, to confirm that the IFI will approve those funds. Four years ago, at our initiative, we and our partners in the IFI provided the initial £5 million that seeded this project. Straddling the peace line that once divided Protestant from Catholic, the Springvale Campus will give students of both communities the chance to acquire the education to match their indomitable spirit—and in so doing, encourage cohesion, community pride and economic growth.

I am asking the United States Information Agency to support the Springvale Campus with its full range of educational programs, including Fulbright, International Visitors, and Citizen Exchanges. USIA will also foster links between Springvale and one or more American universities to promote cooperation between their faculties and establish long-term ties.

Second, the United States is committed to helping the communities in Northern Ireland build the new institutions created by the April 10 accord. The new Assembly will give the people both a voice and a stake in their peace, but the challenges to create a functioning institution are great. My administration will work with Congress to make available \$500,000 as soon as possible to fund programs to support this effort.

Third, Secretary Daley will visit Northern Ireland in early June with a high-level U.S. business delegation to intensify what is already a substantial economic relationship. With peace holding firm, there are strong business opportunities we must pursue now to boost prosperity and the hope for the future that is crucial to the foundations of peace.

Fourth, USIA is supporting the collaboration of the Philadelphia Jobs Initiative with Worktrain, a Northern Ireland welfare-to-work initiative. I will meet with representatives of the two organizations during the U.S.-EU Summit in London.

Finally, I am pleased to announce a Vital Voices Conference to be held in Belfast in early fall, with cosponsorship from the United States and regional partners. This conference will showcase and support women's role in the economic and political life of their society. The women of Northern Ireland—wives, mothers, and daughters—have borne an enormous share of the trauma of The Troubles. Now, their participation will be essential to build a future of peace and reconciliation. I've asked the First Lady to travel to Belfast to take part in this important conference.

We have seen around the world how Americans have rallied to help the lands of their ancestors. I hope the Irish-American community will continue to support the voices of peace in Northern Ireland. My administration will continue to do all we can to foster hope and healing in Northern Ireland and to help its people build a new age of peace for their families and future generations.

Statement on Senate Action on Internal Revenue Service Reform Legislation

May 7, 1998

I am very pleased that IRS reform took a major step forward today with bipartisan passage of the Senate bill. We've worked hard to give the American people an IRS that is fairer and more responsive to their needs and to support the many dedicated IRS employees who do want to serve them well.

We've made progress, and final passage of this reform bill will help our efforts to give Americans the modern, customer-friendly IRS they deserve.

Vice President Gore and Treasury Secretary Bob Rubin last year completed a top-to-bottom review of customer service at the IRS. This effort has launched a complete re-vamping of customer service at the IRS. IRS offices and phones are open longer, problem-solving days have been instituted, and independent citizen advocacy panels are being launched. I've also appointed a new kind of IRS Commissioner. Charles Rossotti is an experienced businessman who understands technology and understands customer service. Certainly, not every problem will be solved overnight, but our new Commissioner is committed to ongoing reform and to correcting problems when they arise.

The Senate bill, like the House bill, will provide Commissioner Rossotti the tools he needs to succeed, and it will expand taxpayer rights. The new personnel flexibility provisions will allow the IRS to bring in talent and expertise from the private sector. The bill provides taxpayers with a stronger Taxpayer Advocate. It also advances the important goal of expanding electronic filing of tax returns to make it easier for taxpayers.

I urge the House and Senate to act quickly and send me a bill to sign that expands taxpayer rights and moves us forward towards delivering an IRS the American people deserve. We will continue to work with the Congress on a bipartisan basis on a final bill that advances our shared goals, that avoids unintended benefits for noncompliant taxpayers, and that is consistent with our commitment to fiscal discipline.

Proclamation 7093—Mother's Day, 1998

May 7, 1998

By the President of the United States of America

A Proclamation

Mothers are the heart of our families and the soul of our society. They are the nurturers of life, our teachers, confidants, counselors, and lifelong friends. They believe in

our dreams and help us to achieve them. They help us develop the values, self-esteem, strength of character, and generosity of spirit we need to embrace the wider world beyond the family. Above all, mothers provide us with the blessing of their love.

While this special love between mother and child is unchanging, the challenges of motherhood are not. The role of women in our society has changed dramatically during the past century. Millions of American women today pursue full-time careers in addition to carrying out their duties as parents, balancing family, job, and community responsibilities. Whether they stay home with their children or become working mothers, mothers today care for their families and meet the new demands of our complex society with strength, courage, and quiet selflessness. On Mother's Day, let us honor all mothers—biological or adoptive, foster or stepmother—whose unconditional love has strengthened us and whose many gifts have graced our lives.

The Congress, by a joint resolution approved May 8, 1914 (38 Stat. 770), has designated the second Sunday in May each year as "Mother's Day" and requested the President to call for its appropriate observance.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim May 10, 1998, as Mother's Day. I urge all Americans to express their love, respect, and appreciation for the contributions mothers have made to all of us, and I call upon all citizens to observe this day with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereunto set my hand this seventh day of May, in the year of our Lord nineteen hundred and ninety-eight, and of the Independence of the United States of America the two hundred and twenty-second.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., May 11, 1998]

NOTE: This proclamation will be published in the *Federal Register* on May 12.

Remarks to the Arab American Institute Conference

May 7, 1998

Thank you, Jim. To Elie Abboud and Fuad Ateyeh, all the members of the Arab American Institute, the National Arab American Business Association, Palestinian American Congress; to Prince Bandar and the members of the Diplomatic Corps—all of you, thank you for coming. My fellow Americans: I like getting advice from Jim Zogby's mother. [Laughter] And she has a remarkable read on the world. Her son, John, a renowned pollster, has nothing on her. In fact, I think her numbers are better than his for me sometimes. [Laughter] I also want to say a special word of appreciation to Jim for his advice over the years. He is a remarkable voice for calm and clarity, no matter how heated the issues. But I can tell you, he is one of the most forceful, intense, and brutally honest people who ever come to the White House to see me. And you should be proud of that.

I understand that I am the first sitting President to address an Arab-American conference. [Applause] Thank you. I see Congressman Moran in the audience; he came here so the Irish would not be alone at the podium. And I thank him for that. [Laughter]

I'm honored to be the first President, but I'm surprised, frankly, and also a little disappointed, because the Arab-American community has made an enormous contribution to this country with basic values that made us great: love of family and belief in hard work and personal responsibility, and a passionate devotion to education, which I hope we will see engulf every single ethnic group in America today.

I congratulate you on the way you have found your voice, on speaking out on a wide range of domestic issues and not just on the questions involving the Middle East. A record number of Arab-Americans are now running for and serving in public office, including the United States Congress. But even the newest Yemeni immigrants, once poor farmers, are now small-business owners, achieving their rightful share of the American dream.

I wanted to talk with you very briefly tonight about how we can work together at

home and around the world at the end of this century to prepare for the challenges and the staggering opportunities of the one about to dawn.

First, we must help all Americans see our diversity as our greatest strength. People ask me from time to time why I feel so passionately about this, and they assume, rightly, it's partly, maybe largely, because I'm a southerner and I grew up with the old and still unfinished business between black and white Americans. But I also grew up in a very unusual town for the South. My hometown had only 35,000 people, but it was a national park and a place with healing hot waters, and we had all kinds of people coming there to retire. So here I was a little boy growing up in the South in a town that had two synagogues—35,000 people—we had two synagogues, a Greek Orthodox Church, a huge Czech community, a Lithuanian community, and just about somebody from everywhere.

But my attitudes about Arab-Americans were first formed because I was good friends with a young immigrant named David Zorab who came to my home State after he was orphaned and grew up to become the valedictorian of my high school class. And he went on to become a brilliant physician in Pennsylvania. And I suppose that I always wanted all Americans to enjoy the kind of life I had as a child. And yet, a lot of people around me didn't have that life, because they were imprisoned by their own prejudices. We have to free this country of all those prejudices.

I know it is true that Arab-Americans still feel the sting of being stereotyped in false ways. I have done what I could to warn against that. The saddest encounter, I suppose, was when we went through the heart-breaking experience of Oklahoma City, and many people were quick to rush to judgment. And I remember that terrible day when I urged the American people not to do so.

I am very grateful not only to Jim but to others among you who have been an active part of my race initiative. And I'm very pleased that you're now working with Jewish-Americans and members of several European ethnic groups to organize I think six regional forums on race and diversity around our Nation over the coming year.

These sorts of things don't often make headlines in the news today because they work; therefore, they are not sufficiently contentious. And when there is no blood on the floor at the end of the meeting, they are often considered not newsworthy. They are profoundly important. And I believe that there is a deeper hunger among Americans of all kinds to discuss these matters in an honest and open way than even most of us appreciate.

I was amazed, I just got a letter from ESPN. They sponsored sort of a town hall on race the other night with athletes and coaches and others. And I think they were truly astonished because they had about the same viewership as they do for a pro basketball game. And moreover, the viewership picked up as the program went on, so the channel surfers saw it and decided they ought to hang on for a while. So I would encourage you to continue that. Don't let any American have the misfortune of never having known an Arab-American. You can do that if you try.

The second thing we have to do is keep working until we bring the spark of enterprise and opportunity to every corner of the Nation. It may be hard to believe, since we have the lowest unemployment rate in 28 years and the lowest inflation rate in over 30 years and the highest homeownership in the history of the country and a record number of small business starts in the last 5 years, including those started by many Arab-Americans, but not every American has had the chance to reap the rewards of this remarkable prosperity. You understand clearly the power and the dignity that comes from being able to earn a living to support a family. We have to bring this kind of opportunity throughout America. I have put before the Congress several proposals to close the opportunity gaps, empowerment zones, community development financial institutions, housing and other development initiatives. I hope they will be positively acted upon this year, and I ask you for your support.

The third thing we have to do is to build the world's finest education system. We have done so with our universities, and we are blessed to have people not only of all different races and ethnic groups in America

attend them but people from all over the world. But no one would seriously assert that we had today the finest system of elementary and secondary education, and yet it is more important than every before.

A couple of days ago, I had a fascinating conversation with the head of the Federal Reserve, Alan Greenspan, and we were talking about the phenomenal prosperity our country is enjoying and the number of the developments around the world. And he said, "You know, we really are completely now engulfed by an economy based on ideas." He said that there is an interesting measure of the total physical output of a country compared to its wealth. And he said our total physical output in terms of mass is hardly increased at all, while the stock market and our national wealth has exploded, because we have an economy based on ideas. In such an economy it is unforgivable neglect to permit children to grow up and go through the school system and not be able to participate in that economy because their minds have not developed to the point where they can. And it is not necessary.

Again, I have laid before the Congress a number of proposals that will make education our number one priority and result in dramatic improvements of our schools, smaller classes, better teaching, higher standards, expanded choice, more discipline, greater accountability.

Today I met with a group of mayors who endorsed my proposal to end social promotion but to increase the amount of help we're giving to children who are having trouble in school, more after-school help, more summer schools, more support. In Chicago, where they are now requiring children who don't make the grade to go to summer school, they're seeing children in summer school gain as much as 2 years in reading and mathematics capacity, just in one intense summer effort.

So again I say to you—so many of you know you are the living proof that education is the key to opportunity. Just across the river from here, in Fairfax County, we have a school district with children from 180 different national and ethnic groups whose native languages number in excess of 100. Now, I think that's a good thing. I think that is

a great thing for America in a global society. But you can only imagine what will happen if they're all well-educated, and unfortunately, you can only imagine what will happen if vast numbers of them are not well-educated.

So think about what brought you all here tonight and how you came to be here. And we have to do this. We have to do it. The Federal Government, the President, can only do so much. Parents have to do a lot; teachers have to do a lot; the kids have to do the most. But we owe it to them, as a society, to provide educational opportunity second to none and to make sure that every child's mind has a chance to be developed.

Now, the fourth thing that we have to do is to continue as Americans to lead the world toward peace and freedom. If we can set an example and live together across all the lines that divide us, not simply respecting but actually celebrating our differences and honoring them—not tolerating them but honoring them—we clearly have a responsibility to do that elsewhere.

Now that the cold war is over and people are not being drawn like magnets to two different economic and political systems, it is natural that people would re-examine the premises on which they are organized and on which the govern themselves. It is, I suppose, natural—at least it is predictable—that we would even have a resurgence of destructive ethnic impulses, as we have seen in Bosnia, as we see in Kosovo even tonight, in other parts of the world; as we saw in the tragedy where somewhere between 700,000 and a million people were killed in Rwanda in the short space of 100 days, and without weapons of mass destruction, so that it had to be done in the grizzliest, most inhumane way.

But we can do better. In Northern Ireland, representatives of all the major parties have reached an historic agreement that I hope and pray will be ratified by the voters of Northern Ireland and the Republic of Ireland in just a few days. I think all of us, and especially all of you, should take a special measure of pride that those talks in Northern Ireland were chaired by George Mitchell, the former majority leader, who is, of course, also of Lebanese descent.

Today, I met with members of a group of Irish people who had all lost sons, or husbands, or brothers in the Troubles. They are now working to help each other and others like them work for peace, both inner peace and peace among the Irish. And I suppose, in every part of the world, you can hardly have one without the other.

We are now also, as all of you know, working very hard to regain the momentum for peace in the Middle East. The last year has been so frustrating for the people of the Middle East, so frustrating for the peace-loving people in the Palestinian areas and in Israel, that it's easy to forget how far we have come in the last few years. We've had the Oslo Accords, the Washington peace signing in September of '93, the Hebron agreement, unprecedented security cooperation, the open dialog that had been established; all these things were quite important. They have brought the possibility of peace closer than ever before. All I'm trying to do is to regain that momentum. We have an opportunity to get this process moving again and to move forward.

It has been my experience in life—and I've lived long enough now to see it—that in almost every area of human endeavor, opportunities do not last forever; they must be seized. And I hope this one will be seized. Difficult choices have been made—will have to be made—by Palestinians and Israelis alike. And we cannot impose a solution because we—even you—will not have to live out the consequences. But we must—we must—try to help find enough common ground to return to the dialog. Keep in mind, what we are trying to do is to get the parties over a hurdle so they can get into these final status talks, so we can stay on the timetable established a few years ago by both the Palestinians and the Israelis to finish the whole thing by this month next year. Now, I am sending Ambassador Dennis Ross back to Israel tonight to go the extra mile to help the parties seize this opportunity.

All of you know what invaluable benefits peace can bring to the people of the region. All of you know how much suffering has been undergone by people because of the absence of peace. All of you know how much extra suffering has been borne every time there

is an interruption of normalcy. We have got to get this done. I am doing the very best I can, and I know you are, too.

I have given a lot of thought to what makes people get into downward spirals. We see it in horrible terms when violence occurs and life is lost, not just in the Middle East but anywhere—in Bosnia, where we were able to end a war, in other places. We see it in less violent ways when people in positions of public responsibility get into a downward spiral of destructive attempts to hurt each other for political reasons that have no larger public purpose.

We all have to struggle every day. I used to tell my daughter when she was at home that it's almost like all of us get up every day with an inner scale inside, with lightness and constructive, positive behavior on one side and all our darkest fears on the other. And the scales are always shifting in balance, and every day you have to get up and push the scale down on the right side. We all have to fight it. And when I get very discouraged about it, and I think, well, we're all just going to run up against a dead end, I try to remember the examples of people who have overcome more than I can imagine. I'll never forget the first time I talked to Nelson Mandela about how he actually made himself overcome his hatred of his oppressors so that he could wait and endure 27 long years until he could bring it all together. And he said, "You know, they took a lot from me when I was in prison. I never saw my children grow up. I lost my personal life. I was brutalized. I was humiliated. Finally, it occurred to me they could take everything away from me but my mind and my heart. Those things I would have to give away. I decided not to give them away."

I ask you to remain resolute and to remain passionate but always to be large. Do not give away the best part of your own lives. Do not give away the best part of your hopes. We will prevail.

Thank you, and God bless you.

NOTE: The President spoke at 8:35 p.m. at the Grand Hyatt Hotel. In his remarks, he referred to Elie Abboud, president, National Arab American Business Association; Fuad Ateyeh, president, Arab American Congress; Prince Bandar bin Sultan bin Abd al-Aziz Al Saud, Saudi Arabian

Ambassador to the United States; James J. Zogby, president, Arab American Institute, and John J. Zogby, president, Zogby International, and their mother, Celia Zogby; and President Nelson Mandela of South Africa.

Remarks to the Delaware State Legislature in Dover, Delaware

May 8, 1998

Thank you, Governor. I took good notes: No children on a child care waiting list; all poor 4-year-olds in Head Start; every classroom wired. I'll be saying that now every time I go to another city or another State; I'll be saying, if Delaware can do it, why can't you. And I thank you.

I want to thank the Governor, and Senator Sharp, Speaker Spence, Lieutenant Governor Minner, the members of the legislature, the judiciary, the State officials who are here; former Governors Peterson and Tribbitt, and other distinguished citizens of this State; Mr. Mayor. I'm delighted to be joined today by the Secretary of Defense, who is going with me to Dover Air Base when we finish here to thank our air men and women there for their distinguished service, and who has also been a leader in education, because the Department of Defense runs schools all over the world for American children—by our wonderful Secretary of Education, Dick Riley; by Mickey Ibarra, the Director of our Office of Intergovernmental Affairs; and others. We are all delighted to be here.

And I'd like to say a special word of appreciation to Congressman Castle for coming up here with me. He's an old friend of mine. We worked together on welfare reform more than a decade ago now. I have been trying to decide, when Mike and Tom changed jobs, which one really got the promotion. [*Laughter*]

I am delighted to be the first President ever to speak here. The others did not know what they were missing. I love your Capitol Building. I like the feel of your legislature. I like the size of your legislature. [*Laughter*] I wonder if it would take a constitutional amendment to reduce Congress to this size. [*Laughter*] It's a wonderful idea.

And I like the fact that the first State in the Nation is leading in doing the Nation's first business of educating our children. I've come here to talk about that work, why it is—in the States and in many communities around the country and must be in Washington the work of both Republicans and Democrats—why it must be a national crusade to give our children the world's best education.

We have a history of putting nation above party when the Nation's security and future are at issue. We did it for 50 years, which is why the cold war turned out the way it did. The tradition was deeply honored by Secretary Cohen, who left a distinguished career in the United States Senate as a Republican Senator from Maine to joint our administration, and he is performing well for the American people as Secretary of Defense.

It is a tradition embodied by your Senators, Bill Roth and Joe Biden, who led the recent stunningly successful effort to expand NATO to include Hungary, Poland, and the Czech Republic. And you should be very proud of both of them.

And I have seen it, having had the opportunity to work for years now with Mike Castle and Tom Carper when they were in both jobs in succession, on welfare reform, on child care, on the education of our children. And you can be very proud of both of them.

And Delaware, maybe because it's a small State and maybe because I came from a small State and was often ridiculed for it in national politics—my experience is that maybe because we're smaller, people learn to treat each other as people. They learn to listen to people on opposite sides of the aisle. They learn that they don't have all the answers and that everybody's got a valuable perspective, and that in the end, we all have to get together and do something that moves our country or our State or our community forward. And for all of that, I am very grateful to the State of Delaware.

Thomas Jefferson once said of your State that "Delaware is like a diamond, small, but having within it inherent value." If he were today, here, giving this speech, he might say, being as he was a modern thinker, Delaware is like a silicon chip—[*laughter*]—small, but having within it enormous inherent value; namely, the power to shape the future.

You have always looked to the future, from the time you did become the first State to ratify the Constitution. It was the beginning of many firsts: Delaware was the first State to produce a transatlantic iron steamship; then there was the first commercial telephone call between an airplane and a moving car, 100 years later—some of us would probably like it if telephone calls on airplanes and cars were not possible—[laughter]—all the way to the remarkable innovations now being dreamed up in the DuPont labs.

All of this is dramatically changing the world. The Chairman of the Federal Reserve, Alan Greenspan, came by the White House for one of our periodic meetings a few days ago, and we were talking about this incredible economy. And he said, "You know, we really are living in an economy of ideas." He said, "There is a measure of a nation's output in wealth compared to its physical output, the literal physical density of all the goods that are produced." He said, "The measure is more skewed now than ever before. There is hardly any increase in the mass of what we're producing, but the wealth of what we're producing is exploding. Why? Because ideas are driving the increase in the wealth of the Nation."

Today we learned that our unemployment rate has dropped to 4.3 percent, the lowest since 1970. That is particularly impressive in light of the fact that inflation now is the lowest in more than 30 years, homeownership is at an all-time high, the welfare rolls are the lowest in 27 years, the crime rate is the lowest in 24 years.

Our social fabric is mending. We saw that teen pregnancy had had a substantial drop for the 2d year in a row, something I know that the Governor has been passionately committed to. Our leadership in the world is still unrivaled, although we seem sometimes to be in some doubt about it here at home.

In Delaware your unemployment is all the way down to 3.4 percent. You've had tens of thousands of new jobs, twice the rate of new business growth as 5 years ago.

The thing I would like to say about all this is, no one can claim full responsibility for it. There was not a totally coordinated strategy, but it did not happen by accident. America

has been on the same page, from our strategy in Washington to balance the budget, invest in our people, and expand trade—to the entrepreneurs, to the scientists and technicians, to the teachers in our schools and the people who run our business and the folks who work in our factories. We have been on the same page. Good things don't happen by accident, even when millions—even hundreds of millions of people are responsible.

And we must be on the same page when it comes to education. Before I get into what I want to say about education, I want to make a point I tried to make in the State of the Union. I've had a lot of people—people who are primarily political people, good people but people who normally think about things in political terms—say to me, "Well, you know, why don't you just relax and start playing golf 3 times a week. I mean, you've got low unemployment, low inflation; people are suspicious of Government; why don't—just don't do much and everybody will be happy." There is an answer to that. And the answer is that that might be a decent prescription for a static time, but in a dynamic time, where things are changing very rapidly, the fact that things are good in the moment does not guarantee they will be good 5 months or 5 years from now, because they're changing. So you have to keep working to stay ahead of the curve. And those of us in public life have to work no less than entrepreneurs do.

If you go to Silicon Valley, you don't see anybody out there sort of laying down on the job just because the stock prices are high, because they know how dynamic the world is. And there is a second answer, which is that we still have some very profound challenges that, if left unmet, will come back to haunt us in the 21st century. What are they? I can only tell you what I think they are. I think, first of all, in Washington we have to reform our major programs of social cohesion, Social Security and Medicare, for the needs of the 21st century and for the reality that the baby boomers are going to retire, and when they do, there will only be about two people working for every one person drawing Social Security. The present systems are unsustainable as they are. We have to

change them, consistent with our values and the real facts.

Two, we have to prove that you can grow the economy without destroying the environment. And we have to convince people in developing countries that they can and to embrace new technologies to do that. Just a few days ago I was out in California at a low-income/moderate-income housing development which is cutting by 40 percent the energy usage on low-income housing, using solar panels that are not now those big, heavy things you've seen on the roof, but that look just like ordinary shingles, using windows that keep over half the heat in in the wintertime and over half the heat out in the summertime and still let more light in, and other basic things like that. We have to prove that we can make environmental preservation and economic growth go hand in hand.

The third thing we've got to do is to bring the spark of enterprise to poor inner-city communities and rural communities, including Native American ones that haven't felt it.

The fourth thing we have to do is to prove that we can live together as one America in an increasingly diverse society.

The fifth thing we have to do, I would argue, is to prove that we can lead the world after the cold war in a consistent, firm way toward peace and prosperity and freedom and democracy.

But none of that will matter if we don't save our children. And that's what I want to talk about today—only one aspect of it, but in some ways the most important one. And Delaware, again, is leading the Nation. So I may be preaching to the choir, but that's not all bad. I'll polish the sermon and see if I do better in other places.

The condition of education in America and the importance of it and the impact it's going to have on all our futures, as well as all our children, demands action from all of us, in Washington, in State capitals, in communities all across the country. Many of our greatest challenges don't fall under the authority of Washington, nor should they. I have supported giving States more authority in the area of welfare reform and in many other areas. Secretary Riley has cut by two-thirds the burden of regulations coming out

of Federal education aid. We started two new programs, Goals 2000 and School-to-Work, without a single new Federal regulation.

The Federal Government can't do all this. Some of our major challenges don't even fall primarily under State government, nor should they. The power and the responsibility of America to meet the challenges of the 21st century rests with all levels of government and with all sectors of society. Sometimes more with the private sector; sometimes more with its most fundamental unit, the American family. And that is as it should be.

But just because responsibility and power are dispersed doesn't mean that we don't all have to ask ourselves: What power do we have to have a positive impact; what is our responsibility? And then we have to move, because a revolution in education will not occur by accident any more than the revolution in the American economy has occurred by accident, even though there will be millions of people working on it, and we may not all be calling each other on the phone every day.

Yesterday I talked to mayors from all over the country; I received their report on what they think should be done. Their agenda is very much like yours and very much like mine.

I suppose that I've spent more time on education than any other thing in my 20 years and more in public life now. Nearly 10 years ago, when I was a Governor of my State, I stayed up almost all night down at the University of Virginia at President Bush's Education Summit, working with Republican Governors to write goals for education for the year 2000. It was clear then—it was clear way back in 1983, when the "Nation At Risk" report was issued, and it is certainly clear today, that if we are going to prepare our children for the 21st century, we cannot hope to do it unless we can say with a straight face, "We are giving them the best education in the world. Not just a few of them, but all of them."

And we can all say, "Well, we can't be responsible for every teacher. We can't be responsible for every principal. We can't be responsible for every home. We can't be responsible for every unmotivated child."

That's all true, but we can play the odds. Secretary Cohen runs, arguably, the most effective organization in the entire United States. Not every soldier, not every airman, not every marine, not every sailor is a stunning success, but they've got a pretty good system. And it didn't happen by accident. And we should take that as our responsibility.

It seems to me the keys are high expectations, high standards, and high performance, fueled by more opportunity, more accountability, and more choice. Secretary Riley and I have worked at this for more than 5 years. In one area, we have been especially successful and widely supportive across partisan lines and in States and local communities. We've opened the doors to higher education wider than ever before.

The Balanced Budget Act I signed last year represented the greatest expansion of college opportunity since the GI bill was passed 50 years ago, with college tuition tax credits, including the \$1500 a year HOPE scholarship for the first 2 years of college, education IRA's, expanded Pell grants, deductibility of interest on student loans, 300,000 more work-study slots, another 100,000 young people earning education credits by serving in the national service program, AmeriCorps, and lifetime learning credits for adults who have to go back to school.

All of these things together mean that any American who is willing to study and work hard can get an education in college, and that is very important. It will change the face and the future of America. We learned in the 1990 census that Americans, younger American workers who were high school dropouts, high school graduates, or who had less than 2 years of post-high school education, were likely to get jobs where their incomes went down over time compared to inflation. Those that had at least 2 years of post-high school training were likely to get and keep jobs where their incomes went up. So that was fundamentally important, and we can all be proud of it. And many States have done more to try to give scholarships and make college more affordable, and that's important.

The Senate just this week—and I want to compliment them—passed 91 to 7 what I have called the “GI bill” for workers—it basi-

cally consolidates this incredible tangle of Federal training programs into a skills grant, so that if a person is unemployed or underemployed and eligible, you just get basically the skills grant and then you decide where to take it. Since nearly every American lives within driving distance of a community college or some other very efficient institution, we no longer need the Federal Government micromanaging the definition of all these training programs, and we don't need anybody in the way of it.

Now, we have some provision, particularly that the Governors wanted who live in rural areas—who have lots of people in rural areas that may not have readily available services, but this is very important. And we've got to resolve the differences now in the House and the Senate bill and pass it. This is a huge thing. And the Congress can be proud of it, and the country can be proud of it.

But with all that said and done, I don't think there is a person here who would dispute the following two statements: We have the best system of higher education in the world; we do not have the best system of elementary and secondary education in the world. You don't have to criticize your favorite teacher. You can honor the PTA leaders and the school board members. No one believes it's the best in the world. And until it is, we can't rest. That is the bottom line.

The budget that I have presented, which is a balanced budget, has the biggest commitment in history from the Federal Government to K through 12 education. But we all know that's less than 10 percent of the total. Still, I think it's important that the National Government focus on results, because things don't happen by accident. I think we should focus on high standards, real accountability, more choice, and finally, I'd like to say a word about safe schools, because that is a problem in some parts of our country.

First, there's no substitute for standards. I want to compliment Delaware for what you're doing. This week, 3d, 5th, 8th, and 10th graders all over the State are participating in your new assessment process to see how well they're doing in reading, writing, and math. And you're going to add other subjects, the Governor told me, in the next couple of years. You also have done something

that may give us a key to how to solve the national issue, which is that about a quarter of your exam questions are apparently taken from the National Assessment of Education Progress, which is a national test most States participate in, but by definition, it's only given to a representative sample of students, not all students. I compliment you on that. I think that is a brilliant reform.

And I think it's important that we find a way to have national standards and exams at least in the basics. It is very important. Secretary Riley and I were talking on the way out; he was talking about South Carolina still having quite an old State test. We had some old State tests when I was Governor of Arkansas. Our kids just knocked the top off of them, the same test we'd been giving for years. And then when we took a national test that was current, we didn't do so well. So without in any way undermining local control of the schools or the constitutional responsibility of the States for education, we need to have a set of national standards and an accountability system which tells us all honestly how we're doing.

We're working hard now with an independent nonpartisan board—the acronym known to all the education experts in the audience is the NAGB Board. We've got Republicans and Democrats on the board and people I don't even have any idea what their political affiliation is, all of whom are simply committed to educational excellence. And we want to find ways to coordinate with the States and the State tests to avoid unnecessary costs and burdens. You may have found a way to do it in Delaware, by having a test that is both rooted in your State standards and encompassing national questions. But it's a very good start.

The second thing we have to do, and I understand the Governor said you were debating that, that may be tougher, is figure out what the accountability system is. Now, a lot of these questions should definitely be decided by people at the State and the local level. But let me, first of all, say that no test is worth a flip unless there is some consequences, not just negative ones but positive, not just what you do to the students but what the rest of us have to do for the

education system based on the consequences of the test.

We have to start by demanding accountability from the students, and I strongly believe that we should end the practice of so-called social promotion everywhere in the country. For many years there was a current theory in America that, well, it hurt a child's self-esteem too much to be held back and the child could maybe pick it up next year. And besides that, children do learn at different paces. That is absolutely true, especially in the early years, the dramatically different learning patterns of children in the early years.

Then sooner or later, somehow, parents figured out that one reason kids dropped out of school in the 9th or 10th grade is because the material was going over their heads. It didn't mean anything to them, so why should they sit around, because they weren't able to do the work. And then even the kids figured out that being 20 years old and not being able to fill out an employment application and not being able to even read your high school diploma was far more destructive of self-esteem than spending another year in some grade along the way.

Then, school districts began to figure out that they didn't necessarily have to hold people back if they had proper after-school help and a little help in the summer, where a lot of kids having learning problems forget huge chunks of what they learned the year before.

So we're now kind of coming to grips with this. I have often talked about the Chicago system; it probably had the most widely condemned school system in the country because they had a strike every year whether they needed it or not, for one thing, and because they weren't producing results. Now, the Chicago summer school system—they've ended social promotion. You have to go to summer school if you fail the test and you want to go on to the next grade. Their summer school is the fifth biggest school district in America—the summer school. They have thousands of children going to school after school so many hours that thousands of them actually take three hot meals a day in the schools, in an inner-city environment where they're safe, they're not getting in trouble, and nobody's hurting them.

Now, if a place that has those kinds of challenges can take them on, every place in America can take them on. I've asked Congress to pass what we call education opportunity zone legislation, that will basically give extra resources to schools in poor communities if they will insist on high standards in social promotion, demand performance from students and teachers, and actually support the kids that are in trouble and give them the extra help they need. I hope Congress will pass it.

Again, I say, in many ways we're following your lead. And I urge you to have a big vigorous debate on this—what are the consequences of this exam. And I wouldn't presume to tell you what to do, but I can make two observations based on 20 years of working, and hours and hours and hours spent in classrooms listening to teachers and watching things unfold.

One is, nobody will take your system seriously unless there are consequences. Two is, if there are consequences, whatever you decide they are, they cannot be exclusively negative ones; they must also be positive, because you have to believe that—in order to believe in democracy, you have to believe that almost everybody can learn almost everything they need to know to make this country run right, which means almost everybody in the world can succeed in school. And if they're not, it's probably not entirely their fault. So there should be consequences; some of them should be negative. But there must be positive ones as well. And I wish you well, and I can assure you the rest of us are going to be watching.

The next thing I think we have to do is to develop and demand accountability and performance from teachers but also support them. I had the great pleasure this week—or last week—of hosting the Teachers of the Year at the White House. And that's one of the happiest days of the year. You'll never find 50 more upbeat people than the teachers that are selected Teachers of the Year. And you talk to these people, and you can't imagine that there's ever been a problem in American education.

The man who was named National Teacher of the Year is a teacher from Virginia who teaches history and social studies and who

makes his kids role-play. So they play ancient Athenians and Spartans debating the Greek wars. They play Jefferson and Adams debating each other about fundamental questions of what the real notion of the Union that we all belong to is. I mean, it was exhilarating.

Those are the kind of teachers that we wish all our children had all the time. And I think we need to do more to reward teachers who strive for excellence. One of the things that we can do at the national level that I hope you will support, that Tom and Mike's former colleague, Governor Jim Hunt, has worked his whole career on, is to support the master teacher program, the National Board for Professional Teacher Certification. It's a completely voluntary thing which qualifies teachers based on, number one, their complete academic preparation for the course they're teaching, and number two, their success in teaching, and thirdly, I might add, their ability to help other teachers improve their teaching skills.

Now, today there are only a few hundred master teachers in America. My balanced budget contains enough funds to certify 100,000 master teachers. When we get one of these teachers in every school building in America—every school building in America—going to the teachers' lounge, going to the faculty meetings, talking to the principals, it will change the culture of education in America. Every other profession in the country, just about, has national board certification. And believe me, this is a good thing that is a worthy investment.

Finally, let me say, I believe that if teachers don't measure up after getting all the support and help they need, there ought to be a swift process, fair but swift—it should not be endless—to resolve the matter in a satisfactory way. Because you're not doing anybody any favors—no one—fundamentally, nobody is happy doing something they're not good at. You can never make me believe anybody is really happy when they know deep down inside they're not doing the job. So there has to be some system that is perfectly fair to every teacher but doesn't take from now to kingdom come to resolve the matter in a way that allows the education system to go forward.

Now, I also think as we demand responsibility for results from the schools, we have to give the tools they need to the students and the teachers. I've said that, and I will say it again. Let me just mention one or two things. First, smaller class sizes. Children in some classes in America are in classes that are so big and crowded, there is no way any teacher—I don't care how good he or she is—can deal with all the challenges that are presented—where classes are so big where the students are barely known by name to the teacher, much less the particular circumstances of their lives. Given the fact that so many kids have so many troubles today, it's very, very important. In classrooms like this, teachers are often forced to teach to the middle, leaving both the best kids and the most troubled kids behind.

The Department of Education and Secretary Riley today are releasing a report on class size and learning, basically reaffirming what Hillary and I have long believed. We adopted very rigorous class sizes for our State 15 years ago. When class sizes go down enough, learning goes up—that's what the report shows—especially in the early years. And when children come from disadvantaged backgrounds, small classes can make an even greater difference.

Let me just give you a few examples from the study. In Tennessee, test scores were consistently higher among students that were in classes of fewer than 20 students. These children kept the edge even when they moved into larger classes in their later years of schooling. From Wisconsin, North Carolina, and classrooms across the country, other studies confirm the same findings.

Governor Carper and many of you here today are trying to reduce class size. I just want to encourage you and tell you that I have presented to the Congress a plan to do the same thing, which would not in any way conflict with what you're doing, but will enable you to get some funds to support it.

Today I'm sending legislation to Congress cosponsored by Senators Murray and Kennedy and Congressman Clay that will make class size reduction a national goal and, if enacted, would help school districts to hire another 100,000 teachers, which is about the number necessary, properly distributed

across the country, to give us average class size of 18 in the first three grades. It would also require the new teachers to pass competency exams to make sure they have the training and preparation they need. Many States now require this anyway.

The second thing I'd like to say is Delaware may be the only State now where every classroom is wired, but every classroom should be wired. You remember, I'm sure, a few years ago, the Vice President and I went to San Francisco and got with a lot of people from the big computer companies and said that we wanted to try to wire every classroom and library by the year 2000. And we are making great headway. We've got more than twice as many classrooms and libraries wired today as we did just 3½ years ago when we did that. We have in the budget now funds to continue this urgent national priority. I hope that will pass.

But finally, let me say, believe it or not, we've got—an enormous percentage of the school buildings in this country are ill-equipped to take the wiring because they're so old. We have cities in this country with average school buildings—average school buildings—over 65 years old and in terrible shape. I was in a small, growing district in Florida the other day where there were not 1, not 5, but 17 trailers outside the main school building there for the kids.

Now, when you come to work here every day in this Capitol it makes you feel good, doesn't it? It's a beautiful building and you've obviously put a lot of funds into restoring it, and it makes you feel good. It says you're important. It matters to be a member of the Delaware Legislature. One of the ways you know without anybody telling you is you come into this nice building, and it's important. And if grown-ups are affected by their surroundings, children are even more so.

What does it say to an inner-city kid from a poor family if they go to a school building every day and one of the whole floors is closed for want of repair? What does it say about how important those children are if every day they walk through the front door and they look up and see three or four broken windows? What does it say if the blackboard is only half there because it's been

cracked? What about the kids in the crowded school districts?

You know, the first year or two, if you show up and there are a lot of house trailers, it's kind of exciting because it means you've got a growing district and a lot of stuff going on. After 5 or 6 years, it means things aren't getting better. It's a very different message. And the important thing is not whether the buildings are old or not, it is whether they are safe, clean, light, whether they send the message that this is a place where learning can occur, and this is a place where children are important.

Now, I think education is a part of the national infrastructure. That's why I wanted the Federal Government to help places who need it wire all the classrooms and libraries. And I have proposed for the first time that we help with the infrastructure needs of school districts—again, not in any way that would conflict with what any State or local school district is doing but, instead, to reinforce it.

This budget contains funds that would help us to modernize 5,000 schools and build 1,000 new ones. It would be a very good start on the incredible infrastructure needs of America's schools. And for people who say it doesn't matter, just think how you feel when you come through these doors every day. It does matter, and I hope we can pass it.

The third thing I'd like to emphasize very briefly is that we need greater choice in our schools. We do need more competition. You mentioned the Charter School of Wilmington, Governor, and other charter schools in your State. When I was elected President in 1992, there was only one charter school in the entire country, public schools that tailor their programs to meet the needs and demands of their customers, the students and their parents. Since then, I've done everything I could to support them.

Today, there are 800 charter schools, 32 of our 50 States authorize them. Just last week in an overwhelming bipartisan vote, California voted in the legislature to create another 100 charter schools a year in our largest State. That's great, great news—100 a year. They had a 150 cap, I think, on the whole State. They blew off the cap and said,

“This is working”—and I've been in some of them out there, they are working—“We want 100 a year.”

Now, my goal is to have 3,000 by the year 2000 in the whole country, and I have presented a budget to Congress which would give communities around the country any start-up funds they need to do this. It's not so easy to do if you've never thought about it and never done the work and if you come from a place with limited resources. So I did present some money in the budget to do that. But I hope you will support that.

Delaware has been at the forefront of the charter school movement. It is a good, good thing to do, along with having statewide public school choice plans. And I applaud you for yours.

The fourth thing I'd like to talk just a little about is school safety. You know, it's pretty hard to learn if you feel insecure. One of the main reasons that I supported the school uniform movement, not as a mandatory thing but where people needed it, was that I thought it would make our schools safer. And I've been around the country and seen a lot of schools that had terrible discipline problems. And we're worried about the safety of the kids going to and from school. And in every case where they had a terrible problem and adopted a uniform policy, it made a big difference. We want to do more to ensure our children's safety. We want to make sure that our children are exposed to teachers and team leaders, not drug dealers and gang leaders.

There are a lot of things we can do. Let me just mention one thing. We are trying in this budget to give States and communities more funds to support even wider and more extensive after-school programs, not only because they're important educationally—which they are, and that's their primary mission—but because almost all kids get in trouble after school lets out and before the folks get home from work. A huge percentage of juvenile crime is committed between 3 and 6 or 7 at night. And if we can have extensive after-school programs, we can make our children safer and our schools safer. Let me also—even one hand is good on that. [*Laughter*]

Today the Department of Education is releasing a report which also shows we're doing a better job as a country in detecting guns in the schools. That's really good—that's the good news. The bad news is there are a lot of guns in the schools and other weapons. In 1997 more than 6,000 students were expelled for bringing firearms to school. But I think that means we must continue and bear down on this policy of zero tolerance for guns in our schools.

And again, it works to prevent problems. The superintendent of the Alexandria, Virginia, schools—which, by the way, is now the most diverse school district in America; Fairfax County has kids from 180 different racial and ethnic groups, speaking over 100 native languages. But because they have a rigorous zero tolerance program, they have cut suspendable offenses over the past couple of years by more than 40 percent. It works. And we can have those results all over the country.

But let me say, going back to an issue you're debating, Secretary Riley asked all these school security experts what they thought we could do as a people, not just the Federal Government, to make the schools safer. And they said, interestingly enough, one of the most important things we could do is to create the smallest possible classes in the early grades, because the kids with problems would be found by the teachers. And then the teachers and the families and the counselors could work together to try to prevent these kids from getting in trouble in the first place. I thought it was a stunning thing, amazing.

So Delaware is leading the Nation, and the Nation must follow. And we must, Republicans and Democrats together, all Americans, make a commitment to a revolution in standards and accountability, in choice and safety, based on high expectations, accountability, and performance. It will take all of our commitment to do the job, but the challenge must be met because America can't become what it ought to be if we don't.

We can do this. This is not rocket science. This is an affair of the mind which most of us can comprehend. Fundamentally, it is also an affair of the heart. We know—we know—that the best days of this country are still

ahead. You may be the oldest State, but you still want to have the longest future. And the only way we can do it is with this.

Thank you very much.

NOTE: The President spoke at 12:50 p.m. in the Senate Chamber. In his remarks, he referred to Gov. Tom Carper and Lt. Gov. Ruth Ann Minner of Delaware; President Pro Tempore Thomas B. Sharp, Delaware State Senate; Speaker Terry R. Spence, Delaware State House of Representatives; former Governors Russell W. Peterson and Sherman W. Tribbitt of Delaware; Mayor James L. Hutchinson of Dover; and Gov. James B. Hunt, Jr., of North Carolina.

Message to the Congress Transmitting the Proposed “Class- Size Reduction and Teacher Quality Act of 1998”

May 8, 1998

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the “Class-Size Reduction and Teacher Quality Act of 1998.” This legislative proposal would help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in our Nation's public schools. It is an essential part of our overall effort to strengthen public schools throughout the Nation.

As schools across the Nation struggle to accommodate a surge in enrollments, educators and parents have become increasingly concerned about the impact of class size on teaching and learning, particularly in the critically important early grades, where students learn reading and other basic skills. This concern is justified: rigorous research confirms what parents and teachers have long believed—that students in smaller classes, especially in the early grades, make greater educational gains and maintain those gains over time. These gains occur because teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on discipline, and cover more material effectively. Moreover, the benefits of smaller classes are greatest for poor, minority, and inner-city

children, the children who often face the greatest challenges in meeting high educational standards.

Smaller classes will have the greatest impact on student learning if the new teachers brought into the classroom are well qualified to teach reading and to take advantage of smaller learning environments. For this reason, my proposal emphasizes not just class-size reduction but also professional development for educators, and it will give school districts adequate time to recruit and train staff while phasing in smaller classes. Furthermore, all new teachers hired under the program would be required to pass a State teacher competency test and would also have to be certified to teach or be making satisfactory progress toward full certification.

We can help all of our students learn to read independently and well by the third grade, get a solid foundation in basic skills, and reach high educational standards if we start them off with small classes and well-prepared teachers in the early grades.

Under my proposal, the Department of Education would provide \$20.8 billion in mandatory appropriations over a 10-year period (beginning with \$1.1 billion in fiscal year 1999) to States. The States would then distribute the funds to local school districts based on their relative class sizes in grades 1 through 3, as well as on their ability and effort to finance class-size reductions with their own resources. The bill would provide States with considerable flexibility in distributing these funds, while ensuring that the most needy school districts receive a fair share.

Moreover, because my proposal would actually appropriate the funds needed to carry out the program, States and local communities could count on these funds without the need for separate congressional appropriations each year. This proposal is fully paid for within my Fiscal Year 1999 Budget, and therefore would not reduce the budget surplus.

School districts would use these funds to reduce class sizes in grades 1 through 3. Just as importantly, these funds would also be available for a variety of activities to ensure that students in the early grades receive sound and effective instruction, such as mak-

ing sure that teachers know how to teach reading and other subjects effectively in small classes.

This proposal includes strong accountability for results. Participating school districts would produce "report cards" documenting reductions in class sizes and the achievement of their students in reading, based on rigorous assessments. Schools whose students fail to make gains in reading would be required to undertake corrective actions. In addition, the Department of Education would undertake a comprehensive national evaluation of this program and its impact on reading achievement and teaching.

I urge the Congress to take prompt and favorable action on this proposal. Its enactment would help school districts reduce class sizes in the early grades and improve instruction and achievement in reading, issues that are of major importance to parents and to the Nation.

William J. Clinton

The White House,
May 8, 1998.

Remarks to the Community at Dover Air Force Base in Dover

May 8, 1998

Thank you very much. Thank you, Mr. Secretary, for your wonderful remarks and your sterling leadership of the Department of Defense, to Governor Carper and Congressman Castle, Colonel Grieder, Colonel Keitel, Mayor Hutchinson, to the Secretary of Education, Dick Riley, who is here with me today, to all the members of the United States Air Force, their families, their friends, and thank you especially for bringing the children today. And I'd like to say a special word of thanks to the Dover High School Band for their welcome and their music. I don't know if the recruiting officer has been to see them, but they have sufficient enthusiasm to be in our military service. Great job.

I am delighted to be here, back at Dover Air Force Base, home of the 436th Military Airlift Wing and the 512th Reserve Wing, those of you who work around the clock to support and defend our freedom. I've already had a chance to be on the C-5 and speak

with some of you individually. I'd like now to say a few words to all of you.

Delaware calls itself "Small Wonder." It's not too small, however, to have two leading United States Senators, Bill Roth and Joe Biden, who play very important roles in our national security, most recently in leading the struggle in the Senate to make Europe a safer place by guiding NATO and offering membership to Poland, Hungary, and the Czech Republic. The people of Delaware can be very proud that they have two Senators playing a leading role in such an important national security area.

And Delaware is not too small to house these mammoth C-5's, to do so much of America's heavy lifting, not too small for a new 60,000-pound Tunner loader, moving heavy cargo on and off the giant planes. I know it's hard for the logistics people here to wrestle with those pallets, but hopefully the new loader makes things just a little easier.

Your efforts are essential. We live in a time of enormous promise, but you know from your own work that there is also a tremendous responsibility for the United States out there both to take advantage of the promise and to meet the challenges of the post-cold-war era.

From Guatemala to Mozambique, from Bosnia and now to Ireland, peace is taking hold in countries and regions that have endured terrible violence. Revolutions in technology and communications are spurring enterprise and opportunity all across the globe. Today we saw that the unemployment rate in America has dropped to 4.3 percent, the lowest since 1970. And that's good news for America.

But one-third of our growth, one-third of the over 15.2 million jobs the American people have enjoyed—new jobs—since 1993, comes from our trading relations with other countries. Like it or not, our future and the future of every child in this audience today is bound up with our ability to maintain leadership for peace and freedom and security and opportunity throughout the world.

In March, I was in Africa. I visited Uganda, not so long ago run by a brutal dictator, now a country with strong economic growth and a commitment to educating all its children.

I was in Senegal, where American soldiers are working with African soldiers to establish new peacekeeping units run by Africans, in Africa, to support their continent's security. I was in South Africa, where citizens are building a strong, multiracial democracy. And guess what? On my whole trip, you provided the transportation, you provided the helicopters, and you provided the communications. I thank you. The trip to Africa was good for America.

Last month, I was in Chile, once ruled by terror, now a thriving open society, at the second Summit of the Americas, after the first one I convened in 1994 in Miami. Thirty-four of the thirty-five nations of the Americas are now democracies, and we plotted a common future in the area where our trade is growing the most and where freedom has taken deepest hold. And guess what? You provided my transportation and communication, and I thank you.

In a few days I will leave for Europe, where the powerful yearning of the people for liberty has provided the chance not only to end the war in Bosnia, but through expanding NATO and making an agreement between NATO and Russia and NATO and Ukraine, we've now got the chance to build a Europe that is peaceful, undivided, and free for the first time in all of history. It will be a very important meeting, and if nothing happens to the chain of command, you're going to provide my transportation and communication, and I thank you for that.

Because freedom is on the march and because of all the changes going on in the world, the 21st century in which these children will grow up will be America's greatest time, if we do our part to protect freedom and security, to stand for human rights, and to stand for our interests and our values around the world. For the world is still not free of dangers, not by a long shot.

All of you know that, clearly. In fact, all of the openness, the communications revolution, what all you can find on the Internet, all of the things that have given so much opportunity in the world and brought us so much closer together have created a new vulnerability to the organized forces of destruction, to the terrorists, the organized criminals, the narco-traffickers. We still see the

incredible power—the flaming power of religious, ethnic, and regional conflicts and hatreds. We know that not all of our democracies are solid. We know that natural disasters, environmental destruction, the spread of disease, can cross national borders and threaten the lives and welfare of the American people.

In this environment, our leadership is more important than ever. In order to make the American people safe at home and give them all a brighter future, the United States must continue to lead in the world, and that means we need you more than ever.

Here at Dover, you are leading the way. A strategic airlift capacity is crucial to our strategy of global engagement, and you are responsible for a full 25 percent of America's strategic airlift. You supply our troops in the Persian Gulf, and Saddam Hussein knows we're serious because our diplomacy is backed by the finest military in the world. We could not send them there and keep them there if you couldn't supply them.

You lead the way by helping to prevent the spread of weapons of mass destruction. Just 3 weeks ago, two of your C-5's and their crews secured dangerous nuclear material in the Republic of Georgia and transported it for safekeeping to the United Kingdom. The material could have posed a tremendous risk if it had come into the wrong hands. You made sure that it didn't. And now you know it's someplace safe, and we're all more secure because of it. I thank you for that.

You supply our troops in Bosnia, where, with a remarkable lack of violence, we have been able to see the end of a conflict and the beginning of a peace taking hold. If our troops hadn't been there, the war would still be raging. They couldn't be there without you, and you should be very, very proud of helping to end the bloodiest conflict in Europe since the end of World War II. I hope you are.

You lead the way in providing humanitarian relief to people in the former Soviet Union. When a ferocious typhoon struck Guam, you brought water and blankets and electricity to people there. When flooding destroyed or damaged 90 percent of the homes around Grand Forks, North Dakota, you brought relief and comfort to the victims

there. For all that, for the many sacrifices you make, I want to say a profound thank you.

As most of you know, this Tunner loader that everybody talked to me about today is not called a Tunner because it lifts a lot of tons. It was named for the late General William Tunner, who commanded three historic airlifts: the airlift of supplies and personnel over the Himalayan Hump, from India to China in World War II; the massive Berlin airlift in 1948 and '49, 277,000 flights that supplied food and fuel to the people of West Berlin during Stalin's blockade; and the Korean War Combat Cargo Command, which airdropped supplies to our troops trapped in North Korea. General Tunner said, "We can carry anything, anywhere, anytime."

Now, next week, by coincidence, I will be in Germany to commemorate the 50th anniversary of the Berlin airlift. Like you, the people who were involved in that effort used airlifts to protect freedom. When the Soviet leaders finally abandoned the blockade, it might have been because they had witnessed our staggering capabilities to airlift supplies to the people in West Berlin. Perhaps it was because they read what General Tunner said about his supply line: "We can keep pouring it on for 20 years if we have to." That kind of confidence I know invigorates the work you do here. I know you are ready for any challenge anytime, whenever America calls for your help.

So let me just say this in closing. When your joints ache from muscling pallets, when you've stared at one load plan too many, when you fly all night through turbulent skies, when you're too far from home and you wonder sometimes what you are doing it for, please remember, in ways large and small, you are making a huge difference in making the world a better place for the children that share this roof with us today. Children all over the world have food to eat, clothes to wear, safe streets to walk, all because you at Dover make it happen. You deliver. You are essential to America's security. You make this a better country, and you make us all very proud.

Thank you very much, and God bless you.

NOTE: The President spoke at 3:25 p.m. in the Hanger 706. In his remarks, he referred to Col. Felix Grieder, USAF, Commander, 436th Airlift Wing, and Col. Tom Keitel, USAFR, Acting Commander, 512th Airlift Wing.

Statement on the Minnesota Tobacco Settlement and Tobacco Legislation

May 8, 1998

Every day, 3,000 young people start a habit that will kill 1,000 of them before their time. Three years ago, appalled by these trends, I committed this administration to stopping the sale and marketing of cigarettes to children. Now, thanks to our efforts and the persistence of State attorneys general, we have the best opportunity ever to pass comprehensive tobacco legislation that will save millions of our children from premature death.

Today we have learned that Minnesota has won important new concessions from the tobacco industry. The Minnesota settlement, like those reached earlier in Mississippi, Florida, and Texas, will help us combat tobacco industry marketing to kids. This action provides still further momentum to our effort to pass bipartisan comprehensive tobacco legislation this year. All our Nation's children are at risk from tobacco, and we must have comprehensive national legislation to stop young Americans from smoking before they start, by raising the price of cigarettes, putting into place tough restrictions on advertising and access, imposing penalties on the industry if it continues to sell cigarettes to children, ensuring that the FDA has authority to regulate tobacco products, and protecting farmers and farming communities.

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.

May 3

In the afternoon, the President traveled from Palo Alto to Westwood, CA. In the evening, he traveled to Beverly Hills.

May 4

In the morning, the President traveled to San Fernando, CA.

In the afternoon, the President traveled to Chicago, IL, and in the evening, he returned to Washington, DC.

The President announced his intention to nominate Hans Mark to be Director of Defense Research and Engineering at the Department of Defense.

The President announced his intention to nominate former Representative Norman Y. Mineta to be a member of the Board of Directors of the Metropolitan Washington Airports Authority.

The President announced his intention to nominate Clyde J. Hart to be Administrator for the Maritime Administration at the Department of Transportation.

The President announced his intention to appoint Donna Nigh as a member of the President's Committee on Mental Retardation.

May 5

The President announced his intention to nominate L. Britt Snider to be Inspector General of the Central Intelligence Agency.

May 6

In the morning, the President met with Prime Minister Romano Prodi of Italy in the Oval Office.

May 8

In the morning, the President traveled to Dover, DE. In the afternoon, he returned to Washington, DC.

The President announced his intention to nominate Raymond W. Kelly to be Commissioner of the U.S. Customs Service.

The President announced his intention to nominate James E. Johnson to be Under Secretary for Enforcement at the Department of the Treasury.

The President announced his intention to nominate Elisabeth A. Breese to be Assistant Secretary for Enforcement at the Department of the Treasury.

The President declared a major disaster in Indiana and ordered Federal aid to supplement State and local recovery efforts in the area struck by a severe winter storm on March 9–12.

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 May 5

Clyde J. Hart, Jr.,
of New Jersey, to be Administrator of the Maritime Administration, vice Albert J. Herberger, resigned.

Hans Mark,
of Texas, to be Director of Defense Research and Engineering, vice Anita K. Jones, resigned.

Norman Y. Mineta,
of California, to be a member of the Board of Directors of the Metropolitan Washington Airports Authority for a term of 6 years (new position).

Submitted May 6

L. Britt Snider,
of Virginia, to be Inspector General, Central Intelligence Agency, vice Frederick Porter Hitz, resigned.

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 May 4

Transcript of a press briefing by Assistant to the President for Special Projects Todd Stern on the Partnership for Advancing Technology in Housing

Released May 5

Transcript of a press briefing by Press Secretary Mike McCurry

Advance text of remarks by National Security Adviser Samuel Berger to the annual Washington forum of Business Executives for National Security

Announcement of finalists for 1998–99 White House Fellowships

Released May 6

Announcement: U.S.-Italy Initiative to Combat Trafficking in Women and Children

Released May 7

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Special Adviser for Economic Initiatives for Ireland James Lyons on the President's new initiatives in support of peace in Northern Ireland

Statement by the Press Secretary: President To Address the United Nations General Assembly Special Session on International Drug Control

Statement by the Press Secretary: Establishment of Leifur Eiriksson Millennium Working Group

Released May 8

Fact sheet: "Class-Size Reduction and Teacher Quality Act"

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.

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