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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

FAX TRANSMITTAL

TO: Terry Edmonds / Dan Baer

ORGANIZATION: Speech writing

PHONE NUMBER: 458-2777

FAX NUMBER: 456-5709

FROM: Kevin Sullivan

PHONE NUMBER: 401-0831

MESSAGE: _____

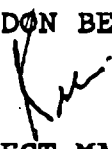
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8 PAGE(S) TO FOLLOW

July 2, 1995

TO: TERRY EDMONDS/DON BEAR

FR: KEVIN SULLIVAN 

RE: DEMONIZING DIRECT MAIL LETTERS

I am sending along several letters that "demonize" one of our education programs -- Goals 2000.

To give you a flavor one letter from a James Kennedy (he runs a television ministry out of Florida) says that the Dept of Education has set out to educate our children "soviet style" ... the same letter goes on to say that the "bureaucrats at the Dept of Education" want to "shape the thinking of the next generation -- so the radical-liberal humanist anti-God agenda can be more easily realized. To drive out the very vestige of our Judeo-Christian heritage."

You get the drift. Two points follow. First -- for the majority of the last twenty years the Dept of Education has been run by Republicans -- Reagan and Bush have appointed four out of last five Sec. of Education. Second, as a person Secretary Riley is a great foil to the charge that we are creating a "radical-liberal humanist anti-God agenda." This charge won't stick when placed against the Secretary's reputation in the press.

A second letter is from the American Policy Center and makes the accusation that the "government plans to take over the responsibility for raising infants, toddlers and pre-schoolers."

I have also asked Eliot Minceberg, the General Counsel from People for the American Way, to send you some other "demonizing letters" on a variety of other subjects. Another source for these types of letters is to call the Anti-Defamation League of the B'nai-B'rith here in Washington. I am told that you should call Jess Hordes.

A second theme to pound away at is that civics and citizenship begins with adults. We constantly here the hue and cry about how the young people of this country are out of control but the larger point is that adults have to set the example -- if they don't vote, (40 million plus) if they don't play by the rules -- etc-- what example does that set for the next generation.

One example we used in a speech to make this contrast with the virtues we try to teach our children is the New York cops who trashed a hotel here in D.C. after attending a memorial service for fallen comrades.

One phrase that we have used successfully that you might pick up and adapt to your speech is the idea that " we need to lower our voices and build bridges to one another."

D. James Kennedy, Ph.D

April 11, 1995

Dear Friend,

Do you remember your favorite teacher? I do.

Your grandchildren should, too.

But will they have the chance to remember a teacher who made an important and positive impact on their lives . . . teachers who taught them real values . . . taught them to live life the way God designed it to be lived?

You know, down through the years teachers have made a wonderful, powerful impression - touching generation after generation . . . shaping our national character.

When our daughter was a student, we could send her off to school each day with total confidence that she would receive good academic instruction and learn healthy values from excellent role models.

Not so today.

Oh yes, there are still thousands of wonderful teachers serving America's children in classrooms across our nation.

But today that favorite teacher of yours would be hamstrung by the federal government and the leftist leaders of the national teachers' union.

Today, due to the influence of the anti-God radicals and liberals who infest our federal government . . . and in spite of the dedication and hard work of so many of our nation's teachers . . . the millions of innocent children they guide and teach are at risk.

At risk academically, physically, and spiritually.

In the late Seventies, the federal government made a shocking move to take over education in this country and presidents since, both Republican and Democrat, have failed to reverse that power grab. By establishing the United States Department of Education as a Cabinet-level agency, the government set out to direct the education of our children and grandchildren "Soviet-style," from one central location - Washington, D.C.

It sounds harmless, doesn't it? . . . "The Department of Education." But it is actually one of the most insidious,

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destructive forces in America today.

Using 30 billion of your hard-earned tax dollars EVERY YEAR, the horde of government-payroll employees in the Department of Education are methodically moving to control what teachers teach.

Across this great country, it used to be the local school boards that decided what textbooks local school children would read. The Department of Education has steadily marched toward the old centralized, Soviet-style federal control of all curricula and away from biblical parental control!

Everywhere in America, it used to be that parents in each community had some "say" about the qualifications they wanted to see in their own local school teachers. But the Department of Education has pushed, pushed, pushed for Washington to control teacher qualifications.

This is the same federal government which funded the development of grossly biased standards for history classes, released only a few weeks ago. These history guidelines highlighted Soviet space achievements and the Challenger shuttle disaster but didn't even mention the American moon landing!

(My good friend Gary Bauer got it right when he said in USA Today, "They promised us the Moon. But they missed it! . . . Bill Clinton's Department of Education just flunked U.S. history.") It is not any wonder, then, that Department programs and materials also are void of spiritual or moral truth.

The same Department of Education, in cooperation with the National Education Association union, pushed Congress to pass the "politically correct" Goals 2000 bill - a program which:

- (a) makes Washington the judge of our local schools (establishing a national school board),
- (b) pushes the radical "Outcome Based Education" (which abandons traditional learning in favor of obscure "outcomes"), and
- (c) opens the door to still wider distribution of condoms to teens!

And all for only \$400 million a year!

Sen. Malcolm Wallop of Wyoming called it "yet another step in the federal government's takeover of education in general." Ex-Rep. Bob McEwen said it was "the most blatant grab for power in the history of Congress!"

But, sadly, it's nothing new. For nearly 20 years now, the bureaucrats of the Department of Education have labored, planned, calculated, and manipulated to acquire more power - more authority - more of a stranglehold on the education of America's children. Why?

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Their goal is clear: To shape the thinking of the next generation - so the radical-liberal-humanist anti-God agenda can be more easily realized. To drive out every vestige of our Judeo-Christian heritage from American life. To replace traditional moral values with the destructive, self-centered philosophies of the modern age!

Meanwhile, look at the effect greater government involvement has had on our public school system:

Schools are more dangerous than they have ever been in the history of the Republic. The Department's budget has more than tripled. Yet student achievement scores are way down. Forty million Americans can't read.

House Speaker Newt Gingrich has said, "Just give the money to the parents! . . . It is criminal that we force public-housing poor into places where their children can be brutalized and killed . . . and where they almost certainly are not going to learn."

Hosea 4:6 offers God's chilling perspective: "My people are destroyed for lack of knowledge: because thou hast rejected knowledge, I will also reject thee."

The horrifying trends of the past 20 years must be reversed.

There is only one way to make sure the federal government will stay out of our children's classrooms and let the teachers teach our children and grandchildren according to the standards of our parents.

We must shut down the U.S. Department of Education.

This will not only cut off the influence of the Washington bureaucrats in our public school classrooms, it will also save us \$30 billion a year in tax dollars - trimming the budget deficit in the process . . . and it could dramatically increase the quality of our children's education!

Abolishing the Education Department can be done. Our Senators and Representatives have the ability to draft specific legislative proposals to do it if they have the courage - but whether they have the moral and political courage is another question altogether.

I want you to help me persuade your two United States Senators to abolish the Department of Education - to cut off that bloated \$30 billion annual budget - and to give control of our children's education back to the states, back to the local school boards, back

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to the parents! And it would be an additional blessing to the teachers!

Please sign the enclosed memos and return them with your gift of support for the ongoing work of Coral Ridge Ministries. I will send your memos to your Senators, along with similar messages signed by other concerned Christian citizens from all across America, to help make a major impact on members of Congress. And I will enclose a detailed memorandum to each Senator explaining exactly why the Department of Education must be abolished.

Meanwhile, your gift will continue to make an impact on our beloved nation - as you enable me to proclaim the truth to a nation in dire spiritual need through all our ministries.

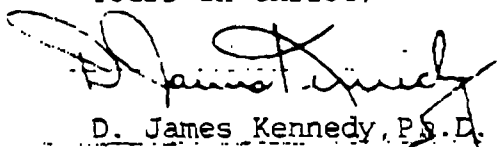
As we share the life-changing power of faith in Jesus Christ . . . as people turn back to God as their guide for everyday life . . . we will see our nation being restored. The long, sad decline of morality across our land will finally be slowed. And the damage done to our children and grandchildren through the travesty of public education will finally begin to be reversed.

Through your generosity, you will help me to mobilize more caring people to take action as you have done, to right the sinking ship of our nation, and to reclaim America for Christ!

Will you please stand with me? For the sake of our children, our grandchildren, and our future, please send a generous gift today. Send the signed memos to me, as well, and let your voice be heard in the corridors of power in our nation's capital.

Together, we can bring some sense into our school system - the God-given wisdom of parents and teachers - not the liberal-minded political maneuverings of union leaders and politicians! Let me hear from you quickly. Thank-you, and God bless you.

Yours in Christ,



D. James Kennedy, P.S.D.

P.S. At the same time, let's continue to support our hardworking teachers. Give the enclosed bright red apple to a teacher as an expression of encouragement. Perhaps your own grown child or grandchild works in education . . . or perhaps you have a friend who serves diligently as a teacher.

These are important people in the moral life of our nation! Let's give the wonderful gift of freedom from intrusion by the federal government!

P.P.S. If you can send \$35 or more, I will send you the shocking Outrage-Based Education book which exposes the plans of the

Repeal Goals 2000

A Project of the American Policy Center Inc.
14140-L Parke Long Court, Chantilly, Virginia 22021

Susan
m.k. -
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"...THIS IS JUST A MONSTER THAT WILL DEVOUR EVERYTHING..."
(former Secretary of Education Bill Bennett)

"...IT'S 1,000 PAGES OF REGULATION THAT WILL SPAWN EVEN MORE
REGULATIONS ON HOW TO RUN (LOCAL SCHOOL DISTRICTS)...IT'S
CRAZY." (former Secretary of Education Lamar Alexander)

Dear Friend:

We've kicked the social planners out of control of the U.S. Congress. Now it's time to kick them out of our children's classrooms.

That's why it's urgent that you sign and return the enclosed CITIZEN'S APPEAL FOR LEGISLATIVE RECONSIDERATION to demand the repeal of President Clinton's "Goals 2000".

I will then send it with thousands more directly to Republican Speaker of the House Newt Gingrich.

Speaker Gingrich must have your signed Citizen's Appeal right away as he continues to direct the agenda for the Republican-controlled 104th Congress.

Goals 2000 takes away parent's rights over their children, creates a huge new federal bureaucracy over our nation's schools and makes Outcome Based Education (OBE) a federally mandated school curriculum.

Nothing is more important, for the new Congress than the repeal of this disastrous liberal program.

Goals 2000 was passed by the liberal led 103rd Congress. That's why it must be repealed now - before it can do any more damage to our schools.

I have had the Legislative Reconsideration Appeal form reproduced because I need you to take an active role in getting the repeal of Goals 2000 on the agenda.

So please, don't delay. Sign and return your CITIZENS APPEAL FOR LEGISLATIVE RECONSIDERATION form right away.

Speaker Gingrich has a huge job ahead of him as he sets out to undo all the mess the liberals have left him. He must hear from you and thousands of parents, grandparents and others concerned about the education of our children.

For the children, it's urgent that you respond today.

Why can't Johnny and Suzy read?

...and teacher who has taught for over 24

years told a recent forum in Washington, D.C.

"We're attempting to make sure they have the right vitamins, the right minerals, the right condoms, the right family planning..."

....I don't have time to teach your child how to read."

The problem in education began when the Federal Government started to intrude in local school curriculum.

Teachers became social workers and were forced to fill out mounds of paper work required by the government.

Then Outcome-Based Education (OBE) was introduced.

This disastrous teaching fad calls for a complete change in the way children are taught, graded and graduated.

But OBE methods do not teach the children to spell.

OBE does not teach multiplication tables.

OBE does not teach history.

OBE does not teach geography.

OBE does not provide a grading system by which the student's progress can be measured.

OBE proponents say it's much more important that children have a strong self-esteem than to learn the basics.

OBE has never been proven to work.

And over the past several years concerned parents have been fighting to stop OBE. In fact, in many parts of the nation, parents have been successful in blocking OBE.

But now, the U.S. Congress has passed Goals 2000, which, among other things, mandates OBE as a national curriculum.

No longer will parents or local school boards be able to fight OBE. Because, unless they allow OBE in their schools their teachers won't be certified. And they will lose millions in federal education dollars.

Goals 2000 sets up a "National Education Standards and Improvement Council" (NESIC), which is nothing more than a national school board controlled by Washington.

In fact, the new guidelines say that schools **MUST** adopt "content standards" of Goals 2000 or draw up by the Department of Education.

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And what are those "content standards"?

Goals 2000 states that all children in America must start school ready to learn.

This means that the government plans to take ~~over~~ the responsibility for raising ~~infants, toddlers and pre-schoolers...~~

...this is a direct threat to parental control.

And I'm sure you've read recent news reports of the new guidelines for teaching history.

George Washington, Thomas Jefferson, Robert E. Lee, Thomas Edison, the Wright Brothers and the Declaration of Independence won't be mentioned.

But Aztec kings and the Klu Klux Klan will be used to teach our children how America was formed.

These history guidelines are the first to come from the Goals 2000 mandates.

It's going to get much worse.

I've been told that the geography guidelines will require that maps of the world "reflect greater equity and less bias."

I kid you not.

This insanity must stop.

Goals 2000 destroys our childrens' chances to get an education. In fact, Goals 2000 will produce stupid children.

Goals 2000 endangers the future of America.

Goals 2000 must be repealed - now.

That's why it's vital that you sign and return your enclosed CITIZEN'S APPEAL FOR LEGISLATIVE RECONSIDERATION today, so the repeal of Goals 2000 can be placed high up in consideration by the new Congress,

Speaker Gingrich has a massive job to do. The liberals left a huge mess. He needs help in deciding where to begin.

And nothing is more important that the education of our children. Goals 2000 will hurt them and must be stopped.

But, in spite of the fact that Republicans now control

the Congress, it will not be easy to remove the social planners from the classrooms.

They are very tightly entrenched. The classrooms are under direct control of the National Education Association (NEA), the richest and most powerful union in the nation.

And they are the driving force behind Goals 2000.

As president of the American Policy Center (APC), I have taken on the mission of stopping Goals 2000 and OBE.

But I simply can't do it alone. I can't match the financial power of the NEA. And they will fight my efforts every step of the way.

My only hope is that you share my urgency to save our children from the darkness of educational social planning.

Will you join my crusade by sending me a check for at least \$17? The NEA will spend millions to stop our effort.

But we can win with the strength of thousands of signed Reconsideration forms for the new Congress.

My American Policy Center has its own printing presses and mailing equipment. I don't hire professional fund raisers and I don't take a salary from APC.

But still, to win this fight to repeal Goals 2000 it will cost APC at least \$150,000 over the next few months.

So please, if you can, send as much as \$25, \$50, or even \$75 or \$100 right away. Nothing is more important than the education of our children.

Please sign and return your CITIZENS APPEAL FOR LEGISLATIVE RECONSIDERATION and your most generous contribution today. House Speaker Gingrich needs to hear from you. I'm counting on you. Thanks.

Sincerely,



Tom DeWeese
President

P.S. If you think you can get away from OBE and Goals 2000 by home schooling or private schools - you can't. If a private school accepts public funds, such as a voucher, it must then comply. If a child is home schooled, the student won't be able to pass the "attitudes tests" taught in OBE and required for college entrance. We all have a stake. Please help.

**REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
OPENING CEREMONIES OF THE 1995 SPECIAL OLYMPICS WORLD GAMES
NEW HAVEN, CONNECTICUT
JULY 1, 1995**

Thank you, Loretta Claiborne for that gracious introduction. Loretta is a remarkable person. She is setting a great example for all young people in this country and around the world. I am certainly impressed that she has competed in 25 marathons. And I am also pleased that in these games, she is representing Team Pennsylvania in one of my favorite sports -- bowling.

Let me also take this opportunity to recognize a very special person...the founder of these games, Eunice Shriver. Three decades ago, most people looked at people with intellectual disabilities as victims. Eunice Shriver saw vast potential. She has worked tirelessly to tap that potential and to empower individuals and their families to make the most of their lives. Thank you, Eunice for lighting the way. And for making Special Olympics truly a family affair. Your husband, Sargent has been the creative force behind the world-wide growth of Special Olympics. And your son, Timothy has done an outstanding job as president of these 1995 games.

I also want to thank the chairman of these games, Lowell Weicker, who continues to serve his country and this state with great energy and commitment.

Tonight, I have the very great honor of representing the American people in officially opening the 1995 Special Olympics World Games. And I join leaders from around the globe in congratulating all the athletes gathered here.

This year's world games are being called the "Games of Inclusion." And with athletes from all over the world standing here with me, it is easy to see that we have fulfilled that purpose.

From its beginnings in the United States 27 years ago, the Special Olympics has grown to include more than 144 countries on 6 continents. Nations, large and small, are represented here -- and are welcomed as equals.

The Games of Inclusion have brought together people of every race, every color and creed, every faith in a joyful celebration of peaceful competition, goodwill and the triumph of the human spirit. The world can learn a lesson from all of you. You are teaching us that we don't have a person to waste. You are teaching us that the very survival of this planet depends on our ability to reach out across continents, cultures, and human differences to unleash the God-given potential that lies within us all. There is no more powerful message we can send to the

world than that.

People with intellectual disabilities have shown us in so many ways that when they are afforded the same rights and opportunities as every other citizen, they can excel. I am heartened that the world community is recognizing this more and more. We forget sometimes how far we have come in such a short time. It has only been five years since we passed the Americans with Disabilities Act in this country -- requiring that people be treated on the basis of their abilities, not their disabilities. It was only 20 years ago that America passed a law guaranteeing children with disabilities the right to attend public schools. And this week, on the 50th anniversary of the United Nations, that august body convened the first international symposium on intellectual disabilities.

But, our work is not yet done. So, tonight, I challenge every citizen of the world to be an olympic champion. Be a champion for inclusion. Be a champion for equal rights. Be a champion for dignity. As John F. Kennedy once said, "The rights of every man are diminished when the rights of one man are threatened."

As these athletes prepare to give us their best, we should all rededicate ourselves to living up to the highest ideals of the human spirit.

[NOW SPEAKING DIRECTLY TO THE ATHLETES]

So by all means...let the games begin.

With each of you athletes knowing that you not only have our love and support, but our admiration.

I hereby declare the 1995 Special Olympics World Games officially open!

Thank you.

States and India since I have been President. (Applause.) We have been fortunate, thanks to the end of the Cold War, to be able to bind these two great democracies more closely together, to support the economic reform efforts in Indian, to support a closer political relationship, to look toward a 21st century in which together we can advocate freedom for all the peoples of the world, and all the peoples of Asia in particular. (Applause.)

I also want to say I am deeply indebted to the Asian Indian Americans who are serving in our administration. I cannot name them all, but I would like to mention Arati Prabhakar, who is the Director of the National Institute of Science and Technology, something important to all of you. (Applause.) Dave Sharma, who heads the Research and Special Programs Administration at the Department of Transportation. Both of them have done a fine job. Dr. Sam Shaker, a member of AAPI, who's the Director of the Health Care Financing Administration's Practicing Physicians Advisory Council. We need more advice from practicing physicians and less from bureaucrats. (Applause.) And Aranjon Shaw (phonetic), who is here, is on the Goldwater Scholarship Foundation. There are others, but I want to thank all of you who have contributed to this administration.

I want to thank the AAPI for many things, for all the work you do, which your leader has already outlined, the work you have done in our country, the work you have done in India. But most recently, I am indebted to your association for your support of the nomination of Dr. Foster to be the surgeon general. I thank you for that very much. (Applause.)

I think many of you could identify with him in many ways, but perhaps most important that he was a man who had spent almost 40 years doing what other people talk about doing. He had brought health care to people who would not have had it otherwise. He had delivered thousands of babies. He had trained hundreds of doctors. He had actually looked many troubled young people in the eye and told them that they should stay off drugs, they should stay in school, they should not have sex, they should be against teen pregnancy, they should start a better life for themselves.

He had actually done these things. And a lot of people who condemned him, I think, missed a terrific opportunity to give a real practicing physician a chance to change the lives of more young people in America. You saw that. You stood by him. And I will never ever forget it. I thank you very much. (Applause.)

I also want to thank you for something else, something more profound that you do every day, many of you without even knowing it. I ran for President for two reasons. One, I thought our country was drifting and not facing the challenges of the moment, and that we were at risk of raising the first generation of Americans to do worse than their parents, when it was not necessary. So I wanted to restore the American Dream of economy and prosperity for those who work hard.

Second, I thought our country was on the edge of either becoming the greatest country in the world for the 21st

century again, or being divided in ways that will weaken us. The enormous racial and religious and ethnic diversity of America is the meal ticket of the United States to the future if we can come together, instead of permitting ourselves to be divided by those who seek short-term political advantage from the differences among us. And I want this country to pull together. (Applause.) And I want you to lead the way. (Applause.)

It is obvious that both these objectives become imperative when you consider the realities of the world we face. We are no longer divided by the Cold War. The geopolitical realities of India from time to time forced you and the United

States to make decisions which divided our two great democracies because of the Cold War, even though we were both democracies.

The end of the Cold War means that we don't have to divide the world up in that way anymore. The dawn of the information age and the technological revolution means that people can move ideas and technology and funds around the world in a split second; that all of us can move more rapidly than ever before.

Therefore, this is a time of enormous human potential. But it is also full of challenges. It is full of economic challenges, because the global economy means that if America wants to continue not only to be a wealthy country, but to have everybody able to work hard and be rewarded, that all those people that live within our borders now must compete with people beyond our borders. It means education is more important than ever before. It means personal productivity is more important than ever before. It means the strength of a family's work habits are more important than ever before if we want to lift all Americans up, because now we are not isolated beyond our -- behind our own borders.

That is why so many Americans are frustrated today. They see our economy growing, unemployment is down, 6.7 million new jobs. But still more than half of our working people are working longer work-weeks without getting a raise -- under the pressure of the global economy.

So that is the irony of America. We have more new businesses in the last two years than at any time in our history. We have more new millionaires in the last two years than at any time in our history, and most people stuck in a rut. So our challenge is to keep all these good things going and lift the rest of Americans who are in the rut out of it.

The same thing is true -- (applause) -- thank you. (Applause.) The same thing is true about making the most of our diversity. The Cold War is over. That means we don't have to worry about nuclear annihilation. For the first time since the dawn of the nuclear age, there are no Russian missiles pointed at Americans, no American missiles pointed at Russians. Our space ships linked up yesterday -- many of you must have seen it on television. (Applause.) How exciting it was.

But when you take the heavy hand of authoritarianism away -- you see the horrible conflict in Bosnia, where centuries old religious animosities flare up again today once there is no Yugoslavia run by a Tito to control people. Even in Russia, as it becomes more democratic, you see the ethnic fighting in a place like Chechnya consuming the energies of the nation and threatening the values of the nation.

And in our country, with no iron hand of fear of something outside us to keep us together, you see now resurgent religious and ethnic difference manifesting themselves even across the United States.

This is folly. We must find a way to live together,

sharing the values of the American Constitution, respecting our different religious heritages, our different ethnic heritages, our different racial heritages. We have counties in the United States now with more than 100 different ethnic groups. Los Angeles County now has 150 different. And I say good, this is good for America. (Applause.) This is a good thing if we can use it to come together. (Applause.) It means we can trade with every country in the world. It means some of us can speak to people in every place in the world.

What other nation could have done what we did in Haiti -- liberating them from the long night of dictatorship --



**ANNOUNCEMENT SPEECH
GOVERNOR BILL CLINTON
OLD STATE HOUSE, LITTLE ROCK, ARKANSAS
OCTOBER 3, 1991**

Thank you all for being here today, for your friendship and support, for giving me the opportunity to serve as your Governor for 11 years, for filling my life full of blessings beyond anything I ever deserved.

I want to thank especially Hillary and Chelsea for taking this big step in our life's journey together. Hillary, for being my wife, my friend, and my partner in our effort to build a better future for the children and families of Arkansas and America. Chelsea, in ways she is only now coming to understand, has been our constant joy and reminder of what our public efforts are really all about: a better life for all who will work for it, a better future for the next generation.

All of you, in different ways, have brought me here today, to step beyond a life and a job I love, to make a commitment to a larger cause: preserving the American Dream ... restoring the hopes of the forgotten middle class ... reclaiming the future for our children.

I refuse to be part of a generation that celebrates the death of communism abroad with the loss of the American Dream at home. I refuse to be a part of a generation that fails to compete in the global economy and so condemns hard-working Americans to a life of struggle without reward or security.

That is why I stand here today, because I refuse to stand by and let our children become part of the first generation to do worse than their parents. I don't want my child or your child to be part of a country that's coming apart instead of coming together.

Over 25 years ago, I had a professor at Georgetown who taught me that America was the greatest country in history because our people believed in and acted on two simple ideas: first, that the future can be better than the present; and second, that

each of us has a personal, moral responsibility to make it so.

The fundamental truth has guided my public career, and brings me here today. It is what we've devoted ourselves to here in Arkansas. I'm proud of what we've done here in Arkansas together. Proud of the work we've done to become a laboratory of democracy and innovation. And proud that we've done it without giving up the things we cherish and honor most about our way of life - solid, middle-class values of work, faith, family, individual responsibility and community.

As I've traveled across our state, I've found that everything we believe in, everything we've fought for, is threatened by an administration that refuses to take care of our own, has turned its back on the middle class, and is afraid to change while the world is changing.

The historic events in the Soviet Union in recent months teach us an important lesson: National security begins at home. For the Soviet empire never lost to us on the field of battle. Their system rotted from the inside out, from economic, political and spiritual failure.

To be sure, the collapse of communism requires a new national security policy. I applaud the President's recent initiative in reducing nuclear weapons. It is an important beginning. But make no mistake - the end of the Cold War is not the end of threats to America. The world is still a dangerous and uncertain place. The first and most solemn obligation of the President is to keep America strong and safe from foreign dangers and promote democracy around the world.

But we cannot build a safe and secure world unless we can first make America strong at home. It is our ability to take care of our own at home that gives us the strength to stand up for what we believe around the world.

As Governor for 11 years, working to preserve and create jobs in a global economy, I know our competition for the future is Germany and the rest of Europe, Japan and the rest of Asia. And I know that we are losing America's leadership in the world because we're losing the American Dream right here at home.

Middle class people are spending more hours on the job, spending less time with their children, bringing home a smaller paycheck to pay more for health care and housing and education. Our streets are meaner, our families are broken, our health care is the costliest in the world and we get less for it.

The country is headed in the wrong direction fast, slipping behind, losing our way ... and all we have out of Washington is status quo paralysis. No vision, no action. Just neglect, selfishness and division.

For 12 years, Republicans have tried to divide us - race against race - so we get mad at each other and not at them. They want us to look at each other across a racial divide so we don't turn and look to the White House and ask, Why are all of our incomes going down? Why are all of us losing jobs? Why are we losing our future?

Where I come from we know about race-baiting. They've used it to divide us for years. I know this tactic well and I'm not going to let them get away with it.

For 12 years, the Republicans have talked about choice without really believing in it. George Bush says he wants school choice even if it bankrupts the public schools, and yet more than willing to make it a crime for the women of America to exercise their individual right to choose.

For 12 years, the Republicans have been telling us that America's problems aren't their problem. They washed their hands of responsibility for the economy and education and health care and social policy and turned it over to fifty states and a thousand points of light. Well, here in Arkansas we've done our best to create jobs and educate our people. And each of us has tried to be one of those thousand points of light. But I can tell you, where there is no national vision, no national partnership, no national leadership, a thousand points of light leaves a lot of darkness.

We must provide the answers, the solutions. And we will. We're going to turn this country around and get it moving again, and we're going to fight for the hard-working middle-class families of America for a change.

Make no mistake. This election is about change: in our party, in our national leadership, and in our country.

And we're not going to get positive change just by Bush-bashing. We have to do a better job of the old-fashioned work of confronting the real problems of real people and pointing the way to a better future. That is our challenge in 1992.

Today, as we stand on the threshold of a new era, a new millennium, I believe we need a new kind of leadership, leadership committed to change. Leadership not mired in the politics of the past, not limited by old ideologies. Proven leadership that knows how to reinvent government to help solve the real problems of real people.

That is why today I am declaring my candidacy for President of the United States. Together I believe we can provide leadership that will restore the American Dream, that will fight for the forgotten middle class, that will provide more opportunity, insist on more responsibility, and create a greater sense of community for this great country.

The change we must make isn't liberal or conservative. It's both, and it's

different. The small towns and main streets of America aren't like the corridors and back rooms of Washington. People out here don't care about the idle rhetoric of "left" and "right" and "liberal" and "conservative" and all the other words that have made our politics a substitute for action. These families are crying out desperately for someone who believes the promise of America is to help them with their struggle to get ahead, to offer them a green light instead of a pink slip.

This must be a campaign of ideas, not slogans. We don't need another President who doesn't know what he wants to do for America. I'm going to tell you in plain language what I intend to do as President. How we can meet the challenges we face - that's the test for all the Democratic candidates in this campaign. Americans know what we're up against. Let's show them what we're for.

We need a new covenant to rebuild America. It's just common sense. Government's responsibility is to create more opportunity. The people's responsibility is to make the most of it.

In a Clinton Administration we are going to create opportunity for all. We've got to grow this economy, not shrink it. We need to give people incentives to make long-term investment in America and reward people's money. We've got to invest more money in emerging technologies to help keep high-paying jobs here at home. We've got to convert from a defense to a domestic economy.

We've got to expand world trade, tear down barriers, but demand fair trade policies if we're going to provide good jobs for our people. The American people don't want to run from the world. We must meet the competition and win.

Opportunity for all means world-class skills and world-class education. We need more than "photo-ops" and empty rhetoric - we need standards and accountability and excellence in education. On this issue, I'm proud to say that Arkansas has led the way.

In a Clinton Administration, students and parents and teachers will get a real education President.

Opportunity for all means pre-school for every child who needs it, and an apprenticeship program for kids who don't want to go to college but do want good jobs. It means teaching everybody with a job to read, and passing a domestic GI Bill that would give every young American the chance to borrow the money necessary to go to college and ask them to pay it back either as a small percentage of their income over time or through national service as teachers or policemen or nurses or child care workers.

In a Clinton administration, everyone will be able to get a college loan as long as

they're willing to give something back to their country in return.

Opportunity for all means reforming the health care system to control costs, improve quality, expand preventive and long-term care, maintain consumer choice, and cover everybody. And we don't have to bankrupt the taxpayers to do it. We do have to take on the big insurance companies and health care bureaucracies and get some real cost control into the system. I pledge to the American people that in the first year of a Clinton Administration we will present a plan to Congress and the American people to provide affordable, quality health care for all Americans.

Opportunity for all means making our cities and our streets safe from crime and drugs. Across America, citizens are banding together to take their streets and neighborhoods back. In a Clinton Administration, we'll be on their side - with new initiatives like community policing, drug treatment for those who need it and boot camps for first-time offenders.

Finally, opportunity for all means we must protect our environment and develop an energy policy that relies more on conservation and clean natural gas so all our children will inherit a world that is cleaner, safer, and more beautiful.

But hear me now. I honestly believe that if we try to do these things, we will still not solve the problems of today or move into the next century with confidence unless we do what President Kennedy did and ask every American citizen to assume personal responsibility for the future of our country.

The government owes our people more opportunity, but we all have to make the most of it through responsible citizenship.

We should insist that people move off welfare rolls and onto work rolls. We should give people on welfare the skills they need to succeed, but we should demand that everybody who can work go to work and become a productive member of society.

We should insist on the toughest possible child support enforcement. Governments don't raise children, parents do. And when they don't their children pay forever, and so do we.

And we have got to say, as we've tried to do in Arkansas, that students have a responsibility to stay in school. If you drop out for no good reason, you should lose your driver's license. But it's important to remember that the most irresponsible people of all in the 1980s were those at the top - not those who were doing worse, not the hard-working middle class, but those who sold our savings and loans with bad deals and spent billions on wasteful takeovers and mergers, money that could have been spent to create better products and new jobs.

Do you know that in the 1980s, while middle-class income went down, charitable giving by working people went up? And while rich people's incomes went up, charitable giving by the wealthy went down. Why? Because our leaders had an ethic of get it while you can and to heck with everybody else.

How can you ask people who work or who are poor to behave responsibly when they know that the heads of our biggest companies raised their own pay in the last decade by four times the percentage their workers' pay went up? Three times as much as their profits went up. When they ran their companies into the ground and their employees were on the street, what did they do? They bailed out with golden parachutes to a cushy life. That's just wrong. Teddy Roosevelt and Harry Truman and John Kennedy didn't hesitate to use the bully pulpit of the presidency. They changed America by standing up for what's right. When the Salomon Brothers abused the treasury markets, the President was silent. When the rip-off artists looted our S&L's, the President was silent. In a Clinton Administration, when people sell their companies and their workers and their workers and their country down the river, they'll get called on the carpet. We're going to insist that they invest in this country and create jobs for our people.

In the 1980s, Washington failed us, too. We spent more money on the present and the past and less on the future. We spent \$500 billion to recycle assets in the S&L mess, but we couldn't afford \$5 billion for unemployed workers or to give every kid in this country the chance to be in Head Start. We can do better than that, and will.

A Clinton Administration won't spend our money on programs that don't solve problems and a government that doesn't work. I want to reinvent government to make it more efficient and more effective. I want to give citizens more choices in the services they get, and empower them to make those choices. That's what we've tried to do in Arkansas. We've balanced the budget every year and improved services. We've treated taxpayers like our customers and our bosses, because they are.

I want the American people to know that a Clinton Administration will defend our national interests abroad, put their values into our social policy at home, and spend their tax money with discipline. We'll put government back on the side of the hard-working middle-class families of America who think most of the help goes to those at the top of the ladder, some goes to the bottom, and no one speaks for them.

But we need more than new laws, new promises, or new programs. We need a new spirit of community, a sense that are all in this together. If we have no sense of community, the American Dream will continue to wither. Our destiny is bound up with the destiny of every other American. We're all in this together, and we will rise or fall together.

A few years ago, Hillary and I visited a classroom in Los Angeles, in an area plagued by drugs and gangs. We talked to a dozen sixth-graders, whose number one concern was being shot going to and from school. Their second worry was turning 12 or 13 and being forced to join a gang or be beaten. And finally, they were worried about their own parents' drug abuse.

Nearly half a century ago, I was born not far from here in Hope, Arkansas. My mother had been widowed three months before I was born. I was raised for four years by my grandparents, while she went back to nursing school. They didn't have much money. I spent a lot of time with my great-grandparents. By any standard, they were poor. But we didn't blame other people. We took responsibility for ourselves and for each other because we knew we could do better. I was raised to believe in the American Dream, in family values, in individual responsibility, and in the obligation of government to help people who were doing the best they could.

It's a long way in America from that loving family which is embodied today in a picture on my wall in the Governor's office of me at the age of six holding my great-grandfather's hand to an America where children on the streets of our cities don't know who their grandparents are and have to worry about their own parents' drug abuse.

I tell you, by making common cause with those children we give new life to the American dream. And that is our generation's responsibility - to form a New Covenant ... more opportunity for all, more responsibility from everyone, and a greater sense of common purpose.

I believe with all my heart that we can make this happen. We can usher in a new era of progress, prosperity and renewal. We can. We must. This is not just a campaign for the presidency - it is a campaign for the future, for the forgotten hard-working middle class families of America who deserve a government that fights for them. A campaign to keep America strong at home and around the world. Join with us. I ask for your prayers, your help, your hands, and your hearts. Together we can make America great again, and build a community of hope that will inspire the world.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 24, 1995

REMARKS BY THE PRESIDENT
IN STATE OF THE UNION ADDRESS

U.S. Capitol

9:14 P.M. EST

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

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

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

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

It has fallen to every generation since then to preserve that idea - the American idea -- and to deepen and expand its meaning to new and

different times: To Lincoln and his Congress, to preserve the Union and to end slavery. To Theodore Roosevelt and Woodrow Wilson, to restrain the abuses and excesses of the Industrial Revolution, and to assert our leadership in the world. To Franklin Roosevelt, to fight the failure and pain of the Great Depression, and to win our country's great struggle against fascism. And to all our presidents since, to fight the Cold War.

Especially, I recall two who struggled to fight that Cold War in partnership with congresses where the majority was of a different party. To Harry Truman, who summoned us to unparalleled prosperity at home, and who built the architecture of the Cold War. And to Ronald Reagan, whom we wish well tonight, and who exhorted us to carry on until the twilight struggle against communism was won. (Applause.)

In another time of change and challenge, I had the honor to be the first president to be elected in the post-Cold War era, an era marked by the global economy, the information revolution, unparalleled change and opportunity and insecurity for the American people.

I came to this hallowed chamber two years ago on a mission -- to restore the American Dream for all our people and to make sure that we move into the 21st century still the strongest force for freedom and democracy in the entire world. I was determined then to tackle the tough problems too long ignored. In this effort I am frank to say that I have made my mistakes, and I have learned again the importance of humility in all human endeavor. But I am also proud to say tonight that our country is stronger than it was two years ago. (Applause.)

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

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

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

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

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

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

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

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

My fellow Americans, without regard to party, let us rise to the occasion. Let us put aside partisanship and pettiness and pride. As we embark on this new course, let us put our country first, remembering that regardless of party label, we are all Americans. And let the final

test of everything we do be a simple one: Is it good for the American people? (Applause.)

Let me begin by saying that we cannot ask Americans to be better citizens if we are not better servants. You made a good start by passing that law which applies to Congress all the laws you put on the private sector, and I was proud to sign it yesterday. (Applause.)

But we have a lot more to do before people really trust the way things work around here. Three times as many lobbyists are in the streets and corridors of Washington as were here 20 years ago. The American people look at their capital and they see a city where the well-connected and the well-protected can work the system, but the interests of ordinary citizens are often left out.

As the new Congress opened its doors, lobbyists were still doing business as usual -- the gifts, the trips, all the things that people are concerned about haven't stopped. Twice this month you missed opportunities to stop these practices. I know there were other considerations in those votes, but I want to use something that I've heard my Republican friends say from time to time -- there doesn't have to be a law for everything. So tonight, I ask you to just stop taking the lobbyists' perks. Just stop. (Applause.)

We don't have to wait for legislation to pass to send a strong signal to the American people that things are really changing. But I also hope you will send me the strongest possible lobby reform bill, and I'll sign that, too. (Applause.)

We should require lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PACs. (Applause.)

And as I have said for three years, we should work to open the airwaves so that they can be an instrument of democracy, not a weapon of destruction by giving free TV time to candidates for public office. (Applause.)

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

More important, I think we all agree that we have to change the way the government works. Let's make it smaller, less costly and smaller -- leaner, not meaner. (Applause.)

I just told the Speaker the equal time doctrine is alive and well.
(Laughter.)

The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter. The old way of governing around here protected organized interests. We should look out for the interests of ordinary people. The old way divided us by interest, constituency or class. The New Covenant way should unite us behind a common vision of what's best for our country. The old way dispensed services through large, top-down, inflexible bureaucracies. The New Covenant way should shift these resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. (Applause.)

The old way of governing around here actually seemed to reward failure. The New Covenant way should have built-in incentives to reward success. The old way was centralized here in Washington. The New Covenant way must take hold in the communities all across America. And we should help them to do that. (Applause.)

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

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

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

Under the leadership of Vice President Gore, our initiatives have already saved taxpayers \$63 billion. The age of the \$500 hammer and the

ashtray you can break on David Letterman is gone. Deadwood programs, like mohair subsidies, are gone. We've streamlined the Agriculture Department by reducing it by more than 1,200 offices. We've slashed the small business loan form from an inch thick to a single page. We've thrown away the government's 10,000-page personnel manual. And the government is working better in important ways: FEMA, the Federal Emergency Management Agency, has gone from being a disaster to helping people in disasters. (Applause.)

You can ask the farmers in the Middle West who fought the flood there or the people in California who have dealt with floods and earthquakes and fires, and they'll tell you that. Government workers, working hand in hand with private business, rebuilt Southern California's fractured freeways in record time and under budget. And because the federal government moved fast, all but one of the 5,600 schools damaged in the earthquake are back in business.

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

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

And we need to get government closer to the people its meant to serve. We need to help move programs down to the point where states and communities and private citizens in the private sector can do a better job. If they can do it, we ought to let them do it. We should get out of the way and let them do what they can do better. (Applause.)

Taking power away from federal bureaucracies and giving it back to

communities and individuals is something everyone should be able to be for. It's time for Congress to stop passing on to the state the cost of decisions we make here in Washington. (Applause.)

I know there are still serious differences over the details of the unfunded mandates legislation, but I want to work with you to make sure we pass a reasonable bill which will protect the national interests and give justified relief where we need to give it. (Applause.)

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

But I think we should all remember, and almost all of us would agree, that government still has important responsibilities. Our young people -- we should think of this when we cut -- our young people hold our future in their hands. We still owe a debt to our veterans. (Applause.) And our senior citizens have made us what we are.

Now, my budget cuts a lot. But it protects education, veterans, Social Security and Medicare -- (applause) -- and I hope you will do the same thing. (Applause.) You should, and I hope you will. (Applause.)

And when we give more flexibility to the states, let us remember that there are certain fundamental national needs that should be addressed in every state, north and south, east and west -- immunization against childhood disease -- (applause) -- school lunches in all our schools -- (applause) -- Head Start, medical care and nutrition for pregnant women and infants -- (applause) -- medical care and nutrition for pregnant women and infants. (Applause.) All these things -- (applause) -- all these things are in the national interest.

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

Should we cut the deficit more? Well, of course, we should. Of course, we should. (Applause.) But we can bring it down in a way that

still protects our economic recovery and does not unduly punish people who should not be punished, but instead should be helped.

I know many of you in this chamber support the balanced budget amendment. (Applause.) I certainly want to balance the budget. Our administration has done more to bring the budget down and to save money than any in a very, very long time. (Applause.) If you believe passing this amendment is the right thing to do, then you have to be straight with the American people. They have a right to know what you're going to cut, what taxes you're going to raise, and how it's going to affect them. (Applause.)

We should be doing things in the open around here. For example, everybody ought to know if this proposal is going to endanger Social Security. (Applause.) I would oppose that, and I think most Americans would.

Nothing is done more to undermine our sense of common responsibility than our failed welfare system. This is one of the problems we have to face here in Washington in our New Covenant. It rewards welfare over work. It undermines family values. It lets millions of parents get away without paying their child support. It keeps a minority, but a significant minority of the people on welfare trapped on it for a very long time.

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

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

I want to work with you, with all of you, to pass welfare reform.

But our goal must be to liberate people and lift them up, from dependence to independence, from welfare to work, from mere childbearing to responsible parenting. Our goal should not be to punish them because they happen to be poor. (Applause.)

We should -- we should require work and mutual responsibility. But we shouldn't cut people off just because they're poor, they're young, or even because they're unmarried. We should promote responsibility by requiring young mothers to live at home with their parents or in other supervised settings, by requiring them to finish school. But we shouldn't put them and their children out on the street. (Applause.)

And I know all the arguments, pro and con, and I have read and thought about this for a long time. I still don't think we can in good conscious punish poor children for the mistakes of their parents. (Applause.) My fellow Americans, every single survey shows that all the American people care about this without regard to party or race or region. So let this be the year we end welfare as we know it. But also let this be the year that we are all able to stop using this issue to divide America.

No one is more eager to end welfare -- (applause.) I may be the only president who has actually had the opportunity to sit in a welfare office, who's actually spent hours and hours talking to people on welfare. And I am telling you, people who are trapped on it know it doesn't work. They also want to get off. So we can promote together education and work and good parenting. I have no problem with punishing bad behavior or the refusal to be a worker or a student, or a responsible parent. I just don't want to punish poverty and past mistakes. All of us have made our mistakes, and none of us can change our yesterdays. But every one of us can change our tomorrows. (Applause.)

And America's best example of that may be Lynn Woolsey, who worked her way off welfare to become a congresswoman from the state of California. (Applause.)

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

There may be other things we can do to be tougher on crime, to be smarter with crime, to help to lower that rate first. Well, if there

are, let's talk about them and let's do them. But let's not go back on the things that we did last year that we know work; that we know work because the local law enforcement officers tell us that we did the right things, because local community leaders who have worked for years and years to lower the crime rate tell us that they work.

Let's look at the experience of our cities and our rural areas where the crime rate has gone down and ask the people who did it how they did it. And if what we did last year supports the decline in the crime rate -- and I am convinced that it does -- let us not go back on it. Let's stick with it, implement it. We've got four more hard years of work to do to do that. (Applause.)

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

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

I'd like to talk about a couple of other issues we have to deal with. I want us to cut more spending, but I hope we won't cut government programs that help to prepare us for the new economy, promote responsibility and are organized from the grass roots up, not by federal bureaucracy. The very best example of this is the National Service Corps -- AmeriCorps. (Applause.)

It passed with strong bipartisan support. And now there are 20,000 Americans, more than every served in one year in the Peace Corps, working all over this country, helping people person to person in local, grass-roots volunteer groups, solving problems and, in the process, earning some money for their education. This is citizenship at its best. It's good for the AmeriCorps members, but it's good for the rest of us, too. It's the essence of the New Covenant, and we shouldn't stop it. (Applause.)

All Americans, not only in the states most heavily affected, but in every place in this country, are rightly disturbed by the large numbers of illegal aliens entering our country. The jobs they hold might otherwise be held by citizens or legal immigrants. The public service they use impose burdens on our taxpayers. That's why our administration has moved aggressively to secure our borders more by hiring a record number of new border guards, by deporting twice as many criminal aliens as ever before, by cracking down on illegal hiring, by barring welfare benefits to illegal aliens.

In the budget I will present to you we will try to do more to speed the deportation of illegal aliens who are arrested for crimes, to better identify illegal aliens in the workplace as recommended by the commission headed by former Congresswoman Barbara Jordan.

We are a nation of immigrants. But we are also a nation of laws. It is wrong and ultimately self-defeating for a nation of immigrants to permit the kind of abuse of our immigration laws we have seen in recent years, and we must do more to stop it. (Applause.)

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

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

Today, too many of those people are being left out. They're working harder for less. They have less security, less income, less certainty that they can even afford a vacation, much less college for their kids or retirement for themselves. We cannot let this continue.

If we don't act, our economy will probably keep doing what it's been doing since about 1978, when the income growth began to go to those at the very top of our economic scale and the people in the vast middle got very little growth, and people who worked like crazy but were on the bottom then fell even further and further behind in the years afterward -- no matter how hard they worked.

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

The second thing we ought to do is to help people raise their incomes immediately by lowering their taxes. (Applause.) We took the first step in 1993 with a working family tax cut for 15 million families with incomes under \$27,000; a tax cut that this year will average about \$1,000 a family. And we also gave tax reductions to most small and new businesses.

Before we could do more than that, we first had to bring down the deficit we inherited, and we had to get economic growth up. Now we've done both. And now we can cut taxes in a more comprehensive way. But tax cuts should reinforce and promote our first obligation -- to empower our citizens through education and training to make the most of their own lives.

The spotlight should shine on those who make the right choices for themselves, their families and their communities. I have proposed the Middle Class Bill of Rights, which should properly be called the Bill of Rights and Responsibilities because its provisions only benefit those who are working to educate and raise their children and to educate themselves. It will, therefore, give needed tax relief and raise incomes in both the short run and the long run in a way that benefits all of us.

There are four provisions. First, a tax deduction for all education and training after high school. (Applause.) If you think about it, we permit businesses to deduct their investment, we permit individuals to deduct interest on their home mortgages, but today an education is even more important to the economic well-being of our whole country than even those things are. We should do everything we can to encourage it. And I hope you will support it.

Second, we ought to cut taxes, \$500 for families with children under 13. (Applause.)

Third, we ought to foster more savings and personal responsibility by permitting people to establish an Individual Retirement Account and withdraw from it tax free for the cost of education, health care, first-

time home-buying or the care of a parent. (Applause.)

And fourth, we should pass a G.I. Bill for America's workers. We propose to collapse nearly 70 federal programs and not give the money to the states, but give the money directly to the American people; offer vouchers to them so that they, if they're laid off or if they're working for a very low wage, can get a voucher worth \$2,600 a year for up to two years to go to their local community colleges or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way. Move it from the government directly to the workers of America. (Applause.)

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

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

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

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

The goal of building the middle class and shrinking the underclass is also why I believe that you should raise the minimum wage. (Applause.) It rewards work. Two and a half million Americans -- 2.5 million Americans, often women with children, are working out there today for \$4.25 an hour. In terms of real buying power, by next year that minimum wage will be at a 40-year low. That's not my idea of how

the new economy ought to work.

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

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

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

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

I want to work together with all of you who have an interest in this -- with the Democrats who worked on it last time, with the Republican leaders like Senator Dole who has a longtime commitment to health care reform and made some constructive proposals in this area last year. We ought to make sure that self-employed people in small businesses can buy insurance at more affordable rates through voluntary purchasing pools. We ought to help families provide long-term care for a sick parent or a

disabled child. We can work to help workers who lose their jobs at least keep their health insurance coverage for a year while they look for work. And we can find a way -- it may take some time, but we can find a way -- to make sure that our children have health care. (Applause.)

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

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

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

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

You know, tonight, this is the first State of the Union address ever delivered since the beginning of the Cold War when not a single Russian missile is pointed at the children of America. (Applause.) And along with the Russians, we're on the way to destroying the missiles and the bombers that carry 9,000 nuclear warheads. We've come so far so fast in

this post-Cold War world that it's easy to take the decline of the nuclear threat for granted. But it's still there, and we aren't finished yet.

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

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

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

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

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

I have visited many bases at home and around the world, since I became president. Tonight, I repeat that request with renewed

conviction. We ask a very great deal of our Armed Forces. Now that they are smaller in number, we ask more of them. They go out more often to more different places and stay longer. They are called to service in many, many ways. And we must give them and their families what the times demand and what they have earned. (Applause.)

Just think about what our troops have done in the last year, showing America at its best -- helping to save hundreds of thousands of people in Rwanda, moving with lightning speech to head off another threat to Kuwait, giving freedom and democracy back to the people of Haiti. (Applause.)

We have proudly supported peace and prosperity and freedom from South Africa to Northern Ireland, from Central and Eastern Europe to Asia, from Latin America to the Middle East. All these endeavors are good in those places, but they make our future more confident and more secure.

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

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

We all know what while we here in this chamber can make a difference on those things, that the real differences will be made by our fellow citizens -- where they work and where they live. And it will be made almost without regard to party. When I used to go to the softball park in Little Rock to watch my daughter's league, and people would come up to me, fathers and mothers, and talk to me, I can honestly say I had no idea whether 90 percent of them were Republicans or Democrats. When I

visited the relief centers after the floods in California -- Northern California -- last week, a woman came up to me and did something that very few of you would do -- she hugged me and said, "Mr. President, I'm a Republican, but I'm glad you're here." (Laughter and applause.)

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

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

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

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

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

There must be more responsibility for all of our citizens. You know, it takes a lot of people to help all the kids in trouble stay off the streets and in school. It takes a lot of people to build the Habitat for Humanity houses that the Speaker celebrates on his lapel

pin. It takes a lot of people to provide the people power for all of the civic organizations in this country that made our communities mean so much to most of us when we were kids. It takes every parent to teach the children the difference between right and wrong and to encourage them to learn and grow; and to say no to the wrong things, but also to believe that they can be whatever they want to be.

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

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

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

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

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

Stephen Bishop is the police chief of Kansas City. (Applause.) He's been a national leader. (Applause.) Stand up -- (applause). He's been a national leader in using more police in community policing, and

he's worked with AmeriCorps to do it. And the crime rate in Kansas City has gone down as a result of what he did.

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

The next two folks I've had the honor of meeting and getting to know a little bit, the Reverend John and the Reverend Diana Cherry of the AME Zion Church in Temple Hills, Maryland. I'd like to ask them to stand. (Applause.) I want to tell you about them. In the early '80s, they left government service and formed a church in a small living room in a small house, in the early '80s. Today that church has 17,000 members. It is one of the three or four biggest churches in the entire United States. It grows by 200 a month. They do it together. And the special focus of their ministry is keeping families together. (Applause.)

Two things they did make a big impression on me. I visited their church once, and I learned they were building a new sanctuary closer to the Washington, D.C., line in a higher crime, higher drug rate area because they thought it was part of their ministry to change the lives of the people who needed them. (Applause.)

The second thing I want to say is, that once Reverend Cherry was at a meeting at the White House with some other religious leaders, and he left early to go back to his church to minister to 150 couples that he had brought back to his church from all over America to convince them to come back together, to save their marriages, and to raise their kids. This is the kind of work that citizens are doing in America. We need more of it, and it ought to be lifted up and supported. (Applause.)

The last person I want to introduce is Jack Lucas from Hattiesburg, Mississippi. Jack, would you stand up? (Applause.) Fifty years ago, in the sands of Iwo Jima, Jack Lucas taught and learned the lessons of citizenship. On February the 20th, 1945, he and three of his buddies encountered the enemy and two grenades at their feet. Jack Lucas threw himself on both of them. In that moment, he saved the lives of his companions, and miraculously in the next instant, a medic saved his life. He gained a foothold for freedom, and at the age of 17, just a year older than his grandson, who is up there with him today, and his son, who is a West Point graduate and a veteran, at 17, Jack Lucas became the youngest Marine in history and the youngest soldier in this century to win the Congressional Medal of Honor. (Applause.)

All these years later, yesterday, here's what he said about that day: "It didn't matter where you were from or who you were, you relied on one another. You did it for your country."

We all gain when we give, and we reap what we sow. That's at the heart of this New Covenant -- responsibility, opportunity and citizenship. More than stale chapters in some remote civics book; they're still the virtue by which we can fulfill ourselves and reach our God-given potential and be like them; and also to fulfill the eternal promise of this country -- the enduring dream from that first and most sacred covenant.

I believe every person in this country still believes that we are created equal, and given by our Creator, the right to life, liberty and the pursuit of happiness. This is a very, very great country. And our best days are still to come.

Thank you, and God bless you all. (Applause.)

END10:35 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary
(Claremont, New Hampshire)

For Immediate Release

June 11, 1995

REMARKS BY THE PRESIDENT
AND SPEAKER NEWT GINGRICH
AT EARL BOURDON SENIOR CENTRE PICNIC

Earl Bourdon Senior Centre
Claremont, New Hampshire

4:45 P.M. EDT

MR. GENDRON: While you're standing, please, a standing round of applause for the Stevens High School Band. (Applause.) They've been practicing day and night.

At this particular time I would like to also recognize someone who has worked on behalf of the senior organizations for many, many years, has been one of our greatest supporters, Jim Chmelik, from the National Council of Senior Citizens. Would you please -- standing round of applause. (Applause.)

Ladies and gentlemen, would you please join me in welcoming the President of the United States, William Jefferson Clinton. (Applause.)

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

I'm am delighted to be back in Claremont again. I have spent some happy days here. And I was invited to come here, as you know, when you folks -- I think it was actually Lou's idea; he found out I was going to be at Dartmouth giving the speech. And then I was interviewed and someone said, well, the Speaker is going to be here for the whole weekend, what advice would you give him? And I said, well, I'd give him two pieces of advice. I think he ought to -- if he's going to be in Concord, he ought to go down to Mary Hill's Grocery Store and talk to her because she's a wise woman. And he ought to do one of these little town meetings like I do from time to time. And so he called and he said, "I accept." (Laughter.)

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

I said then, and I will reiterate today that I thought what we needed then -- I still believe what we need -- is an economic strategy that focuses on creating jobs and raising incomes; a social strategy that rewards work and family, in terms of welfare

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reform and everything else we do, it reinforces responsible child-rearing and responsible work; that we ought to do it in a way that reduces the size of the government and reduces the bureaucratic burden of the government, but kept the government on side of ordinary Americans.

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

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

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

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

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

Mr. Speaker. (Applause.)

SPEAKER GINGRICH: Let me say -- let me say, first of all, that I am delighted to be here, and I appreciate very, very much -- (audience disruption) -- I appreciate very much the opportunity to be here. And I want to thank both Lou Gendron and I want to thank the President for having been willing to allow me to come over. I think despite this particular gentleman, I think that the tradition of New Hampshire for town hall meetings is exactly the right sort of thing to do.

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

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

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

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

And I agree with the President. The New Hampshire tradition of this kind of a discussion where we can sit, you can ask questions, we can both talk, and we're not in nine-second or 20-second or clever advertisements or any of that stuff. And I just want to say one thing about where we are that I think all of you can identify with.

I called my Mom a while ago and I called my mother-in-law, and said, gee, I'm here now, and what should I do and all that. (Laughter.) And I also talked to my two daughters. We have all three generations involved now in this discussion.

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

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

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

Thank you for letting me be here. (Applause.)

THE PRESIDENT: Who would like to go first? Who's got a question?
Yes, sir.

Q I would, number one, like to say I'm sure Earl Bourdon would be so proud of what is going on today. (Applause.) And I also would like to say that only in New Hampshire can this be that we can be having this conversation.

After the health care reform failure, the very, very large disappointment the last two years, one of the things that some of us recognize is that the special interest groups really are running the country. Let me ask you both -- gentlemen -- both the question: Would you be willing to have the same type commission as a base closure commission to review the reform act as far as the political section? So it would be out of the political scene; somebody would just say, these are the rules and this is the way it goes. Thank you.

THE PRESIDENT: Well, I would certainly be open to that. Let me back up and say one of the differences we have -- let's talk about one of the differences we have about this -- no one seriously believes that the budget can be balanced unless we can reduce

the rate of increase in Medicare and Medicaid costs. We agree on that. We disagree on how much we have to reduce it and how it ought to be done.

I also believe that it would be far better if we could do it in the context of health care reform so that, for example, for seniors, we would provide some incentives for less expensive but more widely-available long-term care short of nursing homes. We would have more emphasis on preventive care, because one of the big problems with Medicare is -- there are three issues here. What is the medical rate of inflation, and can we get it down to the overall rate of inflation. You know, health care costs have been going up more than medical costs -- regular costs.

The second issue is how many new folks are coming on to Medicare every year. The third issue is how much more will the same people use the system because people are living longer and longer, and the more you -- longer you live, the more you need to use it.

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

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

SPEAKER GINGRICH: Let me just ask first, I -- let me stop and please applaud. I think this is -- to have the President here is a good thing. (Applause.)

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

THE PRESIDENT: Is that what you -- I thought you were talking about health care reform.

SPEAKER GINGRICH: No, no --

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

SPEAKER GINGRICH: -- let's shake hands right here in front of everybody. How's that? Is that a pretty good deal? (Applause.)

THE PRESIDENT: I accept. (Applause.)

SPEAKER GINGRICH: I'll tell you, if every question is this productive -- now, can I just take one minute, Mr. President, and talk about the Medicare thing? I do think the President put his finger on something here where I think we analyze it slightly different,

but we both have the same commitment. And let me say, because I did talk both to my mother-in-law and my mother today, I can report that I'm checking in pretty much with people who are immediately concerned about Medicare.

There are two differences. One is, I agree with the President that there are a number of things that have to be changed about health care in America. For example, I believe if you're in the insurance system, we ought to guarantee tomorrow morning that you have portability that you can change insurance and change jobs, and there are no preconditions. And I feel this personally because my older daughter has a precondition and she's been through a period where she had to spend a whole year in vulnerability without any insurance.

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

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

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

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

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

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

The Republican in the Senate, Senator Packwood, with the major responsibility for this says that we can stabilize the financial fund of Medicare with savings at about half the level proposed in the Speaker's budget. It's not really his budget, but -- well, it

is now. They passed it. And I would prefer not to say right now we're going to cut at a level greater than I believe we have to in ways that I think will certainly require a lot of people who cannot afford it to pay more until we have explored all other alternatives -- because I believe we can get there without doing this.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Who's got another question?

Q My question is for Mr. Gingrich. The problems facing our country continuously grow more serious. And yet Congress continues to snip and snipe and they play the special interests and partisan politics. When is Congress going to get together and work for the good of the country? (Applause.)

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

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

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

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

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

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

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

And the Founding Fathers wanted an arena in the House and Senate to fight out our passions instead of having a civil war. They wanted us to send everybody from every part of the country. And their idea was that they wanted a system so inefficient that no dictator could force it to work. Now, the problem with that is --

THE PRESIDENT: They sure did that.

SPEAKER GINGRICH: I was going to say, they succeeded. We can barely get it together voluntarily. So, Mr. President --

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

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

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

So if you don't want that, if you want a reasoned debate, and you really want to say to the Republicans and Democrats, look, get together and do something that is good for the country and put party aside, then out here in the country, when the congressmen and the senators come home on the weekends, you need to tell them that. And you need to say it over and over and over again. We will stay with you. We will not be spooked by this

or that lunge in one direction or the other. We'll give you four, five, or six months to try to work through this budget and that's what we expect you to do.

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

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

THE PRESIDENT: Senator Dole hasn't given me permission to read that book yet. (Laughter.)

SPEAKER GINGRICH: Well, I thought I'd get you a copy soon.

THE PRESIDENT: That's good. (Applause.)

SPEAKER GINGRICH: But let me tell you, because it was so vivid and it makes the President's point. We had a meeting you'll remember well where Dick Armey and I were down there and the whole brand new leadership after the election. And, obviously, the President wasn't all that thrilled to have the Republicans win the election. And we understood that, and, heck, we wouldn't have been -- you know -- I wasn't all that thrilled, frankly, to have George Bush lose the last one, so we understood his feelings.

We had a great meeting. It was a meeting that I almost could have been on C-SPAN because the country wouldn't have believed -- we talked about line-item veto, which is currently a little bit bogged down, but we'll get to it.

THE PRESIDENT: Give it back to me. (Laughter.)

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

The second question we were asked -- "What do you think it will break down over?" And both of us got mad. He's right, I get too hot sometimes. So I just said to the reporter -- I said, you just heard the leaders of the Republican Party say that the Democratic President today had had a wonderful meeting on behalf of America; we're trying to work together. Couldn't you try for 24 hours to have a positive, optimistic message as though it might work?

It's a true story and he did it. It was a great meeting that he called. (Applause.)

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

More than half the time in this country -- this is an interesting little historical fact -- more than half of the presidents who have served have had the Congress in

the hands of the opposite party at least one, if not both, Houses. Now, that's what -- the voters seem to think that's a good idea and they keep doing it. So we have to try to figure out how to make that work.

Who's got -- yes. Mr. Peabody, you're looking good in your Navy cap.
(Applause.)

Q I think, Mr. President and Mr. Speaker, that by your being here today and talking the way you are to each other today, that you may help turn our country around and get rid of this back-biting which has prevented our country from going ahead during the past 10 years. And I congratulate you both for being here. (Applause.)

Mr. Speaker, in your introductory remarks you mentioned that us folks experienced World War II and the Korean War, and we did. And we fought a war -- we hoped we'd never fight a third world war. And our Presidents, President Roosevelt and President Truman, with the leaders of the Republican Congress as well, helped set up the United Nations. And for 50 years we have prevented a World War III.

And we are worried as we move off the scene that our children will not have the peace that we have had, even though it has been marked by interim wars. And we are worried that the United Nations will not have the support in the future that it's had in the past. And we're concerned, Mr. Speaker, with, I think it's called H.R. 5, which would gut -- H.R. 7 -- which would gut the United Nations and the peacekeeping effort that we've had in the past. We hope that you can resurrect that bill and provide the United Nations the strength so we will give credit to our veterans who died in the last war and that we might have peace and keep the United Nations going. (Applause.)

SPEAKER GINGRICH: Let me say, first of all -- and I appreciate very much your comment about the two of us being here. And I hope you're right.

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

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

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

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

The U.N. current system of command and control is a nightmare. And anybody anywhere in the military -- and the President knows this, because he gets briefed on it -- any of our military who looks at what's been happening in Bosnia just wants to cry. You don't send in the military to be hostages; you send in the military to rescue hostages. And the U.N. system -- I'm willing to take the U.N. system seriously enough to actually encourage our government to take the lead in reforming the current peacekeeping system, because if it's not reformed, it's going to collapse and become a joke, and you'll see NATO replace it in Bosnia in the not-very-distant future. And I take it very seriously.

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

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

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

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

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

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

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

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

Q I'd like to say that my philosophy is that if people are working and getting a good wage that they will spend their money and people will be able to, with the money they spend and buy things with, the people that make that product will be able to

work and get a salary. X-amount of money of that will be sent back to our government in taxes which will help run our country.

Now, I feel that -- I would like to ask a question that, by the way I've talked, that both of you will be able to answer. Do you really think that \$4.50 is too much to make per hour -- the minimum wage I'm talking?

THE PRESIDENT: No, I'm for raising it. (Applause.) You know I am.

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

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

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

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

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

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

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

SPEAKER GINGRICH: Note that editing, I my point out. That was very well done. (Laughter.)

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

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

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

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

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

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

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

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

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

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

Q I don't think I can stand up. My name is Wreatha Gendron, and I'm Lou's wife. I'm a former VISTA volunteer. And that's how I got my start. And I think my question would probably be directed to you, sir.

I went down to Concord. I was privileged to go down and see the opening of AmeriCorps in Concord, New Hampshire. And I can't get over the numbers of people that I saw. And when I was a VISTA volunteer 14 years ago, there were -- I think everyone that was in my group of people that worked in the state of New Hampshire have gone on to become very successful and hardworking. And many, many of those people in that group were single parents. And that's how they got their start. And I consider myself extremely fortunate to be a VISTA volunteer and support the AmeriCorps. And I'd like to know what your views are on that.

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

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

So if you said to me tomorrow morning would I rather strengthen AmeriCorps or the Salvation Army, the truth is -- and I happen to agree with a book by Marvin Elasky (ph) called the "Tragedy of American Compassion," where he argues that the kind of transformation that you can get from 100 Black Men or from Habitat for Humanity, who's pin I'm wearing -- the kind of groups that aren't restricted by legitimate government restrictions, but are able to go in in a much more spiritual basis and a much more directed basis and help people change, you get a stronger, healthier society by getting it totally out of government. That's a difference of philosophy about the size of government.

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

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

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

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

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

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

Questions?

MR. GENDRON: Mr. President, Mr. Speaker --

THE PRESIDENT: Do you want to have one more question --

MR. GENDRON: Ladies and gentlemen, we have time for one more question.

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

SPEAKER GINGRICH: The answer is, yes, it would. And I support it. And I'm hoping we're going to be in conference this summer. And the line-item vetoes aim specifically at appropriations bills. And he's already indicated that's how he'd use it. And I hope we're going to be able to get it passed and to him this summer so he can actually use it. I strongly favor it. I think 43 of the governors have it. I think you had it when you were governor of Arkansas.

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

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

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

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

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

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

SPEAKER GINGRICH: If I could -- let me say thank you and good-bye first, and then let the President have the final say, as is appropriate.

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

THE PRESIDENT: Same with the Democrats. It's not just the Republicans.

SPEAKER GINGRICH: There's a real challenge for all of us to go back home and explain why American has to lead.

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

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

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

THE PRESIDENT: What? (Laughter.) My chops are no good today. (Laughter.) But I'll be over there in just a minute.

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

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

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

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

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

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

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

Thank you and God bless you all. (Applause.)

END

5:50 P.M. EDT

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