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Economic Statement 7/31/98

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	Handwritten. Michael Waldman Comments. (1 page)	07/1998	P5

COLLECTION:

Clinton Presidential Records
Speechwriting
Jeff Shesol
OA/Box Number: 19943

FOLDER TITLE:

Economic Statement 7/31/98

2006-0467-F
vz1288

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

REVISED

Revised Final 07/31/98 10:00am
Jeff Shesol

'98 JUL 31 AM 10:09

PRESIDENT WILLIAM J. CLINTON

REMARKS ON THE ECONOMY

THE ROSE GARDEN

July 31, 1998

cc:
Laura Capps

I want to talk to you this morning about the strength of the American economy and the ways we can make it stronger still as we approach the 21st century.

Five and a half years ago, we set a new strategy for a new economy, founded on fiscal discipline, expanded trade, and investment in our people. Today, our economy is the strongest in a generation. While the latest economic report shows that growth in the second quarter of 1998 was more moderate than in the remarkable first quarter, it shows that the American economy continues to ENJOY STEADY growTH. ~~steadily.~~ So far this year, economic growth has averaged 3.5 percent. This is growth the right way -- led by business investment and built on a firm foundation of fiscal discipline.

7-31-98

We've also learned today that since I took office, the private sector of the economy has grown by nearly 4%, as ~~expanded by nearly one~~ we have reduced the fed gov't to its smallest size in 35 yrs ~~quart~~er. Wages are rising; investment and consumer confidence remain high; unemployment and inflation remain low. Prosperity and opportunity abound for the American people.

In the long term, we can keep the American economy on its strong and prosperous course. Our economic foundation is solid; our strategy is sound. Still, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy that, for nearly six years now, has given America a growing economy -- the strongest in a generation.

7-31-98

First, we must maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted the course to a balanced budget -- the first balanced budget, and the first budget surplus, in three decades. That fiscal discipline has had a powerful impact on the American economy: driving interest rates down, pushing investment up to historic levels, and creating a virtuous cycle of economic activity that helped cut the deficit even further. ~~But we have not come this far, or worked this hard, to~~ we must hold a steady course + abandon the fiscal discipline ~~that got us here by squandering the surplus, as some in Congress are suggesting~~. As I have said: we should not spend a single penny of the surplus until we have saved Social Security first.

Fiscal discipline helped build the strongest economy in thirty years. Fiscal recklessness would weaken it. We must use these good times to honor our duty to our parents and the next generation by saving Social Security first.

Second, we must continue to invest in the American people. When I laid out my economic agenda more than five years ago, I said that we had to close two gaps: one in the budget and the other in the skills of our people. Now, as we hear of a shortage of highly skilled workers, we have more confirmation that America must invest in education and job training. To fill those high-wage jobs, we need a job training system that works.

7-31-98

In 1995 I put forward a comprehensive proposal to modernize job training -- a G.I. Bill for America's workers. With bipartisan support, Congress is poised to finish the job, [illegible] and I look forward [illegible] to signing the bill into law. Congress must continue along this path to progress -- and reject partisanship. They should abandon plans to make drastic cuts in our nation's education budget. An investment in education is the most important investment we can make in America's future.

Third, we must continue to lead the world in this age of economic interdependence. More than one quarter of America's economic growth during the past five years has come from exports.

7-31-98

One of the reasons growth moderated in the second quarter is because we are feeling the direct and discernible effects of the Asian economic slowdown. Simply put, the health of the Asian economy affects the health of our economy. We have seen the impact on our nation's rural communities, which send about 40 percent of all American grain exports to Asian countries. The Asian financial crisis has meant a 30 percent decline in farm exports to Asia.

The International Monetary Fund is designed to support needed reform in those economies -- to ~~stabilize them, like the rudder of a great ship, and help steer them in the right direction~~ & to help them help themselves restore growth & confidence in their economies (A). IT Asian countries are among the best customers for our nation's products.

4

7-31-98

The International Monetary Fund is designed to support necessary reform in those economies and to help them help themselves to restore growth and confidence in their economies.

I also want to say that it is especially important for Asia and our economy that the new Japanese government move forward to quickly and effectively strengthen its financial system and stimulate and open its economy.

Welcome new PM + new FM Miyazawa on Fin

Look forward to talking w/ new PM tomorrow.

~~Hatch ...~~ 7-31-98

That is why a commitment to the IMF is an investment in the American economy. And that is why Congress should step up to its responsibility, put progress, again, above partisanship, and renew our commitment to the IMF. I urge Congress to stop playing politics with America's prosperity.

Open and fair trade. A balanced budget. Saving Social Security. Better education and higher skills. The strategy that has boosted the American economy during the past five and a half years will boost it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to strengthen an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

REVISED

Final 04/30/98 11:30am

'98 APR 30 AM11:42

PRESIDENT WILLIAM J. CLINTON

REMARKS ON THE ECONOMY

THE WHITE HOUSE

April 30, 1998

THE [illegible] HAS SEEN
4-30-98

cc:
Laura Capps

Good afternoon. I am looking forward to taking your questions, but ~~1st I'd like to comment on progress~~ ~~first I'd like to talk to you about the ways~~ ~~we are making for~~ ~~we are making America stronger as we approach the 21st century~~. 1st I would like to comment on a couple of matters that are essential to our strength in 21st C.

~~Five years ago, we charted a new course for a new economy~~--a strategy of fiscal discipline, expanded trade, and investment in our people. Today we received more good news that this strategy is working. The latest economic report shows that in the first quarter of 1998, our economy grew at a rate of 4.2 percent. Wages are rising while inflation remains low. This expansion is fueled not by growing government deficits but by booming business investment.

THE PRESIDENT HAS SEEN
4-30-98

In the first quarter, unemployment was the lowest in 28 years; inflation was the lowest in more than 30 years; and consumer confidence reached its highest level in 30 years. For five years in a row, America's economy has been rated the most competitive in the world.

We are living in an American economic renaissance. Opportunity is abundant. Communities are getting stronger. Families are more secure. ~~These are prosperous and productive times for the American people.~~

Still, we cannot allow the hum of our growing economy to lull us into complacency.

THE PRESIDENT HAS SEEN
4-30-98

As estimates of the possible budget surplus expand, so do suggestions we squander it on tax cuts or spending. But Americans have worked too hard for too long to put our fiscal house in order, so I will strongly resist the use of a single penny of the surplus before we have saved Social Security.

Nor can we turn our backs on America's responsibility to lead in the world. We see that commitment today, as the Vice President and Mrs. Gore represent our nation at the 50th anniversary of the state of Israel. ~~We have more to do to exercise this leadership here at home.~~

Today, ~~T~~the health of our own economy is deeply affected by the health of the global economy.

R

I therefore call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund and pay our U.N. debt. I am confident we can do this in a bipartisan fashion. The debate over NATO enlargement has been a model of bipartisan action. I thank Senators Lott, Daschle, Helms and Biden for their leadership on this issue, and I hope for a strongly positive vote in the Senate today. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation--a Europe united, democratic and secure.

At the threshold of the 21st century, America is on the rise--at home and abroad.

We must continue this progress. At stake is nothing less than our economic strength and our national security. If we overcome our divisions here at home and work together as one nation, then America will truly be a beacon of hope into the next century. Thank you.

Now, as I said at the White House Correspondents' Dinner the other night, by long tradition Helen gets the first question.

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07/31/98 12:28:00 PM

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Subject: 1998-07-31 President's Remarks on the Economy

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 31, 1998

REMARKS BY THE PRESIDENT
ON THE ECONOMY

The Rose Garden

11:57 A.M. EDT

THE PRESIDENT: Good morning. I want to thank the Vice President, Mr. Bowles, and our economic team for joining us today to talk about the continuing strength of our economy and what we have to do to make it stronger as we move toward a new century.

Five and a half years ago, we set a new strategy for the new economy, founded on fiscal discipline, expanded trade, and investment in our people. Today our economy is the strongest in a generation. While the latest economic report shows that growth in the second quarter of 1998 was more moderate than the truly remarkable first quarter, it shows that our economy continues to enjoy steady growth. So far this year, economic growth has averaged 3.5 percent. This is growth the right way, led by business investment and built on a firm foundation of fiscal discipline.

We've also learned today that since I took office the private sector of our economy has grown by nearly 4 percent, while we have reduced the federal government to its smallest size in 35 years. Wages are rising. Investment and consumer confidence remain high. Unemployment and inflation remain low. Prosperity and opportunity abound for the American people.

In the long run, we can keep our economy on its strong and prosperous course. Our economic foundation is solid, our strategy is sound. Still, we know from events that, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy we began six years ago.

First, we have to maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted our course to a balanced budget and reduced the deficit by over 90 percent by the time we signed the Balanced Budget Act in 1997. This fiscal discipline has had a powerful, positive impact, driving interest rates down, pushing investment to historic levels, creating a virtuous cycle of economic activity that has helped cut the deficit even further. We must hold a steady course, and we should not spend a penny of the surplus until we have saved Social Security first. Fiscal discipline helped to build this strong economy; fiscal recklessness could undermine it dramatically. We must use these good times to honor our parents and the next generation by saving Social Security first.

Second, we must continue to investment in the American people. Five years ago I said we had to close two gaps, one in the budget and the other in the skills of our people. Now, as we hear of a shortage of highly skilled workers all across our country, we have more confirmation that America simply must do more in education and training. To fill those high-wage jobs, we must have a training system that works.

In 1995 I put forward a comprehensive proposal to modernize, overhaul, and streamline our job training programs. I called it a G.I. Bill for America's Workers. With bipartisan

support, Congress is now poised to finish the job. I was so pleased by the bipartisan overwhelming vote in the Senate last night for the G.I. Bill. And I look forward to prompt House action and to signing the bill into law soon. Congress must continue this path to progress without partisanship. They should abandon plans to make drastic cuts in our nation's education budget. An investment in education is clearly the most important long-term economic investment we can make in our future.

The third thing we have to do is to lead the world in this age of economic interdependence, and we have to do more there. More than a quarter of our economic growth during the past five years has come from exports. One of the reasons that growth moderated in the second quarter is because we are feeling the direct, discernible effects of the Asian economic downturn. Simply put, the health of the Asian economy affects the health of our own. Just with our grain crops, about half of that crop is exported, and about 40 percent of the exports go to Asia.

We have seen, therefore, this impact already in our rural communities. And I've talked about that quite a bit in the last couple of weeks. The Asian financial crisis has literally led to a 30 percent decline in farm exports to Asia.

The International Monetary Fund is designed to support necessary reforms in those economies, to help them help themselves, and to restore growth and confidence in their economies.

Now, I also want to say something that you all know -- it is especially important for Asia and for our economy that the new Japanese government move forward quickly and effectively to strengthen its financial system and stimulate and open its economy. It is going to be very, very difficult for Asia to recover unless its leading economy, Japan, leads the way. I welcome the election of the new Prime Minister, as well as a former Prime Minister with whom I have worked, Mr. Miyazawa, as the new Finance Minister. I am looking forward to talking with the new Prime Minister tomorrow.

And again, I remind the American people of our long friendship and partnership in so many ways -- political, security, and economics -- with Japan. We want to work with them and we hope that this new government can find the keys to restore to the Japanese people, who have a great economy and a great society, the growth that they deserve.

Finally, let me say, we must do our part. That is why a commitment to the International Monetary Fund is an investment not simply in other countries and their reform, but in our own economy. We have to grow this economy by selling things to other people. They need the money to buy our products. That is why Congress should step up to its responsibility, put, again, progress ahead of partisanship, and renew our commitment and pay our fair share to the IMF. I urge Congress to do this quickly and not to put at risk our prosperity.

Open and fair trade, a balanced budget, saving Social Security, better education, and higher skills -- the strategy that has boosted our economy for five and a half years will boost it further as we boldly move into a new century. I will continue to do everything in my power and to work as hard as I can with Congress to strengthen an economy that offers opportunity to all, a society rooted in responsibility, and a nation that lives as a community with each other and with the rest of the world.

Again, I want to say to all the economic team how much I appreciate the special and the difficult work we have done these last months as our country has coped with the General Motors strike -- which, thank goodness, has now concluded on successful terms -- and with the problems in Asia and elsewhere.

Thank you very much.

Q Mr. President --

Q Mr. President --

THE PRESIDENT: Wait, wait, wait. Everybody has got a question. Let me give you answer to all of them.

Q You didn't hear --

THE PRESIDENT: I know -- yes, I did, I heard of all you shouting about it.

No one wants to get this matter behind us more than I do -- except maybe all the rest of the American people. I am looking forward to the opportunity in the next few days of testifying. I will do so completely and truthfully. I am anxious to do it. But I hope you can understand why, in the interim, I can and should have no further comment on these matters.

Thank you very much.

END 12:03 P.M. EDT

Message Sent To:

Revised Final 07/31/98 10:00am
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON THE ECONOMY

THE ROSE GARDEN

July 31, 1998

I want to talk to you this morning about the strength of the American economy and the ways we can make it stronger still as we approach the 21st century.

Five and a half years ago, we set a new strategy for a new economy, founded on fiscal discipline, expanded trade, and investment in our people. Today, our economy is the strongest in a generation. While the latest economic report shows that growth in the second quarter of 1998 was more moderate than in the remarkable first quarter, it shows that the American economy continues to have steady growth ~~steadily~~. So far this year, economic growth has averaged 3.5 percent. This is growth the right way -- led by business investment and built on a firm foundation of fiscal discipline.

We've also learned today that since I took office, the private sector of the economy has expanded by nearly one quarter. Wages are rising; investment and consumer confidence remain high; unemployment and inflation remain low. Prosperity and opportunity abound for the American people.

(nearly 4%/yr — that's 1/4 over 5½ yrs.)

In the long term, we can keep the American economy on its strong and prosperous course. Our economic foundation is solid; our strategy is sound. Still, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy that, for nearly six years now, has given America a growing economy -- the strongest in a generation.

First, we must maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted the course to a balanced budget -- the first balanced budget, and the first budget surplus, in three decades. That fiscal discipline has had a powerful impact on the American economy: driving interest rates down, pushing investment up to historic levels, and creating a virtuous cycle of economic activity that helped cut the deficit even further. But we have not come this far, or worked this hard, to abandon the fiscal discipline that got us here by squandering the surplus, as some in Congress are suggesting. As I have said: we should not spend a single penny of the surplus until we have saved Social Security first.

Fiscal discipline helped build the strongest economy in thirty years. Fiscal recklessness would weaken it. We must use these good times to honor our duty to our parents and the next generation by saving Social Security first.

Second, we must continue to invest in the American people. When I laid out my economic agenda more than five years ago, I said that we had to close two gaps: one in the budget and the other in the skills of our people. Now, as we hear of a shortage of highly skilled workers, we have more confirmation that America must invest in education and job training. To fill those high-wage jobs, we need a job training system that works.

In 1995 I put forward a comprehensive proposal to modernize job training -- a G.I. Bill for America's workers. With bipartisan support, Congress is poised to finish the job, and I look forward to signing the bill into law. Congress must continue along this path to progress -- and reject partisanship. They should abandon plans to make drastic cuts in our nation's education budget. An investment in education is the most important investment we can make in America's future.

Third, we must continue to lead the world in this age of economic interdependence. More than one quarter of America's economic growth during the past five years has come from exports.

One of the reasons growth moderated in the second quarter is because we are feeling the direct and discernible effects of the Asian economic slowdown. Simply put, the health of the Asian economy affects the health of our economy. We have seen the impact on our nation's rural communities, which send about 40 percent of all American grain exports to Asian countries. The Asian financial crisis has meant a 30 percent decline in farm exports to Asia.

The International Monetary Fund is designed to ~~reform those economies -- to stabilize them, like the rudder of a great ship, and help steer them in the right direction~~ support necessary reform in those economies and help them help themselves to restore growth + confidence. Asian countries are among the best customers for our nation's products.

That is why a commitment to the IMF is an investment in the American economy. And that is why Congress should step up to its responsibility, put progress, again, above partisanship, and renew our commitment to the IMF. I urge Congress to stop playing politics with America's prosperity.

I also want to say that it is esp. important for Asia + our econ. that the new Japanese gov't move fwd ~~to~~ to quickly + effectively strengthen its financial system, + stimulate + open its economy.

Open and fair trade. A balanced budget. Saving Social Security. Better education and higher skills. The strategy that has boosted the American economy during the past five and a half years will boost it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to strengthen an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

Revised Final 07/31/98 10:00am
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE ROSE GARDEN
July 31, 1998

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The International Monetary Fund is designed to reform those economies -- to stabilize them, like the rudder of a great ship, and help steer them in the right direction. Asian countries are among the best customers for our nation's products. That is why a commitment to the IMF is an investment in the American economy. And that is why Congress should step up to its responsibility, put progress, again, above partisanship, and renew our commitment to the IMF. I urge Congress to stop playing politics with America's prosperity.

Open and fair trade. A balanced budget. Saving Social Security. Better education and higher skills. The strategy that has boosted the American economy during the past five and a half years will boost it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to strengthen an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

Revised Final 07/31/98 9:30am
Jeff Shesol

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REMARKS ON THE ECONOMY
THE ROSE GARDEN
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Final 07/30/98 7:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON THE ECONOMY

THE ROSE GARDEN

July 31, 1998

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Five and a half years ago, we set a new strategy for a new economy, founded on fiscal discipline, expanded trade, and investment in our people. Today, our economy is the strongest in a generation. The latest economic report shows that growth moderated appreciably during the second quarter of 1998, to a rate of [TK] percent; but the foundation of the American economy remains solid, and we are well on track to having another strong year. Investment and consumer confidence are high; unemployment and inflation are low. Prosperity and opportunity abound for the American people.

We know there are several reasons that growth has moderated since our remarkable performance last quarter, some of them temporary: the General Motors strike, which has been resolved; fluctuations in business inventories; and the continued economic slowdown among our trading partners in Asia.

In the long term, we can keep the American economy on its strong and prosperous course. Our economic foundation is solid; our strategy is sound. Still, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy that, for nearly six years now, has given America a growing economy -- the strongest in a generation.

First, we must maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted the course to a balanced budget -- the first balanced budget, and the first budget surplus, in three decades. That fiscal discipline has had a powerful impact on the American economy: driving interest rates down, pushing investment up to historic levels, and creating a virtuous cycle of economic activity that helped cut the deficit even further. But we have not come this far, or worked this hard, to abandon the fiscal discipline that got us here by squandering the surplus, as some in Congress are suggesting. As I have said: we should not spend a single penny of the surplus until we have saved Social Security first.

Second, we must continue to invest in the American people. When I laid out my economic agenda more than five years ago, I said that we had to close two gaps: one in the budget and the other in the skills of our people. Now, as we hear of a shortage of highly skilled workers, we have more confirmation that America must invest in education and job training. That is the way we are going to fill those high-wage jobs. [I am willing to lift visa restrictions as a temporary fix, but I will do so only if, at the same time, we lift the skills of American workers for the long term.] In 1995 I put forward a comprehensive bill to modernize job training -- a G.I. Bill for America's workers. I am pleased that Congress is poised to finish the job, and I look forward to signing the bill into law.

Congress must continue along this bipartisan path to progress -- and reject partisanship. They should abandon plans to make drastic cuts in our nation's education budget. An investment in education is the most important investment we can make in America's future.

Third, we must continue to lead the world in this age of economic interdependence. Fully one-third of America's economic growth during the past five years has come from exports. That is why, as today's economic report shows, the health of the Asian economy affects the health of our economy. We have seen the impact on our nation's rural communities, which send about 40 percent of all American grain exports to Asian countries.

The Asian financial crisis has meant a 30 percent decline in farm exports to Asia.

The International Monetary Fund is designed to reform those economies, to stabilize them, like the rudder of a great ship, and help steer them in the right direction. Asian countries are among the best customers for our nation's products. That is why a commitment to the IMF is an investment in the American economy. And that is why Congress should step up to its responsibility, put progress, again, above partisanship, and renew our commitment to the IMF. I urge Congress to stop playing politics with America's prosperity.

Open and fair trade. A balanced budget. Better education and higher skills. The strategy that has boosted the American economy during the past five and a half years will boost it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to strengthen an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

Document No. ___________

WHITE HOUSE STAFFING MEMORANDUM

Date: 7/30/ ACTION / CONCURRENCE / COMMENT DUE BY: 7/30/98 6:00 PM

Subject: REMARKS ON THE ECONOMY

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	McCURRY	☐	✓
BOWLES	✓	☐	NASH	☐	☐
PODESTA	✓	☐	REED	✓	☐
ECHAVESTE	✓	☐	RUFF	☐	☐
LEW	✓	☐	SMITH	☐	☐
BEGALA	✓	☐	SOSNIK	✓	☐
BERGER	☐	☐	SPERLING	✓	☐
BLUMENTHAL	✓	☐	STEIN	✓	☐
EMANUEL	✓	☐	STERN	☐	☐
IBARRA	☐	☐	STREETT	☐	☐
JONES	☐	☐	VERVEER	☐	☐
KLAIN	☐	☐	~~WALDMAN~~	✓	☐
LEWIS	✓	☐	YELLEN 3N4	✓	☐
LINDSEY	☐	☐	RICCI, L.	✓	☐
MARSHALL	☐	☐	___________	☐	☐
MOORE	☐	☐	___________	☐	☐
McGINTY	☐	☐	___________	☐	☐

REMARKS: COMMENTS TO JEFF SHESOL

RESPONSE:

STAFFING.WPD 7/14/98

Staff Secretary's Office
Ext. 62702

Draft 07/30/98 3:45pm
Jeff Shesol

'98 JUL 30 PM3:49

(.4 p.p.)

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE ROSE GARDEN
July 31, 1998

and that the annual growth rate has been revised upwards by almost half a percentage point over the past 3 years

I want to talk to you this morning about the strength of the American economy and the ways we can make it stronger still as we approach the 21st century.

Five and a half years ago, we set a new strategy for a new economy, founded on fiscal discipline, expanded trade, and investment in our people. Today, our economy is the strongest in a generation. The latest economic report shows that growth moderated appreciably during the second quarter of 1998, to a rate of [TK] percent; ~~but~~ the foundation of the American economy remains solid, and we are well on track to having another very strong year. Investment and consumer confidence are high; unemployment and inflation are low. Prosperity and opportunity abound for the American people.

We know there are several reasons that growth has slowed since our remarkable performance last quarter, some of them temporary. In part, we are seeing the impact of the General Motors strike. I am pleased that GM and the United Auto Workers have settled their differences and are back to work. In part, we are also seeing ~~fluctuations in the ways businesses manage their inventories~~ a decline in the rate of stockbuilding toward a more normal pace. And most significant, we are feeling the effects of the continued economic slowdown among our trading partners in Asia.

Overwhelmingly and in the long term, the American economy continues on a strong, prosperous course. Our economic foundation is solid and our strategy is sound. Still, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy that, for nearly six years now, has given America a growing economy -- the strongest in a generation.

First, we must maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted the course to a balanced budget -- the first balanced budget, and the first budget surplus, in three decades. Americans can take pride in those achievements. But we have not come this far, or worked this hard, to abandon the fiscal discipline that got us here by squandering the surplus, as some in Congress are suggesting. As I have said: I will strongly resist spending a single penny of the surplus until we have saved Social Security first.

Second, we must continue to invest in the American people. In our high-tech economy, managers already speak of a shortage of highly skilled workers. We should be training American workers to fill those jobs now, and educating young Americans to fill them in the future. I am pleased that the Senate has passed a job training reform bill, building on my 1995 proposal for a G.I. Bill for America's workers. Congress must continue along this bipartisan path to progress -- and must reject partisanship. They should abandon plans to make drastic cuts

31%

in our nation's education budget. An investment in education is the most important investment we can make in America's future.

Third, we must continue to lead the world in this age of economic interdependence. About ~~Fully~~ one-third of America's economic growth during the past five years has come from exports. That is why, as today's economic report shows, the health of the Asian economy affects the health of our economy. Congress must therefore step up to its responsibility, again put progress above partisanship, and renew our commitment to the International Monetary Fund. The IMF is like the rudder of a great ship: it lends stability; it helps us steer the global economy in the right direction. Quite simply, a commitment to the IMF is an investment in the American economy. I urge Congress to stop playing politics with our obligations -- obligations to our own people and our own prosperity.

Fiscal discipline. Expanding American exports. Sound investment in our people. The strategy that has strengthened the American economy today will strengthen it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to deepen our prosperity and widen the circle of opportunity for all Americans in the 21st century.

LINDA RICCI
07/30/98 06:39:41 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP

cc:

Subject: Re: Economic Statement draft 7/30 3:45pm

Here's an OMB comment. Also, depending on what the # turns out to be tomorrow, we might not want to say "we're on our way to a **very** strong year."

--------------------- Forwarded by Linda Ricci/OMB/EOP on 07/30/98 06:37 PM ---------------------------

JOSHUA GOTBAUM
07/30/98 04:38:48 PM

Record Type: Non-Record

To: Linda Ricci/OMB/EOP@EOP

cc: victoria a. wachino/omb/eop@eop

Subject: Re: Economic Statement draft 7/30 3:45pm

Seems OK, but I wonder if there isn't a way to make sure that the "Save Social Security First" line is the one that gets picked up. E.g.,

"I have said **time and time and time again**: **We should not spend** ~~I will strongly resist spending~~ a single penny of the surplus until we have saved Social Security first.

Draft 07/30/98 5:45pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
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THE ROSE GARDEN
July 31, 1998

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We know there are several reasons that growth has moderated since our remarkable performance last quarter, some of them temporary: the General Motors strike, which has been resolved; fluctuations in business inventories; and the continued economic slowdown among our trading partners in Asia.

In the long term, we can keep the American economy on its strong and prosperous course. Our economic foundation is solid; our strategy is sound. Still, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy that, for nearly six years now, has given America a growing economy -- the strongest in a generation.

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A balanced budget. Better education. and higher standards Fair trade. The strategy that has boosted the American economy during the past five and a half years will boost it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to strengthen an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

Gene + Rahm
edits

Gene: each pt. misses edge
for more ~~ex~~ substance
– more seriousness

Draft 07/30/98 3:45pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE ROSE GARDEN
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Rahm: List, not explain

We know there are several reasons that growth has ~~slowed~~ mod. since our remarkable performance last quarter, some of them temporary. In part, we are seeing the impact of the General Motors strike. I am pleased that GM and the United Auto Workers have settled their differences and are back to work. In part, we are also seeing fluctuations in the ways businesses manage their inventories. And most significant, we are feeling the effects of the continued economic slowdown among our trading partners in Asia.

~~Overwhelmingly and I~~ In the long term, ~~A~~ we can keep the American economy ~~continues~~ on a strong, prosperous course. Our economic foundation is solid and our strategy is sound. Still, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy that, for nearly six years now, has given America a growing economy -- the strongest in a generation.

Gene: * that f.d. has helped make econ – tangible impact → ↓ int rates, hist invest that fired econ – virtuous cycle → more rev → def ↓ further

First, we must maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted the course to a balanced budget -- the first balanced budget, and the first budget surplus, in three decades.* Americans can take pride in those achievements. But we have not come this far, or worked this hard, to abandon the fiscal discipline that got us here by squandering the surplus, as some in Congress are suggesting. As I have said: I will strongly resist spending a single penny of the surplus until we have saved Social Security first.

do huge visionary victory lap

Second, we must continue to invest in the American people. In our high-tech economy, managers already speak of a shortage of highly skilled workers. We should be training American workers to fill those jobs now, and educating young Americans to fill them in the future. I am pleased that the Senate has passed a job training reform bill, building on my 1995 proposal for a G.I. Bill for America's workers. Congress must continue along this bipartisan path to progress -- and must reject partisanship. They should abandon plans to make drastic cuts

~~Fact~~ When I laid out econ agenda, I said we had to close both deficits
Now, more + more reports, confirms that we need this invest
That's why...
+ why lifting visas as temporary fix – only in context... [bracket H1B]

in our nation's education budget. An investment in education is the most important investment we can make in America's future.

Third, we must continue to lead the world in this age of economic interdependence. Fully one-third of America's economic growth during the past five years has come from exports. That is why, as today's economic report shows, the health of the Asian economy affects the health of our economy. Congress must therefore step up to its responsibility, again put progress above partisanship, and renew our commitment to the International Monetary Fund. The IMF is like the rudder of a great ship: it lends stability; it helps us steer the global economy in the right direction. Quite simply, a commitment to the IMF is an investment in the American economy. I urge Congress to stop playing politics with our obligations -- obligations to our own people and our own prosperity.

tangible effect on our rural communities (see radio address) farmers cannot afford delay 50-60% grains exported

Fiscal discipline. Expanding American exports. Sound investment in our people. The strategy that has strengthened the American economy today will strengthen it further as we move boldly into a new century. I will continue to do everything in my power -- as must the Congress -- to deepen our prosperity and widen the circle of opportunity for all Americans in the 21st century.

Rahm: opp for all, resp. by all, comm. → Timing for SOTU

Balanced budg. ~~Better~~ stronger ed. fairer trade.

Econ that offers opp...

ra-ag 7/18
rural-op 7/23

Jon Kaplan

Linda Ricci

Draft 07/30/98 2:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE ROSE GARDEN
July 31, 1998

I want to talk to you this morning about the strength of the American economy and the ways we can make it stronger still as we approach the 21st century.

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We know there are ~~three~~ several reasons that growth has slowed since our remarkable performance last quarter, ~~First,~~ We have had a labor dispute between General Motors and the United Auto Workers. I, ~~like all Americans,~~ am pleased that both sides have settled their differences and are back to work. ~~in good jobs with good benefits. Second,~~ ~~We have seen~~ also ~~temporary~~ fluctuations in the ways businesses manage their inventories. ~~Third -- and~~ Most significant -- we ~~have witnessed a~~ continued economic slowdown among our trading partners in Asia.

are feeling the effects of the

some of them, temporary.

In part, it is the impact of GM strike

In part, there were seeing

In very big part

The GM strike is over; the inventories being drawn down, but the Asian econ

we know that the Am econ cont. on strong course But if we are to remain on

~~Fluctuations abroad or at home will not divert America from~~ the path to continued prosperity. Our economic foundation is strong and our strategy is sound. ~~Still, the challenges of the global marketplace demand, more than ever, that~~ we must press fwd w/ the comp econ strat that given us ~~we remain true to the principles~~ that have brought prosperity and opportunity to the American people. ① overwhelm. In long term, Am is moving in rt direction.

reduced.

for 6 yrs. strongest econ in gen growth

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50th firefighter

stop playing politics, step up to its oblig.

expanding Am. exports

~~Global trade.~~ Fiscal discipline. Sound investment in our people, and in our future. The strategy that has strengthened the American economy today will strengthen it further as we move boldly into a new century. T~~his is a moment of tremendous possibility.~~ I will continue to do everything in my power -- as must the Congress -- to deepen our prosperity and to widen the circle of opportunity for all Americans in the 21st century. Thank you.

Not lose our resolve now that times are good

Draft 07/30/98 2:00pm
Jeff Shesol

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We know there are three reasons that growth has slowed since our remarkable performance last quarter. First, we have had a labor dispute between General Motors and the United Auto Workers. I, like all Americans, am pleased that both sides have settled their differences and are back to work -- in good jobs with good benefits. Second, we have seen temporary fluctuations in the ways businesses manage their inventories. Third -- and most significant -- we have witnessed a continued economic slowdown among our trading partners in Asia.

Fluctuations abroad or at home will not divert America from the path to continued prosperity. Our economic foundation is strong and our strategy is sound. Still, the challenges of the global marketplace demand, more than ever, that we remain true to the principles that have brought prosperity and opportunity to the American people.

First, we must maintain our fiscal discipline. This week marks the fifth anniversary of our plan that charted the course to a balanced budget -- the first balanced budget, and the first budget surplus, in three decades. Americans can take pride in those achievements. But we have not come this far, or worked this hard, to abandon the fiscal discipline that got us here by squandering the surplus, as some in Congress are suggesting. As I have said: I will strongly resist spending a single penny of the surplus until we have saved Social Security first.

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An investment in education is the most important investment we can make in America's future.

Third, we must continue to lead the world in this age of economic interdependence. Fully one-third of America's economic growth during the past five years has come from exports. That is why, as today's economic report shows, the health of the Asian economy affects the health of our economy. Congress must therefore step up to its responsibility, put progress over partisanship, and renew our commitment to the International Monetary Fund. The IMF is like the rudder of a great ship: it lends stability; it helps us steer the global economy in the right direction. Quite simply, a commitment to the IMF is an investment in our own prosperity. I urge Congress to remember its obligation to our people -- to fulfill that commitment and not to jeopardize the strongest American economy in decades.

Global trade. Fiscal discipline. Sound investment in our people, and in our future. The strategy that has strengthened the American econ today will strengthen ~~us~~ it further as we move boldly into a new century. This is a moment of tremendous possibility. I will continue to do everything in my power -- as must the Congress -- to deepen our prosperity and to widen the circle of opportunity for all Americans in the 21st century. Thank you.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 23, 1998

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY
WITH CONGRESSIONAL LEADERS

The Oval Office

2:45 P.M. EDT

THE PRESIDENT: After the clicking stops, here's what I want to do. As you can all see, I'm here with Senator Daschle, Senator Harkin, Senator Conrad, Senator Dorgan and Secretary Glickman, Deputy Secretary Rominger; and these young people here are national officers of the FFA.

In a few moments I'm going to do a national radio press conference with agricultural reporters from agricultural radio networks around the country. I've got a brief statement here that I would like to read and then I'd like to give the senators a chance to make whatever comments they would like to make. And then I will do what I said I'd do in the press room a while ago -- I'll let you all ask some questions, if you have questions on other subjects -- and then we'll go do the ag press conference.

We're here because all of us are profoundly concerned about the communities that are suffering from both low prices and all kinds of natural disasters around the country. In Texas, about three-quarters of the cotton crop has been lost. Senator Dorgan said the other day that North Dakota retired auctioneers are being pressed into duty to handle all the families that are being forced to sell their farms.

For five-and-a-half years we've worked hard to help America's farm families with disaster assistance to ranchers who've lost livestock, surplus commodity purchases for school lunches, diversifying the sources of enterprise and income in rural America. We've increased our use of export credits by a third in the last year alone.

This year's farm crisis demands that we do more. On Saturday, I directed Secretary Glickman to buy more than 80 million bushels of wheat to help lift prices for American farmers and ease hunger in the developing world. Today I'm announcing that we are providing disaster assistance for farmers in Texas -- the entire state has been declared a disaster area -- to help those whose crops and livestock have been ravaged by the drought. I believe today is the 18th day in a row that it's above 100 degrees in Dallas, Texas. Next week I will send Secretary Glickman to

Asian export lang
— farms

Texas and Oklahoma to assess what other help is needed.

As we head into the conference I ask all of you young people who are here to go back home and help us to do whatever we can to pass the $500 million in emergency farmer and rancher assistance contained in the amendment sponsored by Senators Conrad and Dorgan and strongly supported by our ranking Democrat on the committee, Senator Harkin and our leader, Senator Daschle.

We also have to help to revive the rural economy with exports. We have to give the International Monetary Fund the resources it needs to strengthen the Asian economies. Let me tell you how big a deal this is. About 40 to 50 percent of all American grain production is exported; 40 percent of all the exports go to Asia. We have a 30 percent decline in farm exports to Asian countries -- excluding China and Japan -- they're down about 13 percent in Japan, they're down about 6 percent in China, 30 percent in the other countries this year because of the Asian financial crisis.

The International Monetary Fund is designed to reform those economies and boost them. They need money in order to buy our food. It is not a very complicated thing. But I have asked for this since January now. I was very disturbed to see in the morning press there's been another decision to delay a vote on this in the House of Representatives. I think it is a big mistake. I am doing what I can to continue to boost food exports. I don't believe that they should be subject to sanctions and our policies except under the most extreme circumstances. And I believe we have to do more.

Finally, I want to do whatever I can to strengthen the farm safety net. We should expand eligibility for direct and guaranteed loans, improve the crop insurance program which simply is not working for too many farmers, and extend marketing loans when the prices are low. We have to give farmers more flexibility in planning when to receive federal income support. They ought to be able to get these payments early. I proposed that last spring. I saw that there was some support for that in the House leadership last week and I'm grateful for that, but I'd like to pass that and get it out and do it soon.

All these things I think will help. But we have to understand we've got a price crisis in America today because of high worldwide crop production, the decline of the Asian economies and the decline in the currencies of so many countries relative to the dollar, which means they can't buy as much food -- that's why the IMF is important. We also have a disaster problem because of the drought and other significant natural problems. And no farmer should go broke because of an act of God. So that's our policy and we're going to try to implement it.

And I'd like to give the Senators a chance to make a few remarks and then I'll answer your other questions. Senator Daschle.

SENATOR DASCHLE: Well, Mr. President, on behalf of all of rural America we thank you for the extraordinary empathy and leadership that you've shown on this issue in the last couple of weeks. Just today we had another illustration of the seriousness of this situation with the report in income for farmers and ranchers declining now 35 percent in the first quarter. That is indicative of what we see every time we go to our rural states. Income is declining and the actions that you've outlined -- improving the safety net, dealing with exports and especially the IMF, and recognizing the importance of disaster assistance is absolutely critical.

And we need to get it done now. You mentioned the word "urgent" several times in your opening remarks. The urgent need to do it now is critical. We have the future of agriculture with us today. These are the future leaders. These are the future farmers and business people in rural America. We want them back 25 years from now as the best producers America can provide. And the only way that's going to happen is if we follow your leadership and make sure that these agricultural provisions and policies are implemented.

THE PRESIDENT: Senator Harkin.

SENATOR HARKIN: Well, again, Mr. President, thank you very much. I think it's very clear that President Clinton really is taking this very seriously, what's happening in rural America and what's happening to agriculture. And he's taking very forceful actions to try to get more of a safety net under our agricultural system.

We hope, Mr. President, that we can get the IMF funding through. That would have the most immediate impact right now in terms of getting our grains overseas and helping our trade. That would be the most immediate.

Secondly, I'd just say the young people that are here, that I've often said that we're about to enter another golden age of agriculture. Just when we went from horses to mechanization, we went from open pollenization to hybrids, there's another golden age coming with biotechnology, with using agriculture materials for not only food but for fiber, for building materials, genetic engineering, using our crops and things to make oils and medicines.

I see this coming. I just hope there are some farmers out there to take advantage of it. And that's what we have got to be about: underpinning rural America so that we have farmers and small business people all over America to help us enter that new golden age of agriculture. And I am just proud that we have a President that understands that and is taking forceful action to make sure we get through this crisis.

THE PRESIDENT: The North Dakota Senators -- I think North Dakota, I should say for the benefit of the national press, I believe has had the largest drop in farm income in any state of the country by a good stretch.

SENATOR CONRAD: Well, Mr. President, we want to thank you. Thank you for your response. Thank you for listening. Thank you for wading in and supporting our emergency amendment at the day before the vote, because that made a big difference. It's hard to overstate the dimensions of the disaster in North Dakota.

As you stated, we suffered a 98 percent decline in farm income from '96 to '97. We're seeing record farm auctions. As I said before, the little house on the prairie is being auctioned off. We just see a disaster if more is not done. We need the short-term help, but we also need something done in the long-term.

Probably the biggest challenge that we face is that our chief competitors are spending ten times as much as we are to support their producers. The Europeans are spending $50 billion a year; we're spending $5 billion a year. It's pretty hard to win a fight when the other side is firing live ammunition and we're firing blanks.

So we desperately need your continued leadership to send the signal that if America is going to win this trade fight we're in, we can't engage in unilateral disarmament. So we very much appreciate all you've done and very much appreciate your active interest.

SENATOR DORGAN: Mr. President, the key to changing public policy and addressing critical issues is to get all the spotlight shining in the same spot at the same time. And I think your leadership and the leadership of Secretary Glickman is making that happen in agriculture.

In North Dakota we've been hit with three things: collapsed prices, the worst crop disease in a century and, of course, a collapsing Asian market. And it has been devastating, as Kent indicated, a 98 percent drop in net farm income in one year. I defy anybody to look in any group of Americans and ask yourself if they can withstand a 98 percent drop in income. This just can't handle it. And family farming is much more than dollars and cents.

I know that we've got people here that wear eye shades and sort of measure everything in nickels and dimes and dollars and cents and that's not what preserving family farming is about. It's a much, much more important contribution to American life. And I think that's the debate in this Congress -- what's the merit value of worth of family farming. And when things are in crisis, what do we do to respond to that crisis to say we want to save family farmers because they have worth and merit in our country's future.

THE PRESIDENT: Well, let me just make one more comment about this, and then I'll answer your questions.

When the Freedom to Farm bill was passed, those of us who came from farming areas knew that it had a lot of very good provisions. It got the government out of micro-managing farming; it gave farmers more freedom to make their own planting decision; it had terrific conservation provisions; it had good rural development provisions. But it did not have an adequate safety net -- we all knew it at the time. And there were those, and there still are some, who believe that we really don't need one.

But I just think that's wrong. To go back to what Senator Harkin said, I believe if you look at the trends in world population growth and agricultural production elsewhere, in most normal years for the next 30 years, American farmers should do better and better and better. This would be a very good time for a whole generation of our farmers. But the average farmer is about 59 years old in America today.

So what I'm worried about is that, you know, you get a bad year or two like this coming along without an adequate safety net in this bill, then you wind up changing the whole structure of agriculture in ways that I don't think are good for America.

So we're going to work on this. We're going to try to get it done. But I do say to the young people here, I agree with Senator Harkin, I think the future trends around the world look quite good for America's farmers if we can get through this rough spot. Thank you.

Q Why can't you lawmakers convince your fellows on the Hill? I mean, what is the hold up?

THE PRESIDENT: Well, don't you think your bill will pass? I think it'll pass.

SENATOR DORGAN: It passed the Senate. We've got to get it through conference and I'll think we'll get it --

THE PRESIDENT: And the Senate passed the International Monetary Fund.

SENATOR HARKIN: Yes. And we've got the indemnity fund in there.

SENATOR CONRAD: We're about to --

THE PRESIDENT: You're about to -- but you're going to pass it.

Q What's the problem?

THE PRESIDENT: The problem is in the House and we just have to hope that they will follow the lead of the Senate here.

Q Mr. President, what impact do you see the missile test having on your efforts to try and warm relations with Iran?

THE PRESIDENT: Well, we've been following this for some time. And we knew that Iran was attempting to develop this capability. It's just a test. But if they -- obviously if they were to develop an intermediate range missile it could change the regional stability dynamics in the Middle East. And that's why we've worked so hard with North Korea and with others to try to get them not to transfer missile and missile technology to Iran.

If we do continue to have an opening of relations because the new President seems more open to it, obviously this is one of the things I would raise with him. We've been very concerned about this. And we believe the that future of the Middle East would be better if they'd invest more money, all those countries, in something other than military technology.

So we're very, very concerned about it, but not surprised by it.

Q (Inaudible).

THE PRESIDENT: One at a time. Obviously, it is an obstacle. But I don't think it's an argument for closing off all avenues of opportunity. The country is in a dynamic state now. There's some dynamism there and there's some reason to believe that -- it seems to me that at least making it clear what our position is on that, on the Middle East peace process, on terrorism, support of terrorism, on all these issues with which we've had problems with Iran in the past, and still being glad that there's some movement toward greater popular government, more openness in the country argues for what we're doing -- a cautious, deliberate approach.

Q Mr. President, besides the IMF bill, high on the farm agenda is fast track legislation. Why not go along with Speaker Gingrich and schedule a vote -- a September vote on this?

THE PRESIDENT: First of all, I strongly support fast track, as you know. I was bitterly disappointed that we couldn't pass it earlier. And he and I both worked very hard to pass it. There is no evidence that one single vote has changed. If anything, there's some evidence that we'd have more trouble passing it.

So if we bring it up in a bill that also has the International Monetary Fund or the Africa Trade bill or the Caribbean Basin Initiative -- all of which I think are good for America -- the impact would be, in all probability, to kill them all and to make it even harder to pass fast track early next year. I still believe we'll pass fast track next year when we get beyond this election year. I think it is so evidently in the best interest of the country. That's the first answer.

The second point is, the International Monetary Fund funding will do much more good in the short-run because it puts money into the countries that want to buy our food today. Fast track gives the United States the power to open new markets in the future, to enter negotiations to open new markets in the future.

So it's not terribly significant whether we get the fast track legislation in August, let's say, or September, or January or February next year, or March -- because we still have to start the negotiations and open new markets. We're already going to negotiate in opening agricultural markets, for example, within the World Trade Organization to try to deal with the European subsidy issue that was mentioned earlier.

So I'm strongly for fast track. I think we will pass it next year. I have no evidence that a single vote has changed since it was not passed earlier, and I don't want to kill all the rest of that.

We ought to pass the Africa Trade bill now, the modified Caribbean Basin bill now. But most important of all, dwarfing everything else, in the near-term for these farmers with their prices low is the International Monetary Fund funding, because that will float cash into these countries as a condition for reform and it will give the money to buy our food. That's more important.

Q Why have you thrown in the towel on the Middle East?

THE PRESIDENT: Well, we haven't. I saw that story -- that's just not so. Let me say first of all, if I thought the process were over, I would say it was over. We have continued intense negotiations to this day with both sides, based on the ideas we advanced earlier -- which, as you know, were accepted in principle by Mr. Arafat and not by Mr. Netanyahu, but a negotiation ensued.

Secretary Albright has worked very, very hard on this. We have made a not inconsiderable amount of progress. But differences remain. We haven't thrown in the towel because I think it's a lot better to get an agreement, to get them into final status talks than it is to give up and let this thing drift dangerously toward conflict and dissolution.

So if we come to a time when I think it's hopeless, I'll say it's hopeless and that ideas weren't accepted. But right now I'm not prepared to say that. I think there's still a chance we can get an agreement and we're going to keep working for it.

END 3:04 P.M. EDT

Asian export lang
– farms

THE WHITE HOUSE

Office of the Press Secretary
(Little Rock, Arkansas)

Embargoed For Release
Until 10:06 A.M. EDT
Saturday, July 18, 1998

RADIO ADDRESS BY THE PRESIDENT
TO THE NATION

Little Rock, Arkansas

THE PRESIDENT: Good morning. I'm speaking to you from my home state of Arkansas, a state that, like many across our nation, depends heavily on agriculture. America's farm communities are more than a critical part of our economy. They are places where American values have deep roots and flourish: faith and family, hard work and respect for neighbors, devotion to community. Every American has a stake in the strength of rural America.

With family incomes rising, the lowest unemployment in nearly 30 years, the highest home ownership rate in history, most Americans today are enjoying the dividends of the strongest U.S. economy in a generation. Unfortunately, life on the farm is not so easy today.

For five and a half years, I have worked to expand opportunity for our farm families. We've strengthened crop insurance, provided critical disaster assistance to ranchers who have lost livestock, doubled our use of export credits from last year, improved our school lunch programs by buying surplus commodities, and worked to diversify the sources of enterprise and income in rural America.

But with the economic crisis in Asia weakening some of our best customers for farm products, and with strong world crop production bringing prices down, and with farmers facing floods and fires and drought and crop disease, our farmers face a difficult and dangerous moment. Many farm families have been pushed off their land, and many more could suffer the same fate unless our nation revives its commitment to helping farmers weather hard times.

When I signed the 1996 Farm Bill, at a time when farm prices were very strong, I made clear my concern that there was not an adequate safety net for farmers. The bill had to be signed to avoid putting our farmers in an even more difficult situation under the old 1949 Farm Bill. But sooner or later, prices were bound to fall so low that we would need that safety net. That day has come. With prices for many farm products plummeting, America's farm families face a crisis, and we have an obligation to help.

At the same time we see a very different crisis in some parts of the world -- a crisis of hunger, where too many families face famine and starvation. For decades, American Presidents have addressed such crises -- that's what I'm doing today.

Today, I am acting within my full authority as President to take immediate steps to help our family farmers and to reduce crop surpluses at home. Within days, the United States government will begin to purchase more than 80 million bushels of wheat, which could lift prices as much as 13 cents a bushel. With this wheat, I've instructed Secretary of Agriculture Dan Glickman to launch a new food aid initiative to press the world struggle against hunger.

Secretary Glickman, working with our Agency for International Development, will use the authority granted to him by Congress to oversee substantial donations of U.S. wheat to countries where the need is greatest -- places such as Sudan and Indonesia. Donations will also be made to private humanitarian groups. All told, this is in the best humanitarian tradition --an action, based on human need to help save lives as it opens new links of trade with these nations. It's good for American farmers, good for our economy and it's the right thing to do.

This effort will provide a much needed boost to U.S. wheat farmers, but we can and must do more. I'm pleased that this week, Congress took prompt bipartisan action to exempt agricultural trade from U.S. sanctions against India and Pakistan in the wake of their nuclear test. But more congressional action must follow. We should expand eligibility for direct and guaranteed loans, extend marketing loans when crop prices are low or transportation problems make marketing difficult, give farmers more flexibility to plant other crops when their primary crops fail. And above all, we must keep the market for our products growing by paying our dues to the International Monetary Fund so that we can stabilize and help to reform Asian economies that are such important customers for America's farmers, and for our other exporters who are responsible for 30 percent of the remarkable growth we've enjoyed since 1993.

In my State of the Union address, I urged Congress to do this, for the sake of our own economy. Six months later, the need is greater than ever. We must pay our dues to the International Monetary Fund so that our people can sell their products abroad.

The steps I take today are in the best tradition of America. From our beginnings, we have recognized that the agricultural tradition strengthens the national community. In the depths of the Great Depression, President Franklin Roosevelt said, "No cracked earth, no blistering sun, no burning wind are a permanent match for the indomitable American farmers who inspire us with their self-reliance, their tenacity and their courage." Today, at a moment of broad prosperity for our nation, we have an obligation to expand opportunity for all Americans as we move strongly into the 21st century.

Thanks for listening.

END

A G.I. BILL FOR AMERICA'S WORKERS: REFORMING THE JOB TRAINING SYSTEM

July 31, 1998

"Again, I ask the Congress to continue its bipartisan work to consolidate the tangle of tr programs we have today into one single G.I. Bill for Workers, a simple skills grant so pe can, on their own, move quickly to new jobs, to higher incomes and brighter futures."

President Clinton
January 27, 1998

The President Has Fought Hard for the Important Job-Training Reform. Today, the Senate overwhelmingly approved that bill, S. 1186: Workforce Investment Partnership Act. This bill builds on the President's 1995 proposal for a G.I. Bill for America's workers to reform the web of job training and adult and vocational education programs and help prepare the American workforce for the 21st Century. This important legislation is organized around the President's four basic principles:

- **Empowering Individuals.** Through Skills Grants, report cards to inform consumers' choices, and universal access to core services like job-search assistance, job training reform will empower individuals, providing adults seeking training or retraining control over their own careers. This customer-driven system replaces the decades-old tradition of making job training decisions for adults through bureaucratic systems. This individual empowerment will make the job training system more responsive to the skill needs of the market.

- **Streamlining Services.** Through the consolidation of myriad individual training programs into a single system and through the nationwide implementation of One-Stop Career Centers (centers that consolidate multiple training and employment programs at the "street level"), this reform effort will streamline the job training system. Over the past few years, the Administration has entered into partnerships with over 40 states to build a One-Stop system, and today, there are over 500 in operation. This reform would expand One-Stops nationwide.

- **Enhancing Accountability.** Through tough performance standards — for both governors and localities — and by requiring training providers to be certified by, for example, the Higher Education Act (HEA), this reform enhances accountability. Performance measures will include rates of job retention, earnings, and job placement.

- **Increasing Flexibility.** Job training reform would provide additional flexibility. For example, the Secretary of Labor will have permanent authority to waive burdensome Federal job training rules in exchange for performance improvements. This will allow states and local areas to implement innovative job-training programs.

Elizabeth R. Newman
07/28/98 04:27:26 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: Statement by the President: GM Strike Resolution

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **July 28, 1998**

STATEMENT BY THE PRESIDENT

I am pleased that the United Auto Workers and General Motors have resolved their differences today. Getting GM back to work is a win-win solution -- a victory for the company and its employees, and a victory for all Americans. It also shows that the collective bargaining process works. American companies can remain competitive in the world economy while providing good jobs and good benefits for their employees.

I would like to thank Secretary of Labor Alexis Herman, who worked night and day behind the scenes to keep both parties working toward a resolution. She and her team deserve a great deal of credit for their patience and determination in the effort to help bring this dispute to a close.

of both parties, as well as Sec. Herman (?)

-30-30-30-

Message Sent To:

Jake Siewert
07/29/98 11:54:22 AM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP

cc:

Subject: Re: departure statement

markets.j2

gm.j29

Something I sent to McCurry today that has some info on likely numbers. I think we want to explain that economy is strong b/c of what we have done, point to 3 factors that account for slow-down in 2nd quarter (GM, Asia, and inventory build-up), then pivot into what we can do to make sure economy continues to grow -- maintain discipline by saving social Security first, pass IMF, and applaud end of GM strike.

Q&A on Markets
July 29, 1998

Q: **There are reports that the markets are moving based on reports about what's going on in Washington. Are you concerned about that?**

A: **As you well know, we do not comment on the day-to-day fluctuations of markets.** We are focused on keeping our economic fundamentals strong. That's what will matter to families over the long run.

Fundamentals Are Strong. It is important to keep in mind that the fundamentals of the American economy are exceptionally good. The economy grew by 5.4 % in the first quarter, wages are rising, private investment is booming, inflation is low, and the federal government is on track for its first surplus in a generation.

Second Quarter Will Be Slower Due to GM, Asia, and Inventory Build-Up. While our economic prospects remain strong, publicly available data indicate that growth in the second quarter will fall well below the extraordinary pace of the first three months of the year. There are a number of factors at work. The GM strike led to production cutbacks that will slow second quarter growth. With the strike over, we expect that GM will be able to make up for much of this lost production over the rest of the year. Also, as Asian economies falter, they buy fewer American goods, and our exports drop. That's why we need to move quickly to give the IMF the resources it needs to stabilize the world economy and protect American jobs and workers. We also can see a decline in the pace of stock-building from the record pace of the first quarter. 2 mention

Projecting Solid Growth for Future. The foundation of our economy remains strong. Personal income continues to grow, and consumer spending remains robust. We continue to project solid economic growth with continued job creation and low unemployment for this year and beyond. <u>And we are focused on how to keep that growth going -- maintaining fiscal discipline, investing in our people's future, and fighting to open markets around the world</u>.

1) GM → strike over
2) inventories → drawn down, so prod. ↑
3) Asian econs. → pass IMF $

Q&A on Resolution of the GM strike

July 29, 1998

Q: **Most private sector economists think that GDP growth will have slowed considerably in the second Quarter, and part of the slowdown appears to be due to the GM strike. What's your own assessment of the strike's impact?**

A: **Fundamentals Are Strong.** It is important to keep in mind that the fundamentals of the American economy are exceptionally good. The economy grew by 5.4 % in the first quarter, wages are rising, private investment is booming, inflation is low, and the federal government is on track for its first surplus in a generation.

Second Quarter Will Be Slower Due to GM, Asia, and Inventory Build-Up. While our economic prospects remain strong, publicly available data indicate that growth in the second quarter will fall well below the extraordinary pace of the first three months of the year. There are a number of factors at work. The GM strike led to production cutbacks that will slow second quarter growth. With the strike over, we expect that GM will be able to make up for much of this lost production over the rest of the year. Also, as Asian economies falter, they buy fewer American goods, and our exports drop. That's why we need to move quickly to give the IMF the resources it needs to stabilize the world economy and protect American jobs and workers. We also can see a decline in the pace of stock-building from the record pace of the first quarter.

Projecting Solid Growth for Future. So, while we may see some effect of the strike on short-run statistics, we believe that the foundation of our economy remains strong. Personal income continues to grow, and consumer spending remains robust. We continue to project solid economic growth with continued job creation and low unemployment for this year and beyond. In fact, it is very likely that economic growth for the year as whole now will be higher than our last official projection -- the 2.9 percent growth projected in the Mid-Session Review.

Jake Siewert
07/29/98 03:01:29 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP

cc:
Subject: Re: departure statement

We don't need the Herman pander again. He did that last night; he might do it on his own, but we don't need to feed it to him.

On inventories, I think you could say that "the decline is due in part to Asia, GM, and fluctuations in the way businesses manage their inventories. " but not much more than that.

prod. bus. store for future sales

H1B

There is another thing we must do, and that is to save Social Security. The idea behind Social Security is that, even though your retirement may be a long, long way off, you can be confident that it'll be there for you. It's there for your grandparents, it will be there for your parents, and we have to make sure it'll be there for you. And thanks to our fiscal discipline, and the first budget surplus in a generation, we have an unprecedented opportunity to do that, to save Social Security for the long term. **Here is my bottom line: we must set aside every penny of the surplus until we save Social Security first. Now, some are talking about squandering that surplus** before we've fixed Soc Sec. **~~for short-term gain by using it for a massive tax cut.~~ And I won't let it happen. We should invest in your future, not spend it.**

Elizabeth R. Newman
07/29/98 10:42:47 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: Fact Sheet: Congress Retreats from Support for Education and Youth

CONGRESS RETREATS FROM SUPPORT FOR EDUCATION AND YOUTH

I will not allow America to abandon our vital mission of preparing our children for the world of the 21st Century. I will not allow our 21st Century children to enter the future with inadequate 20th Century skills.

President Bill Clinton
July 29, 1998

In a speech to the 2nd World Congress on Education International, President Clinton sharply rebuked Congress for shortchanging children in the appropriations bill moving through the House of Representatives. The House Republican Labor-HHS-Education Appropriations bill currently eliminates the Summer Jobs Program, cuts $2 billion from the President's education priorities, and stops progress on national tests in the basic skills.

The House bill eliminates the $871 million Summer Jobs initiative. The House Bill eliminates the Department of Labor's Summer Jobs Program, which would deny more than *half a million* disadvantaged young people the opportunity to gain skills and valuable work experience over the summer months. Studies show that the Summer Jobs initiative works. A 1995 report concluded that more than three out of four young people enrolled in the program would have been jobless without it.

The House bill cuts needed investments to strengthen our public schools. President Clinton has proposed a bold agenda to strengthen our public schools by raising standards, increasing accountability, and expanding parental choice in public schools. The House Republican Labor-HHS bill shortchanges our public schools by cutting $2 billion from the President's request for education investment. In particular, the House bill:

Eliminates funds for reading tutors. The House bill eliminates $260 million for the President's America Reads Challenge, denying funding to schools and communities to improve reading programs and provide tutors to students who need extra help.

Denies funds for after-school programs. The House bill reduces the President's request for the 21st Century Community Learning Centers program by $140 million, denying approximately 425,000 school-age children participation in before- and after-school programs.

Denies disadvantaged students help in the basic skills. The House bill denies funds to help an additional 520,000 educationally disadvantaged students master the basic skills by cutting the President's request for Title 1 by almost $400 million.

Slows progress in putting computers in the classroom. The House bill denies funding to 400 school districts to provide students and teachers with access to computers and denies specialized technology training to a large number of new teachers by cutting the President's request for education technology programs by $125 million.

Eliminates funding for middle school safety coordinators. The House bill denies 6,500 middle schools throughout the nation the $50 million in funding necessary to provide for full-time Safe and Drug-Free Schools Coordinators.

Eliminates funding for Education Opportunity Zones. The House bill denies grants to approximately 35 high-poverty communities to help them end social promotions, turn around failing schools, and strengthen accountability for teachers by eliminating funding for the President's Education Opportunity Zones proposal.

Eliminates funding to spark interest in college. The House bill denies more than one million (over 5 years) at-risk middle school students mentoring, tutoring, and other services to help raise education expectations, increase academic achievement, and eliminate barriers to college by eliminating $140 million for the President's High Hopes for College program.

Cuts funding for School-to-Work programs. The House bill reduces funding for School-to-Work Programs by $100 million below the President's request, slowing state and local efforts to provide career-related coursework and work-based learning experiences to more than 1 million students in over 3,000 high schools.

The House bill retreats from the nation's commitment to raise academic standards. If we are to improve our schools, we must start by setting challenging academic standards and measuring student progress toward achieving them. President Clinton has proposed to help states, local communities, and schools across the nation take this step through the development of voluntary national tests in the basic skills, and through the Goals 2000 program, which supports the development of state and local academic standards.

Blocking Voluntary National Tests. The House bill would halt the development of voluntary national tests in 4th grade reading and 8th grade math, denying parents the ability to know if their children and their schools are meeting challenging national standards, and denying states and local communities the opportunity to use these tests on a voluntary basis. Eight states and 15 cities with 20 percent of the nation's students already have volunteered to participate in the tests. The National Academy of Sciences recently completed a Congressionally mandated study of the feasibility of an alternative approach that would attempt to link existing state and commercial tests, and determined that this approach is not feasible. Now is the time for Congress to move forward, rather than to stop development of the national tests.

Slashing Funds for Goals 2000. In addition, the House bill would cut funding for the Goals 2000 program by $245.5 million from current funding levels, and by $255 million from the President's request for FY 1999. In so doing, the House bill would decrease the ability of 6,000 schools nationwide to help students reach high standards.

Program of Speakers:

PRESIDENT CLINTON:
FIGHTING TO SUPPORT CHILDREN AND EDUCATION

July 29, 1998

"A world-class education for all children is essential to combating the fear, the ignorance, the prejudice that undermine freedom all across the globe today in the form of ethnic, religious and racial hatreds. It is essential to creating a worldwide middle class. It is essential to global prosperity. It is essential to fulfilling the most basic needs of the human body and the human spirit. That is why the 21st century must be the century of education and the century of the teacher."

President Bill Clinton
July 29, 1998

Today, President Clinton addresses the 2nd World Congress on Education International to discuss his education agenda for the 21st Century.

A Record Of Achievement On Education Issues. During the past five years, President Clinton has worked to strengthen and improve the nation's educational system by:

- Making 13th & 14th grades as universal as high school with $1500 HOPE Scholarship credits;
- Expanding college opportunity with Tuition Tax Credits, Education IRAs, and the largest increase in Pell Grants in 20 years;
- Making college more affordable by cutting student fees and interest rates on all loans, expanding repayment options including income contingent repayment, and improving service through the Direct Loan Program;
- Expanding choice and accountability in public schools;
- Allowing students to pay for college through community service. This year, nearly 50,000 young people will take advantage of the opportunity to pay for college (or repay student loans) by performing community service through AmeriCorps;
- Providing early education to more than 830,000 Children with Head Start, an increase of 200,000 since 1992.

The President's Agenda For Education. As we prepare for the challenges of the 21st Century, strengthening our educational system is one of the most important ways we can help our children compete and thrive in the future. President Clinton is committed to giving children the tools they need to succeed, and is working to make education more affordable and accessible for our children, including:

- Working To Create Safer, More Disciplined Learning Environments by modernizing schools and reducing class size;
- Working To Establish High National Standards to ensure our children will gain the skills they need to succeed in the future;
- Supporting Teachers Who Do A Good Job by rewarding the most innovative and successful teachers in the classrooms, helping those who fail to improve or move on, and recruiting more talented people into the teaching ranks;
- A Commitment To Connect Every Classroom To The Internet and train teachers in this new technology;

- An End To Social Promotion so that children are not passed from grade to grade without learning the material first.

House Republicans Retreat From Support For Education. The House Republican Labor-HHS-Education Appropriations bill, as currently drafted:

- **Denies Funds For After-School Programs** that reach over 425,000 school-age children in before and after-school programs;
- **Eliminates Funds For The President's America Reads Challenge**, which helps schools and communities improve reading programs and provide tutors for student who need extra help;
- **Denies Over 6,500 Middle Schools The Funding They Need to Hire Safe And Drug-Free Schools Coordinators**;
- **Eliminates Funding For Education Opportunity Zones** to help 35 high-poverty rural and urban districts end social promotion and initiate reforms to raise standards;
- **Does Not Help Raise Academic Standards.** The House Republican Bill would halt development of voluntary national tests in 4th grade reading and 8th grade math;
- **Fails To Act On The President's Proposals For School Modernization And Reducing Class Size**.

Final 04/30/98 11:50am

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE WHITE HOUSE
April 30, 1998

Good afternoon. I am looking forward to taking your questions, but first I'd like to talk to you about the ways we are making America stronger as we approach the 21st century.

Five years ago, we charted a new course for a new economy--a strategy of fiscal discipline, expanded trade, and investment in our people. Today we received more good news that this strategy is working. The latest economic report shows that in the first quarter of 1998, our economy grew at a rate of 4.2 percent. Wages are rising while inflation remains low. This expansion is fueled not by growing government deficits but by booming business investment. In the first quarter, unemployment was the lowest in 28 years; inflation was the lowest in more than 30 years; and consumer confidence reached its highest level in 30 years. For five years in a row, America's economy has been rated the most competitive in the world.

new stats

overall

We are living in an American economic renaissance. Opportunity is abundant. Communities are getting stronger. Families are more secure. These are prosperous and productive times for the American people.

Still, we cannot allow the hum of our growing economy to lull us into complacency. As estimates of the possible budget surplus expand, so do suggestions we squander it on tax cuts or spending. But Americans have worked too hard for too long to put our fiscal house in order, so I will strongly resist the use of a single penny of the surplus before we have saved Social Security.

Nor can we turn our backs on America's responsibility to lead the world. We see that commitment today, as the Vice President and Mrs. Gore represent our nation at the 50th anniversary of the state of Israel. We have more to do to exercise this leadership here at home. The health of our economy is deeply affected by the health of the global economy. I therefore call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund. I am confident we can do this in a bipartisan fashion. The debate over NATO enlargement has been a model of bipartisan action. I thank Senators Lott, Daschle, Helms and Biden for their leadership on this issue and I hope for a strongly positive vote in the Senate today. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation--a Europe united, democratic and secure.

At the threshold of the 21st century, America is on the rise--at home and abroad. We must continue this progress. At stake is nothing less than our economic strength and our national security. If we overcome our divisions here at home and work together as one nation, then America will truly be a beacon of hope into the next century. Thank you.

Now, as I said at the White House Correspondents' Dinner the other night, by long tradition Helen gets the first question.

9:20 am
Orszag

THE WHITE HOUSE

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don't use

~~1.4~~

Today
While more moderate than, remark.
1st Q. it shows econ cont
to grow steadily. ~~at a rate~~
~~of~~ ___ ...

So far this yr grav. 3.5%
This is gr. the rt way — w/ fiscal
disc. + led by investment

We've also learned today that
since I took office, the
priv sector of econ has expanded
by nearly 1/4.

More than 1/4 of our growth during
last ~~5~~ 9 qts from exports.

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WASHINGTON

Sent or two

Soc sec first

We must

They want to speed it
before one year

Fiscal irresponsib.
wd weaken it

helped ~~out~~ win us

one cent
on int'ls
one of the
reasons
growth
moderated

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11:25

expanded by nearly 4% per yr.,
which means it's grown by 1/4
over 5 1/2 yrs.