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

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

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

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

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

Thanks for listening.

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

Statement on the European Economic and Monetary Union

May 3, 1998

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

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

May 3, 1998

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

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

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

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

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

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

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

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

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

Now, there are those who say, ''Well, let's spend it.'' There are those who say, ''Let's have a tax cut.'' My view is, look, we've waited 30 years for this. The economy is coming back because we've been responsible and kept interest rates down and gotten investment going again. Senator Watson and Controller Connell will tell you that California and other States are in better shape economically because the country is doing better.

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

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

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

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

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

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

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

Audience members. Yes!

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

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

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

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

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

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

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

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

Thank you, and God bless you. Thank you.

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

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

May 3, 1998

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

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

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

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

I think I should repeat something I said. I once went to Marvin and Barbara Davis's home and I walked down that beautiful spiral staircase, and I said, "You know, this place makes the White House look like public housing." [*Laughter*] That's sort of how I feel tonight. And of course, the White House is public housing. [*Laughter*] And I thank you for letting me and my family be tenants for a little while. It has effective rent control as well. [*Laughter*]

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

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

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

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