RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: owner-edinfo@inet.ed.gov@INET@EOPMRX

CREATION DATE/TIME:21-JUL-1997 12:05:00.00

SUBJECT: Update -- ED Initiatives (July 18, 1997)

TO: Information from & about the U.S. D (edinfo@inet.ed.gov@INET@EOPMRX)
READ:NOT READ

IND_TO: Neera Tanden (TANDEN_N) (WHO)
READ:21-JUL-1997 12:07:37.04

IND_TO: Kelly Hyland (HYLAND_K) (CPC)
READ:21-JUL-1997 13:19:05.64

TEXT:
****
ED Initiatives...
****
A biweekly look at progress on the Secretary's priorities
****

July 18, 1997

In this issue...
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> Goals 2000
> A Talented, Dedicated, Well-Prepared Teacher
In Every Classroom
> All Classrooms Connected to the Internet;
All Students Technologically Literate
> Families, Technology & Education Conference
> Two Years of College & Lifelong Learning
For All Students
> Improving America's Schools Conferences
> Proposals to Amend Adult Education Act &
Perkins Vocational & Applied Technology Act
> Draft Strategic Plan for Review & Comment
> New Online

GOALS 2000
---------- More than two-thirds of Colorado's communities have benefited from Goals 2000 during the past 3 years. Many of those projects are described at the Colorado Department of Education web site (http://www.cde.state.co.us/goals.htm), including the following (from the state's 41 funded 1995-96 projects):

* Gunnison schools & Western State College (WSC) have used Goals 2000 to provide lab investigations & onsite field work centered around a dinosaur fossil discovered in 1971 by WSC students. Workshops for teachers & a
~~~~~~~~~~~~~~~~

summer field camp for students & families are among the many activities that are helping spread enthusiasm for this project & earth sciences across the school district & community.

* In Las Animas School District, students & teachers -- and more than 15 parent volunteers -- are collaborating to maintain a wide-area network (complete with servers, workstations, & Internet connections) installed with help from Goals 2000. The library has been transformed into a multimedia learning center, and student learning is becoming more self-directed. Most important, students are motivated to go the extra mile with their work. Las Animas' composite test scores rose 48 points over 1995 for grade 9 and 23 points for grade 11.

* Jefferson County public schools used Goals 2000 to help support 113 pilot projects to align content standards with instruction and assessment, integrate technology into instruction, and develop interventions to help students meet the standards. These projects produced a bank of standards-based instructional strategies & assessments, which will be offered to teachers on interactive CD-ROM and linked to the district's standards (in English, history, geography, math & science) & to related instructional strategies & assessments. The Jefferson County content standards are now available on the district's home page: http://jeffco.k12.co.us

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A TALENTED, DEDICATED, WELL-PREPARED TEACHER IN EVERY CLASSROOM

----------------------------------- On July 17, the President announced a $350 million initiative to attract talented people of all backgrounds into teaching at low-income schools across the nation, and to dramatically improve the quality of training & preparation given to our future teachers. The initiative will be part of the President's proposal for reauthorizing the Higher Education Act, to be sent to Congress next month. It includes competitive grants...

* to colleges & universities with high-quality teacher preparation, in partnership with local schools & others, to offer scholarships & other support to prepare prospective teachers who commit to teach in under-served urban or rural schools for least 3 years.

* to 10-15 national "lighthouse" models of excellence -- institutions of higher education operating the highest quality teacher education programs -- to work with other colleges & universities that want to improve their teacher preparation programs.

For more information, please see:
http://www.ed.gov/MailingLists/EDInfo/
Also, the President's remarks at the NAACP conference, where he announced the initiative, are at:
http://www.whitehouse.gov/Initiatives/naacp.html

ALL CLASSROOMS CONNECTED TO THE INTERNET;
ALL STUDENTS TECHNOLOGICALLY LITERATE

-- On July 16th, the President & Vice President announced a strategy designed to offer parents & teachers tools to prevent children from getting inappropriate material on the Internet & to guide them toward high-quality education resources. What federal agencies, industry & non-profit organizations are doing & will do to help make the Internet family friendly are described in the strategy, as is a web site for parents who want to make sure their children have safe, educational experiences on the Internet (http://www.netparents.org -- created by the Center for Democracy & Technology & the Voter Telecommunications Watch). For more information on the strategy, please see:
http://www.whitehouse.gov/WH/New/Ratings/

Links to state technology offices & coordinators -- as well as state technology plans, state applications under the Technology Literacy Challenge Fund (TLCF) & state "requests for proposals" (for use by school district applicants) under the TLCF program -- are provided, where available, at:
http://www.ed.gov/Technology/sta_tech.html

FAMILIES, TECHNOLOGY & EDUCATION CONFERENCE

-- How are the Internet, television & other technologies affecting families & how we raise & teach our children? To help parents, educators & others answer that question, the ERIC system & the National Parent Information Network (NPIN) are offering the "Families, Technology & Education Conference" October 30 - November 1 at Wyndham Hotel in Northwest Chicago. Family support personnel, corporate executives, media specialists, librarians, health care specialists, publishers, information systems developers, members of parent organizations & others, as well as parents & educators, are invited. Up-to-date conference information, including a list of speakers, is available at the conference web site:
http://ericps.crc.uiuc.edu/fte/ftehome.html
Or, questions may be addressed to Anne Robertson at:
arobrtsn@uiuc.edu

TWO YEARS OF COLLEGE & LIFELONG LEARNING FOR ALL STUDENTS

On July 8, the Vice President released a state-by-state analysis showing that 12.6 million students would benefit from the Clinton/Gore Administration Hope Scholarship & Tuition Tax Credit. The press release, a state-by-state comparison of the President's proposal to House-passed & Senate-passed proposals, and more are at:
http://www.ed.gov/offices/OPE/PPI/hopehome.html
State-by-state press releases will be available soon at:
http://www.ed.gov/news.html#pr

IMPROVING AMERICA'S SCHOOLS CONFERENCES

------------------------------------- Three days of learning, networking & action-planning are being offered at the Department's Regional Conferences on Improving America's Schools (IAS). The "Call to Action: Working Together for Equity & Excellence" conferences are designed for...

* technical assistance providers (at all levels)
* grantees, administrators & managers of programs administered by offices of the Department of Education
* officials of state & local education agencies
* school-based instructional leaders
* teacher leaders & principals
* officials of national & community-based educational organizations.

Teams of state & local individuals are encouraged to attend the conferences, which will be held October 16-18 in San Diego, November 16-18 in Dallas & December 14-16 in Washington, D.C. For information on conference goals, highlights, registration & more, please see:
http://www.ncbe.gwu.edu/iasconferences/

PROPOSALS TO AMEND ADULT EDUCATION ACT & PERKINS VOCATIONAL & APPLIED TECHNOLOGY ACT

--- On July 8, the President's proposal to amend the Adult Education Act was introduced in the Senate as S.994 by Senators Kennedy & Dodd and in the House by Representatives Clay & Kildee as H.R. 1562. The bills aim to help states & communities improve adult education & literacy programs so that all adults who need such services may...

* become literate & gain the knowledge & skills to compete in a global economy & exercise the rights & responsibilities of citizenship.
* complete a high school education.
* become their child's first teacher & remain actively involved in their children's education.

Also on July 8, the President's proposal to amend the Carl D. Perkins Vocation & Applied Technology Act was introduced in the Senate by Senators Kennedy & Dodd as S.993 and in the House by Representative Clay & Martinez as H.R. 1803. These bills provide a framework to help states & schools (secondary & postsecondary) develop, implement & improve career preparation education so that every student has an opportunity to...

* acquire academic & technical knowledge & skills needed for postsecondary education.
* pursue further learning & a wide range of opportunities in high-skill, high-wage careers.

These & other bills can be found at the Library of Congress's Thomas web site:
http://thomas.loc.gov/home/c105query.html
(Search on "Bill Number" & type the bill you wish to view.)

DRAFT STRATEGIC PLAN FOR REVIEW & COMMENT

-- Goals, objectives & performance indicators for the Department (for 1998-2002) are set forth in our new draft strategic plan. This draft, which is the Department's *second* strategic plan, responds to the Government Performance & Results Act. It's available on our web site (http://www.ed.gov/pubs/StratPln97/). A paper copy is available from Geneise Cooke at (202) 401-3132. We're interested in your opinions, suggestions & comments on the draft.

NEW ONLINE

---------- Recent additions include...

* A chart showing how much money each state will receive from more than 30 federal education programs:
  http://www.ed.gov/offices/OUS/Budget98/StateTables

* "Keeping Schools Open as Community Learning Centers: Extending Learning in a Safe, Drug Free Environment Before and After School"
  http://www.ed.gov/pubs/LearnCenters/

* "Title IX: 25 Years of Progress":
  http://www.ed.gov/pubs/TitleIX/

ED Initiatives is made possible by many contributors, including Pauline Abernathy, Brooks Allen, Anna Bryan-Borja, Kris Castagnola-Thomas, Jennifer Davis, Adriana de Kanter, Norris Dickard, Terry Dozier, Maria Ferguson, Ivonne Jaime, Julie Kaminkow, Peter Kickbush, Chuck Lovett, John Ovard, Julie Pederson, Dianne Rothenberg, Jan Silverstein, Keith Stubbs & others.

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EDINFO YOURFIRSTNAME YOURLASTNAME in the message, or write
UNSUBSCRIBE EDINFO (if you have a signature block, please turn
it off). Then send it!

==

Kirk Winters
U.S. Department of Education
kirk_winters@ed.gov

=================== ATTACHMENT 1 ===================

ATT CREATION TIME/DATE:21-JUL-1997 12:05:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Return-path: owner-edinfo@inet.ed.gov
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ILHXOQNZPS001GIM@PMDF.EOP.GOV>; Mon, 21 Jul 1997 12:05:29 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILHXOO8CTS001FU9@PMDF.EOP.GOV>; Mon,
21 Jul 1997 12:05:27 -0400 (EDT)
Received: from inet.ed.gov ([192.239.34.1])
by STORM.EOP.GOV (PMDF V5.1-7 #6879) with SMTP id
<01ILHXNV7ANI00392U@STORM.EOP.GOV>; Mon, 21 Jul 1997 12:04:46 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.217.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id RAA27122 for <edinfo@inet.ed.gov>;
Fri, 18 Jul 1997 17:13:00 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov (IMA Internet Exchange 1.04b)
id 3cfdc580; Fri, 18 Jul 1997 17:12:56 -0400
Content-description: cc:Mail note part
Precedence: bulk
X-Listprocessor-version: 8.1 -- ListProcessor(tm) by CREN

================= END ATTACHMENT 1 =================

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2017-1075-F

Bucket: WHO

Creation Date: 1997-07-24

Subject: Tax bill status

Creator: Eugene Bae CN=Eugene Bae/OU=OMB/O=EOP [OMB]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:28-JUL-1997 09:20:48.00

SUBJECT:

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
PRESIDENT WILLIAM J. CLINTON
INSERT ON BUDGET
NATIONAL GOVERNORS ASSOCIATION
LAS VEGAS, NEVADA
July 28, 1997

INSERT AFTER &Maine to Hawaii/economic good news. 8

We are now in our final negotiations on the details of legislation to write into law our balanced budget agreement. I am optimistic that a final agreement will be reached. And I want to underscore how important this will be for our nation. We have an historic opportunity to balance the budget in a way that honors our values, strengthens our economy, and invests in our people. We have an historic opportunity to pass a balanced budget that includes the largest increase in education in 35 years. We have a historic opportunity to pass a balanced budget that extend health insurance to up to 5 million children. We have a historic opportunity to pass a balanced budget that moves people from welfare to work. We have an historic opportunity to pass a balanced budget that protects the environment. We have an historic opportunity to pass a balanced budget that extends the Medicare Trust Fund for a decade. We have an historic opportunity to give the middle class a tax cut. This is our opportunity, and we can seize it.

My administration has been working hard over the past weekend to craft the details of this deal. I am particularly pleased that the American people will get the Hope Scholarship -- our $1500 tax credit for the first 2 years of college. And I am very pleased that the child tax credit will go to many more Americans, from the working poor to the upper middle class. In the coming days, I will fight to make sure that this budget includes $24 billion for children ,s health care, and that there revenues from a tobacco tax will help pay for this health care. We can make sure this balanced budget and tax cut strengthens our nation as we move to the 21st Century.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lisa J. Levin (CN=Lisa J. Levin/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 15:42:39.00

SUBJECT:

TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cecily C. Williams (CN=Cecily C. Williams/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
USE THIS
---------------------- Forwarded by Lisa J. Levin/WHO/EOP on 07/29/97
03:42 PM ---------------------------

Lisa J. Levin
07/29/97 03:41:27 PM
Record Type: Record

To: Suzanne Dale/WHO/EOP
cc:
Subject:

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT
Roughly $900 Billion in Net 10 Year Deficit Savings.

First Balanced Budget since 1969.

Largest Investment in Higher Education Since the G.I. Bill
in 1945:

$1,500 HOPE Scholarship to Help Make Two Years of College
Universally Available.

20% Tuition Tax Credit for College Juniors, Seniors, Graduate
Students and Working Americans pursuing Lifelong Learning
To upgrade their skills.

Single Largest Investment in Health Care for Children
Since 1965.

A $500 Per Child Tax Credit for Approximately 27 Million
Families.

Critical Long-Term Entitlement Reforms -- Extends Solvency of Medicare Trust Fund for at Least a Decade.

Brownfields and Empowerment Zones Tax Incentives to Revitalize Our Nation ,s Distressed Areas.

A $ 3 Billion Welfare-to-Work Jobs Initiative Targeted to High Poverty Areas.

Treats Legal Immigrants Fairly -- Restores Health and Disability Benefits.

THE FIRST BALANCED BUDGET IN A GENERATION

FIRST BALANCED BUDGET SINCE 1969

Net savings of roughly $900 billion over ten years.
1993 Economic Plan has cut the deficit more than 75% from $290 billion in 1992 to $67 billion or lower in 1997. This agreement finishes the job -- balances the budget in 2002 and puts the budget in surplus at least through 2007.

SINGLE LARGEST INVESTMENT IN HEALTH CARE FOR CHILDREN SINCE THE PASSAGE OF MEDICAID IN 1965

An unprecedented $24 billion for children ,s health care.
Guarantee of meaningful health coverage including full range of benefits to as many as 5 million uninsured children.
Provisions to ensure that states use this investment to provide health care coverage to children who do not currently have health insurance and that there are adequate cost protections so that families are not burdened with excessive costs so that care is affordable.

CRITICAL LONG-TERM ENTITLEMENT REFORMS

Between $400-$450 billion in ten-year Medicare savings.
Extends the life of the Medicare Trust Fund for at least a decade.
Prepares Medicare for the 21st century -- more choice, competition, improved payment systems.
$4 billion in preventive benefits to fight diseases like breast cancer, diabetes & colon cancer
$1.5 billion to help pay the premiums of low-income Medicare beneficiaries.

PROTECTS THE PRESIDENT ,S CRITICAL DOMESTIC PRIORITIES.
The Budget Agreement, which will be enacted in the Appropriations bills in the fall, includes 99% of total amount of President ,s 5-year Domestic Discretionary Budget.

Largest education investment in 30 years.
Pell Grant expansion -- maximum grant increased to $3,000.
New child literacy initiative consistent with President ,s America Reads.
Head Start expansion -- on track to 1 million children in 2002.
Full funding for President ,s training budget, including Job Corps.

President ,s FY 98 budget request for EPA Operating Budget
National Park Service full funding for operations budget, plus land acquisition and state assistance, and Everglades Restoration.
Superfund -- clean-up of 500 toxic sites in next four years (if policies can be worked out).
COPS -- funding on track to put 100,000 more police officers on streets by 2000, plus full funding for overall Violent Crime Reduction Trust Fund.

MOVES PEOPLE FROM WELFARE TO WORK & TREATS LEGAL IMMIGRANTS FAIRLY

$3 billion to help states and local communities move people from welfare to work.
$12 billion to restore both disability and health benefits for 350,000 legal immigrants in 2002 who are currently receiving assistance or become disabled, ensuring that they will not be turned out of their apartments or nursing homes or otherwise helpless.
Preserves the minimum wage and other labor protections for welfare recipients moving from welfare to work. Does not include the House-passed provision to leave workfare participants unprotected by the Fair Labor Standards Act and other employment laws. Protects workers from displacement by those leaving the welfare rolls, and establishes a strong process for workers to raise grievances with an independent agency.

A MAINSTREAM TAX CUT

On December 15, 1994, President Clinton proposed the Middle Class Bill of Rights, which included a $500 Child Tax Credit, an expanded IRA to allow people to withdraw money tax-free and without penalty for education, and a tax deduction for post-high school education expenses. Each of the President ,s proposals is included in this budget:

A CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES.

$500 Per-Child Tax Credit for approximately 27 million families with 45 million children under 17. The credit begins to phase out for couples with incomes above $110,000.
13 million children from families with incomes below $30,000 will receive the child tax credit -- up to 7.5 million* more than would have under the Congressional plans. Families earning under $30,000 such as young teachers, police officers, farmers, and nurses who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

A VICTORY FOR MIDDLE CLASS PARENTS TRYING TO PAY FOR THEIR CHILDREN ,S COLLEGE AND FOR WORKING PEOPLE TRYING TO UPGRADE THEIR SKILLS.

$1,500 HOPE Scholarship to make the first two years of college universally available. The final agreement includes the President ,s initiative to help make the 13th and 14th grades as universal as a high school diploma is today. Students will receive a scholarship of 100% on the first $1,000 of tuition and fees and 50% on the second $1,000.
20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of qualified

education expenses through 2002, and to the first $10,000 thereafter. The President has long understood that the economy is changing and that people need the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and was a major improvement over the bills passed by Congress.

TAX INCENTIVES TO REVITALIZE OUR NATION ,S DISTRESSED URBAN AREAS.

A key component of the President ,s tax cutting agenda has been to spur economic activity in distressed areas of our nation ,s cities. This budget reflects the President ,s agenda:

A New Tax Cut Plan Helps to Clean Up and Redevelop Brownfields. The 3-year Brownfields tax incentive will reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas by permitting clean-up costs to be deducted immediately for tax purposes. This will, in turn, encourage redevelopment of these areas. The Treasury Department estimates that this $1.5 billion tax incentive would leverage more than $6 billion for private sector cleanups nationwide, allowing redevelopment of 14,000 brownfields.
New Empowerment Zones (EZs). The budget includes a second-round of EZs -- 15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits from the first-round communities. For example, the EZs will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

HELPING MOVE PEOPLE FROM WELFARE TO WORK

A Welfare to Work Tax Credit. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first $10,000 in wages in the first year of employment, and 50% of the first $10,000 in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring but retention.

$3 Billion to Help Move 1 Million People from Welfare to Work. Includes President's proposal to create $3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 15:11:51.00

SUBJECT: Balanced Budget Material

TO: Am College Emergency Physicians (Am College Emergency Physicians @ 728-0617 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Dental Assn (Am Dental Assn @ 898-2437 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Ambulatory Pediatric Assn (Ambulatory Pediatric Assn @ 703-556-8729 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Soc for Investigative Dermatolology (Soc for Investigative Dermatolology @ 1-216-844-6810 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Soc of Anesthesiologists (Am Soc of Anesthesiologists @ 371-0384 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Soc Gastrointestin Endoscopy (Am Soc Gastrointestin Endoscopy @ 833-0086 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Ac of Pain Medicine (Am Ac of Pain Medicine @ 1-708-966-9418 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Ac of Dermatology (Am Ac of Dermatology @ 842-4355 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Assn Gerontlgy 4 Blk Clgs and Univ (Assn Gerontlgy 4 Blk Clgs and Univ @ 347-0895 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Soc Cataract & Refractive Surg (Am Soc Cataract & Refractive Surg @ 703-591-0614 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Chiropractic Assn (Am Chiropractic Assn @ 703-243-2593 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Soc for Critical Care Medicine (Soc for Critical Care Medicine @ 1-714-282-6050 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Endocrine Society (Endocrine Society @ 301-941-0259 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Soc of Reproductive Medicine (Am Soc of Reproductive Medicine @ 484-4039 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Gastroenterological Assn (Am Gastroenterological Assn @ 543-5327 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Am Ac of Otolaryngology (Am Ac of Otolaryngology @ 703-683-5100 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am College of Chest Physicians (Am College of Chest Physicians @ 293-6200 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Am Group Practise (Am Group Practise @ 703-548-1890 @ FAX [UNKNOWN])
READ:UNKNOWN

TEXT:
PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT

President Clinton has achieved a landmark balanced budget that promotes our values, providing critical investments for education, health care, and the environment while strengthening and modernizing Medicare and Medicaid. It also provides middle-class families a tax cut to help raise their children and send them to college.

ONLY FOUR YEARS AGO. In 1993, the President inherited a budget deficit of $290 billion that was expected to explode to over one-half trillion dollars in 2002. A decade of large deficits had weakened the foundation of our economy and sapped our power and prestige abroad. Unemployment was 7.5% in 1992, and job growth was sluggish.

THE PRESIDENT PASSES HIS 1993 ECONOMIC PLAN. President Clinton implemented an economic program designed to reduce the deficit and to invest in critical priorities, such as education and training. The 1993 economic plan has exceeded all expectations: the deficit has fallen by more than 75%, dropping for a likely fifth year in a row to $67 billion or less in 1997; business investment has been the strongest since Kennedy was President; the economy has produced over 12.5 million new jobs; and the unemployment rate this year is the lowest in 24 years.

THE PRESIDENT ACHIEVES FIRST BALANCED BUDGET IN A GENERATION TO FINISH THE JOB. The President began his second term determined to fulfill his goal of balancing the budget. As we head into the next century, this bipartisan balanced budget protects our priorities, solidifies the nation ,s economic foundation, restores faith in our ability to govern ourselves, and bolsters America ,s preeminent position in the world economy.

Roughly $900 Billion in Net Ten-Year Savings to keep us on the path of fiscal responsibility and help prepare the nation for the retirement of the baby boom generation.

Largest Increase in Higher Education Funding Since the G.I. Bill of 1945, including $1,500 HOPE Scholarship to make the first two years of college universally available and a 20% Tuition Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills.

Single Largest Investment in Health Care for Children Since the Passage of Medicaid in 1965. Today, ten million children have no health insurance. The balanced budget takes dramatic and concrete steps to right this wrong. Health care coverage will be extended to up to 5 million children

Critical Long-Term Entitlement Reforms including between $400-$450 billion in ten-year Medicare savings to keep the Medicare Trust Fund Solvent for at least a decade. Importantly, these savings are achieved in a way that prepares Medicare for the 21st century -- more choice, competition and revamped payment systems and preventive benefits.

$500 Per Child Tax Credit to make it easier for approximately 27 million families to raise their children.

Helping Move 1 Million People from Welfare to Work. The budget bill provides an additional $3 billion, the full amount requested by the President, to help communities move long-term welfare recipients into jobs. The dollars are locally controlled and targeted to high-poverty areas.

Protects our Nation ,s Most Vulnerable People. The budget includes $12 billion to restore both disability and health benefits to legal immigrants who are currently receiving benefits or become disabled in the future, ensuring that they will not be turned out of their homes or otherwise left to an uncertain fate. The budget bill will help 350,000 legal immigrants (in FY 2002) who would otherwise have been denied assistance.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 13:56:17.00

SUBJECT: opening remarks at Tahoe Forum

TO: safi (safi @ usia.gov [UNKNOWN])
READ:UNKNOWN

TO: bakerp (bakerp @ washpost.com [UNKNOWN])
READ:UNKNOWN

TO: mike.frisby (mike.frisby @ news.wsj.com@INET [UNKNOWN])
READ:UNKNOWN

TO: harrisj (harrisj @ washpost.com@INET [UNKNOWN])
READ:UNKNOWN

TO: whdesk (whdesk @ cqalert.com@INET [UNKNOWN])
READ:UNKNOWN

TO: almitc (almitc @ nytimes.com@INET [UNKNOWN])
READ:UNKNOWN

TO: richgeorge (richgeorge @ aol.com@INET [UNKNOWN])
READ:UNKNOWN

TO: jfcarney (jfcarney @ aol.com@INET [UNKNOWN])
READ:UNKNOWN

TO: deborin (deborin @ aol.com@INET [UNKNOWN])
READ:UNKNOWN

TO: chief (chief @ digex.com@INET [UNKNOWN])
READ:UNKNOWN

TO: SADELMAN (SADELMAN @ tRIBUNE.COM@INET [UNKNOWN])
READ:UNKNOWN

TO: bILLDEAN (bILLDEAN @ AOL.COM@INET [UNKNOWN])
READ:UNKNOWN

TO: kathleen_mckiernan@kennedy.senate.gov (kathleen_mckiernan@kennedy.senate.gov [UNKNOWN])
READ:UNKNOWN

TO: ropear (ropear @ nytimes.com [UNKNOWN])
READ:UNKNOWN

TO: jabenn (jabenn @ nytimes.com@inet [UNKNOWN])
READ:UNKNOWN

TO: BAKERP (BAKERP @ WASHPOST.COM@INET [UNKNOWN])
READ:UNKNOWN

TO: stewart (stewart @ hearstdc.com@INET [WHO])
READ:UNKNOWN

TO: vftg64a (vftg64a @ prodigy.com@INET [UNKNOWN])
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TO: topurd (topurd @ nytimes.com@INET [UNKNOWN])
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TO: mattizcoop (mattizcoop @ aol.com@INET [UNKNOWN])
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TO: halperm (halperm @ ccabc.com@INET [UNKNOWN])
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TO: dcburo (dcburo @ latimes.com@INET [UNKNOWN])
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TO: WNEIKIRK (WNEIKIRK @ TRIBUNE.COM@INET [UNKNOWN])
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TO: ERatnerDC (ERatnerDC @ AOL.COM@INEt [UNKNOWN])
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TO: 102264.1635 (102264.1635 @ compuserve.com@INET [UNKNOWN])
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TEXT:
---------------------- Forwarded by Darby E. Stott/WHO/EOP on 07/29/97
01:50 PM ---------------------------

SUNTUM_M @ A1
07/28/97 01:57:00 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: opening remarks at Tahoe Forum

see attached

Message Sent
To:

Darby E. Stott
Julia R. Green
Megan C. Moloney
Jonathan Murchinson

Roger V. Salazar
Richard Socarides
William H. White Jr.
WOZNIAK_N @ A1@CD@LNGTWY

---------------------- Forwarded by Darby E. Stott/WHO/EOP on 07/29/97 01:50 PM ---------------------------

SUNTUM_M @ A1
07/28/97 04:44:00 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: 1997-07/28 press briefing by joe lockhart

see attached

Message Sent
To:____
Darby E. Stott
Julia R. Green
Megan C. Moloney
Jonathan Murchinson
Roger V. Salazar
Richard Socarides
William H. White Jr.
WOZNIAK_N @ A1@CD@LNGTWY

---------------------- Forwarded by Darby E. Stott/WHO/EOP on 07/29/97 01:50 PM ---------------------------

SUNTUM_M @ A1
07/28/97 04:53:00 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: 1997-07/28 remarks by President to Nat'l Governors Assoc.

see attached

Message Sent
To:____
Darby E. Stott
Julia R. Green

Megan C. Moloney
Jonathan Murchinson
Roger V. Salazar
Richard Socarides
William H. White Jr.
WOZNIAK_N @ A1@CD@LNGTWY

=================== ATTACHMENT 1 ===================
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(MORE`,(#K-

#THE WHITE HOUSE

Office of the Press Secretary

(Incline Village, Nevada)

For Immediate Release`(#9July 26, 1997

OPENING REMARKS BY THE PRESIDENT

AND THE VICE PRESIDENT

!AT LAKE TAHOE FORUM

%Hyatt Hotel

Incline Village, Nevada6P66P66P6

11:55 A.M. PDT

THE VICE PRESIDENT: Please be seated, ladies and
gentlemen. Thank you very mu
ch. It's a great honor to be here.
And as you can imagine, it's a wonderful p
leasure for the
President and me to be able to come to this beautiful place and

to take part in this important process.

A couple people, just as we were coming in to this
room, said, why don't we hav
e this down by the lake site this
morning? And you want to know the answer? T
he answer is, there
was no way to do that without closing down a public beach o
n a
Saturday and we thought it would be better to let people continue
enjoying
this lake while we all go about the work of trying to
preserve it for the futur
e. (Applause.)

On behalf of the President, I want to acknowledge
some of the distinguished gue
sts who are here. Then I'll make
some brief remarks and present the President.
After the
President's remarks, I'll call on some presenters to start us
off,
and then we'll have a series of five short panel discussions
on topics that are
critical to the future of Lake Tahoe.

First, let me acknowledge Governor Miller. We
appreciate your hospitality, Gov
ernor, and thank you very much.
And representing Governor Wilson, Doug Wheeler
is present. We
appreciate his presence. Of course, we're delighted to have t
he
senators from the two states who are here Senator Harry Reid,
who suggested
this forum; Senator Richard Bryan, both from
Nevada. And Senator Dianne Feins
tein and Senator Barbara Boxer,
both from California. Congressman Jim Gibbons
and Congressman
John Ensign, both from Nevada; and Congressman Dick Fazio,
Cong
ressman John Doolittle, Congressman George Miller, who was
here yesterday all
from California.

Members of the President's Cabinet who are here and
who have been here, working
hard on this issue include Secretary
of Interior Bruce Babbitt, Secretary of A
griculture Dan Glickman,
the Administrator of the Environmental Protection Agen
cy, Carol
Browner. Also, the Chair of the Council of Environmental Quality
Kat
ie McGinty. And all the members of the Tahoe Basin Steering
Committee who are
here we want to say a special word of thanks
to you.

And there are two statewide elected officials,
constitutional officers here th
e Attorney General of Nevada,
Frankie Sue Del Papa, who was, incidentally, a fo
rmer member of
the TRPA, and Lt. Governor Gray Davis of California.

And, Mr. President, in addition to the Cabinet
members, I want to note that the
Secretary of Transportation,
Rodney Slater, played a major role in the leadup
to today's
conference, and his Deputy, Secretary Mort Downey, is here. And
two
other Deputy Secretaries are here both of them happen to:be Californians Ric
h Ruminger, Deputy Secretary of
Agriculture; and John Garamendi, Deputy Secreta
ry of the
Interior; and John Zhirsky, from the Department of the Army for
Civil
Works.

Mr. President, yesterday was my kind of day. I've
had a chance to tell the Pre
sident about this, but I got the
better end of this deal. (Applause.) Right a
fter I arrived in
Lake Tahoe, a park ranger guided me on a hike near the Desola
tion
Wilderness. The trail finished at a summit with a breathtaking
view of th
e Fallen Leaf Lake where Tipper and I stayed last
night, and a backdrop of the
majestic Mount Tallac.

And then after the hike, I went to the Forest
Service Visitors Center to take p
art in the conference on Lake
Tahoe's future. And I want to emphasize that tha
t discussion
yesterday, which was very lengthy and very detailed, was actually
a wrapup session following a much lengthier and much more
detailed series of in
tensive issue workshops, five of them led by
members of the President's Cabinet
and others, and all of them
based on the premise that throughout the world, bu
t especially
here in Lake Tahoe, the environment and the economy go hand and

ha
nd.

Lake Tahoe demonstrates clearly that the economy is
the environment, and the en
vironment is the economy. That's the
fundamental foundation of all of our conv
ersations. And that's
where we will start in the first of our five panels toda
y.

But yesterday we talked in depth about Tahoe's
stunning water clarity and how w
e can work together to keep Tahoe
blue. We discussed the importance of forest
health and what we
must do to prevent wildfires and reduce erosion into the lak
e.
And we spoke about transportation and its critical role, and
recreation and
tourism how we can balance the demands of
development and traffic with the co
nstant need to protect the air
and the water.

The discussions yesterday yielded a lot of
information and insights. The discu
ssion on water clarity
emphasized the fact that this lake is unique throughout
the
world, and the bright, cobalt blue quality just has to be
preserved. Every
body agrees on that.

And there was a discussion of the critical role of
nitrogen and phosphorus in f
eeding the algae growth, which is, of
course, the main reason why the clarity i
s slowly disappearing.
And the scientists make the point that the phosphorus i
s critical

as a limiting factor, and that's why soil erosion must be controlled. And nitrogen, the other critical element, comes predominantly, it seems, from the emissions from cars and trucks and buses, both directly through the air and indirectly after being deposited on the land and then washed in with the soil erosion.

On the panel dealing with forest health, we had an extensive discussion about the history of the forest and what can be done in practical terms to restore forest health. We had an extremely interesting conversation about the planning that's under way to deal with the transportation issue. And I was extremely impressed with what the business community talked about for the future of recreation and tourism here to emphasize the quality of the recreation experience here at Lake Tahoe, the creation of partnerships and how in the future the economy and the environment will go hand in hand as well.

We heard, Mr. President, from a lot of people Democrats and Republicans, Nevadans and Californians, environmentalists and business owners, public officials, private citizens, and tribal leaders. There were a lot of different viewpoints, but there was one thing that everybody agreed on: 6this place is amazing. It's a national treasure that must be protected and preserved.

Lake Tahoe sits on the edge of two states, but it's smackdab in the middle of paradise. And all who benefit from the Lake Tahoe Basin bear responsibility for keeping it that way. In fact, it's our moral obligation to be faithful stewards of our heritage and protect this area for future generations. So that's

why
we're here today to make sure that this special place is
protected, as the Pr
esident's doing with Yellowstone and the
Everglades and the Grand Canyon. This
is one of crown jewels,
unique among them all.

We'll succeed if we remain committed and especially
if we recognize the overrid
ing importance of the other great
asset here in Lake Tahoe, in addition to the
natural beauty, the
unique partnership and consensus that has emerged here.

Now, it is my pleasure to present the individual who
has made possible and led
the growing national consensus on
protecting the environment and growing the ec
onomy at the same
time; someone whose commitment to our national heritage is
un
paralleled, who understands that environmental protection and
economic growth a
re one in the same, not only here, but all over
our nation; someone who knows t
hat we need to come together and
find common ground if we're to preserve Americ
a's sacred ground.

Ladies and gentlemen, the President of United
States, Bill Clinton. (Applause.
)

THE PRESIDENT: Thank you very much. First of all,
ladies and gentlemen, I wan
t to thank all of you who have had
anything to do with these efforts in working

with us over the
last several months. The members of the Cabinet and the depu
ty
secretaries have been acknowledged. The members of the Congress
have been a
cknowledged. The other distinguished state officials
from California and Nevad
a have been acknowledged. But there are
a lot of people who work for these fed
eral agencies at other
levels who have just been out here killing themselves fo
r the
last few months to try to make this a good, successful two days.
And to
all the citizens who worked with them, and to all the
federal employees who are
here, I want to thank all of you for
what you did to help these last two days
be successful.
(Applause.)

In addition, there are four people who worked with
us to help make these worksh
ops and in this forum a success
Katie McGinty, Jim Lyons, Tom Tuckman, Phil Ba
yles I can't
count; six Jeff Bailey and Dave Van Note. And I want to thank
t
hem.

I want to say a special word of appreciation to the
members of Congress from th
ese two states who have proved that
this is a bipartisan, perhaps even a nonpar
tisan endeavor, that
we all have a stake, not just as Westerners, but as Americ
ans, in
not only preserving Lake Tahoe, but, if possible, reversing some
of the
difficulties of the last two years.

But I would be remiss if I did not say a special
word of thanks to the person w
ho thought this idea up and got my
commitment months ago months ago to show u
p, if you'll
forgive me, come hell or high water. And here we are in the
middl

e of the budget negotiations we're trying to finish today
back in Washington, b
ut I am here because I promised Harry Reid
months ago I would be here. (Applau
se.) Thank you.

I also want to thank the people who took us out on
the boat today and who do al
l this wonderful research here, and
everybody who took the Vice President aroun
d yesterday. When I
got up at 5:00 a.m. in the morning my time, 2:00 a.m. your
time,
to come here today and I ought to be tired but I'm
exhilarated, partly
because of the beauty of the surroundings.x7And I always on the few times in m
y life I've been privileged
to be at this great site, I've always been exhilara
ted by it.

The other reason I am pumped up is that when I saw
the Vice President this morn
ing he was virtually glowing, and I
knew he had been here in his element. (Lau
ghter). And the
minute we got on the boat, I got my Marine Biology 101 lecture
--
(laughter) about, phosphorous, nitrogen, what does what, what
does the oth
er. I looked at the plankton. I mean, I could pass
anybody's test now. (Laug
hter.)

And you have made Al Gore a happy man. (Laughter
and applause.) He thinks tha
t he is a this may be one of the
deepest lakes in the world, but he's just abo
ut 6 inches below
heaven right now. (Laughter.)

Let me say that the first stewards of this land, of course, were the Washoe People. They tell us that Lake Tahoe was the product of the Good Spirit's benevolent hand. They've also treated it that way. Perhaps now more and more Americans and more and more citizens of the world are tending to look at our environment that way. I certainly hope so.

When Washoe families came to the lake each spring, they blessed the water and shared its bounty. And when they left their campsites each winter, they hardly left a track behind. Today, it appears to me that all those who are involved in this great endeavor revere this region and have worked hard to keep it safe from harm.

Your cooperation to protect Lake Tahoe is, frankly, as the Vice President said, an outstanding model for the work we have to do to protect all kinds of national treasures and deal with all kinds of environmental challenges in the new century. And if I could be quite candid here, one of the reasons that I wanted to come here was not only to highlight to the nation the importance of Lake Tahoe, but also to show the nation that there is a place where environmentalists and business people and ordinary citizens, where Republicans and Democrats, where tribal leaders and governmental people, where everybody is working together in common cause recognizing that there cannot be an artificial dividing line between preserving our natural heritage and growing our economy.

That is the fundamental lesson as Americans we have
to absorb if we hope to be
able to have our grandchildren and our
grandchildren's grandchildren 100 years
from now celebrating the
kind of country we're celebrating on the edge of this
new
century. So you are doing something important for the country.
(Applause.
)

As all of you know, the Vice President and I got to
go out on the UC Davis rese
arch vessel this morning to see how
the scientists monitor the lake's clarity a
nd quality, and we
also learned just how not only pristine Lake Tahoe still is,
but
how much it has degraded over the last 40 years or so. We could
see from
measurable evidence and the charts that are tacked up
inside the vessel what we
have to do to reverse the decline.

We also have gotten the message in the workshops the
Vice President has describ
ed. Over the last two months, I think
it's astonishing that more than 1,000 pe
ople have participated in
these workshops. I believe this is the seventh such
meeting I
think that's accurate. And for all of those 1,000 people plus, I
wa
nt to thank you because the announcements that will be made
today and the work
that will be done in the months and years
ahead is in no small measure the dire
ct result of your
willingness to give your time to participate in this process.

We learned that all of us have to find even better
ways to work together. And
I think you know that just a few
moments ago, I signed an executive order to en
sure greaterx7cooperation among all the governments, agencies and businesses
wo
rking here. It's not a topdown federal mandate, but a pledge
to collaborate an
d share resources more than ever. We will work
with you, we will support you,
but you the states, the tribes,
the local citizens you will lead the way. Th
e executive order
simply embodies the ratification of our obligation to help an
d to
support.

The workshops also convinced us that the federal
government must take new actio
ns now to help protect Lake Tahoe's
environment and, with it, the area's econom
y and quality of life.
Today, with real projects based on listening to local p
eople, we
commit to take more than 25 specific actions and more than double
the
federal government's investment in the basin in each of the
next two years to
well over $50 million. (Applause.)

Among the things that we intend to do are, first, to
expand our efforts to rest
ore the forest and reduce the risk of
catastrophic fires. The Forest Service w
ill use prescribed fire
and other means to clean out the dry brush and wood on
more than
3,500 federally owned lots and 3,000 acres of open forest each
year.

Second, we'll take steps to protect and restore the
lake's fabled water quality
. We will work with UC Davis to

develop computer tools that can predict how va
rious watershed
improvements will contribute to water quality. Every federal
a
gency here will work to increase efforts to restore natural
habitat, reduce ero
sion, and keep the water clean.

One crucial measure we'll work hard to deliver is a
new pipeline to carry waste
water out of the Tahoe Basin.
(Applause.) And I thank all the members who ha
ve supported that,
but I particularly want to recognize the efforts of Senator
Boxer
and Congressmen Fazio and Doolittle.

Third, we will help to cut down on traffic
congestion and auto pollution by joi
ning with you to improve mass
transit throughout the region. I'm pleased to re
port that the
U.S. Postal Service will help by switching to cleaner natural gas

trucks and expanding home mail delivery to people on the west
side of the lake
. The Sierra Nevada's legendary 19th century
mail carrier, Snowshoe Thompson,
would probably be proud of that.
(Laughter.)

And let me say, if I might do a little home cooking
here, there are natural gas
buses manufactured in Chattanooga,
Tennessee (laughter) now being sold all o
ver the world, now
in use in the rainforest in Costa Rica, that would be very g
ood
for reducing air pollution around the lake. (Laughter.) And I
know someon
e who would be helpful in getting you in touch with
the appropriate people. (A
pplause.)

Finally, the Vice President met with Washoe elders
yesterday and announced that
we will assist the tribe in their
efforts to protect sacred areas and preserve
their culture.
(Applause.) The Forest Service intends to provide approximate
ly
350 acres to the Washoe for use in growing traditional plants,
and another s
ection of land where the Washoe will establish a
cultural center. As part of t
his action, the Forest Service
intends to provide tribal members access to the
water's edge for
the first time in a century. (Applause.)

I learned today from their leader that the Washoe
first wrote to the President
of the United States asking help on
these matters in 1877. It just took 120 ye
ars, but I can tell
you, from now on, the mail will run more rapidly between La
ke
Tahoe and Washington, D.C. (Applause.)

We hope to do more beyond today's announcement as we
work with leaders from Cal
ifornia and Nevada and Lake Tahoe's
many friends in Congress. I also want to r
ecognize the effortsx7of Governor Miller, Governor Wilson earlier this week in
recommending their states' resources to the lake recommitting
their states' re
sources to the lake.

I'm convinced we can succeed in this endeavor. And,
as I said before, I'm conv
inced, as we do, the model of
cooperation you have established will be a model
that we'll want
to follow throughout the country.

We have a lot of work to do today to preserve the
pristine Head Water's Forest
in northern California, something of
great concern I know to Senator Feinstein
and many others; to
restore the Florida Everglades; to protect the endangered
S
terling Forest in the Northeast; to save Yellowstone from gold
mining. We have
an awful lot of work to do I think in perhaps
our biggest challenge of all in
confronting the challenge of
global climate change as we move into a new centur
y.

President Theodore Roosevelt said, standing not far
from here, "We are not buil
ding this country of ours for a day.
It is to last through the ages." Well, a
s we approach the 21st
century and deal with these huge megachallenges like cli
mate
change, you have given us a way to meet the challenge of the ages
by work
ing together and understanding what our forebears knew
centuries ago. We canno
t divide our quest for prosperity from
our obligation to hand nature, God's gre
at gift to us, on down to
the generations.

We can do that. You have shown us the way. And we
are determined to do our pa
rt. Thank you very much. (Applause.)

)END`,(#=12:16 P.M. PDT================= END ATTACHMENT 1 =================

================== ATTACHMENT 2 ==================
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(MORE`,(#K-

#THE WHITE HOUSE

Office of the Press Secretary

!(Las Vegas, Nevada)

____For Immediate Release`(#>July 28, 1997

#PRESS BRIEFING

#BY JOE LOCKHART

$Mirage Hotel

"Las Vegas, Nevada

12:20 P.M. PDT

MR. LOCKHART: Can I just give everybody a quick update on what I've learned on the budget?

I was just told that within the last half hour or so our budget team went up to the Capitol, so I believe that a meeting has begun between our team, led by Erskine Bowles, and the Senate leadership. I believe the focus of the first part of that meeting will be on the spending part of the budget package, and then we'll try to keep you up to date on where it goes and what we find out from that group.

The President from here goes to a private lunch organized by Senator Harry Reid, with some of his political supporters here in the Nevada area. It's actually a group that includes both Democrats and Republicans. From there he'll go off to a golf club. Somewhere between I don't know whether it will be at the lunch or at the golf club he's going to take some time and get on the phone with his budget negotiators to get a personal update. And then he'll play golf with, as we told you before, some of the governors and Michael Jordan.

Q
Is it raining outside?

MR. LOCKHART: I think the weather is supposed to clear, but if it doesn't then we'll reassess.

Q
Does Michael live out here? Is that

MR. LOCKHART: No. I know he has someone told me that he runs some sort of basketball camp, so I think that may be why he's here today. I know that when the President talked to Mr. Jordan the day the Bulls won the championship they said that they were going to try to organize, once he was back on the golf course, an outing, if they could get their schedules together. So I think this is probably the first time that they've been in the same place.

Q Will there be wagering?

MR. MCCURRY: I think not.

Q Joe, what did the President mean when he was talking about the fiscal integrity of the budget, of keeping it balanced?

MR. LOCKHART: Yes, I think the President has talked over the past months about how important it is to not only balance the budget, but not to do things that might blow a hole in the deficit five and 10 years out. And there have been various issues that we think would cause concern. I mean, we talked at length about indexation of capital gains as one of

them. And I think he's just laying
down as one of his principles
that we need to balance the budget but also make
sure we don't:recreate the problem in the outyears of the budget and undo the
w
ork that we've done over the last five years and for the next
five years.

Q
Is indexation still pending?

MR. LOCKHART: I think Chairman Archer was fairly
clear yesterday. I don't wan
t to get into what the Republicans'
position is, but I think he was pretty clea
r in his television
appearance on the status of that feature.

Q
Joe, has the President spoken to Governor Weld,
or has he said anything abou
t Weld's decision to resign?

MR. LOCKHART: He has not spoken directly with him,
but I do understand that Go
vernor Weld's decision was based on
his personal view of what was best for his
constituents, the
state of Massachusetts, and his desire to focus on winning
su
pport for his intention to become the Ambassador to Mexico.

We're going to be working very closely with him to
try to build that support an

d move him forward because the
President believes now, as he did when he announ
ced his intent to
nominate him, that he's highly qualified and will be an excel
lent
ambassador.

Q
Does the White House think this was a good
strategy on Weld's part?

MR. LOCKHART: I think Governor Weld was really the
only person who could make
the judgment of what was in the best
interests of the state of Massachusetts an
d how he could go
forward in moving forward to try to build the support he'll n
eed.

Q
Joe, what happened to the President in Lake
Tahoe that he's now referring to
it in all of his speeches when
he talks about the more idealistic goals of his
administration
for racial harmony? What did he see in Lake Tahoe that now he
thinks he can compare all of this to?

MR. LOCKHART: I think that Lake Tahoe is by its
nature a part of the country t
hat almost by its nature needs a
partnership agreement. You have a lake, which
is a national
treasure, which is partly in California, partly in Nevada, partl
y
owned by the federal government the forest area around it.
And for it to wo
rk, people have to work together people who

may have different political views
, have different points of
view.

And I think he was struck by people's desire to work
together in partnership to
come together to save this lake. And
that really struck him on a smaller poin
t to go more broadly into
the idea of one America for the 21st century that's h
e's talked
about.

Q
Does he view it as kind of symbolic of what
he'd like to do or a model?

MR. LOCKHART: Yes, I think it's symbolic or a model
of how he views government
as a whole, though about going in
and using innovative techniques, partnering
between state, local,
private business, nonprofit groups, all of which have pa
rt of the
solution that the federal government alone or the state
government al
one doesn't have the solution. It's a result of
working together among these g
roups.

And I think he was struck by the cooperative effort
in that area.

Q

Joe, what's on for tomorrow?

MR. LOCKHART: The only thing I know of tomorrow is the 10:00 a.m., the Brennan funeral. The President will be@8delivering the eulogy. That is the only thing that I believe is on the schedule.

Q
Where is that?

MR. LOCKHART: St. Matthew's Church.

Q
What time do you expect the President will get home tonight?

MR. LOCKHART: Late, late.

Q
Or early.

Q
In time for the funeral?

MR. LOCKHART: Or early, depending on your point of view. In time for the yes
.

Q
Do you expect him

MR. LOCKHART: Even later or even earlier, depending on your point of view.

Q
Nothing else besides that on his schedule?

MR. LOCKHART: No.

Q
Do you expect any more ambassador appointments this week?

MR. LOCKHART: I'm not aware of any that are coming this week. I'm just I'd n
eed to go back and check to see how close we are on some things.

Q
can you put on any kind of a paper lid
today?

MR. LOCKHART: Yes, I think we have at least one
piece of paper coming, but as
soon as we can because there's
nothing else to do here, except sit in this roo
m.

Okay. Thanks.

)END`,(#=12:27 P.M. EDT================== END ATTACHMENT 2 ==================

==================== ATTACHMENT 3 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
WPC
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#THE WHITE HOUSE

Office of the Press Secretary

!(Las Vegas, Nevada)

For Immediate Release`(#9July 28, 1997

REMARKS BY THE PRESIDENT

TO THE NATIONAL GOVERNORS ASSOCIATION

"The Mirage Hotel

"Las Vegas, Nevada333333

11:05 A.M. PDT

THE PRESIDENT: Thank you very much for the warm welcome. I must say, whenever I come back here, I feel terribly nostalgic. I'm eager to come, I hate to lea ve, and I always know there's something that we don't entirely agree on. And r ight before we came in here, I came into the Mirage and I saw Steve Wynn and Go vernor Miller, and right before we walked in, we walked through another room wh ich is set up just like this one -- a committee room there wasn't a soul in th ere. And I thought, look, I know we don't agree on everything, but this is tak ing it a little far. (Laughter.) I was delighted to see the real thing. Than k you very much.

I want to say that to you, Governor Miller and to
Sandy and all your team here
in Nevada, Hillary and I are very
grateful to you for many things, but especia
lly for what you've
done on early childhood development. I congratulate Govern
or
Voinovich on assuming the chairmanship. And I thank him for what
he has don
e for young children. It is a remarkable record in
Ohio. And Governor Carper,
congratulations. I'm delighted to be
joined here by many members of the admin
istration who have been
here before and will be here when I leave.

And I would like to talk today about a number of
things, but let me say that I
have tried to establish a better
and a growing partnership with the NGA since I
first took office.
I've been working on one thing, really, which is to prepar
e our
country to go into this new century where every American who is
responsib
le enough to work for it has a chance at the American
Dream; where out of our v
ast diversity we build one America; and
where we will continue to be the world'
s leading force for peace
and freedom and prosperity, with opportunity for all
and
responsibility from all, an American community of all.

The governors who have been kind enough to share
with me work experiences, now
going back nearly 20 years, have
played a major role in a lot of what I have tr
ied to do, because
it seems to me now, as it seemed to me when I took office
a
lthough, I feel more strongly about it now that in some ways
our major challen

ge is to develop new ways of thinking and acting
about all of our problems, goi
ng beyond false choices which are
imposed on us by limited thinking and beyond
old conflicts. It's
so much easier to keep fighting in the same old way than i
t is to
imagine a new way of doing business.

Indeed, a great deal of my time away from domestic
issues is spent trying to ge
t people to stop doing things that no
one should have to ask them to stop doing
. In Bosnia, people
lived together for decades in peace within two months the
y
were shooting at each other's children. In Ireland they're still
fighting ov
er 600yearold disputes when the young people are
dying to get away from it. B
ut people just can't escape the
habits of old conflicts. Thank goodness, ours
are more
constrained, but we have to do better.:

And I must say, Governor, the best example that I
have seen of a new way of doi
ng things I saw two days ago when I
was in Nevada at Lake Tahoe, one of the mos
t perfectly beautiful
large lakes in the world, which is losing about a foot of
its
clarity every year because of pollution. And at Lake Tahoe, I
saw the mos
t conservative business people sitting with the most
active environmentalists o
n the same page. They would say that
same things. You couldn't tell after a p
oint who was in what
group, because they have concluded that they cannot preser
ve
their economy and grow it without also preserving their
environment.

And it was a marvelous thing. I couldn't tell who
was a Republican or who was
a Democrat. I couldn't tell who was
in the public interest environmental group
and who was running a
local business, because they have just imagined a future
that is
different from their past. And in large measure, that is what we
all
have to be doing because the time we're living in is so
dramatically different.

And we've tried to do a little bit of that in
Washington. They told me when I
got there we couldn't balance
the budget and reduce the deficit and cut spendin
g and still
invest more money in education but we did. They said that we
coul
dn't have an activist federal government if we were going to
cut the size of it
and reduce regulations and give more authority
to the states but the governme
nt is 300,000 people smaller
than it was the day I took office. And I think it
's clear that
we've got a different kind of partnership here.

So that's the sort of the thing I'm interested in in
all these areas. Let me j
ust say that the most important test of
any endeavor, I guess, is results. If
you look at the economy,
we said that we thought we had to cut the deficit, but
invest
more in our people and their future; and we had to open new
markets to
American products and services and we've got the
strongest economy in a genera
tion.

In crime, we said we had to keep being tough on
criminals, but we had to do som
e intelligent things that we
could have reasonable restrictions on keeping gun
s out of the
hands of people who shouldn't have them, without interfering with
the right of Americans to keep and bear arms, and we have done
it. We said we
had to punish people more, but we had to give
children something to say yes to,
and we've had five years of
declining crime rate and last year the biggest dro
p in violent
crime in 35 years. And welfare, all of you proved that you could
be tough on work and still supportive of children and families,
that it was a f
alse choice and we had the biggest drop in
welfare rolls in history.

Today, I would like to talk about three things,
basically. One is finishing th
e job of balancing the budget; two
is following through on welfare reform; and,
third, achieving
national excellence in education.

First, with regard to the budget, we're now in our
final stage of negotiations
on the details of legislation to
write into law a balanced budget agreement. W
e know now that the
deficit this year, when it comes in, will be over 80 percen
t less
than it was in 1992, when I took office, in January of '93. And
some pe
ople are saying, well, we ought to just forget about it,
the economy will keep
growing and the budget will be in balance
next year. That is dead wrong. It m
ight be in balance next year
or it might not, but if it is the deficit will sta
rt going up
again immediately. Why? Because as all of you know, you can't
ref
orm the entitlements in an annual appropriations basis. We

have over $400 bill
ion of savings in the entitlement programs in
this balanced budget agreement an
d $900 billion in savings over
10 years.

x7

Secondly, one of the things that keeps the economy
going is confidence that we'
re serious about fiscal
responsibility. So if we walked away from the budget a
greement
we don't know what impact it would have on the stock market and
on ind
ividual investment decisions and on the other things that
keep our economy grow
ing. So I think it would be a mistake.

More important, this is a remarkable budget.
Because of the prosperity of our
country we have an historic
opportunity to balance the budget in a way that ref
lects our
values and strengthens our economy as well; a historic
opportunity to
pass a balanced budget that includes the largest
increase in education since 1
965, the largest increase in helping
people go to college since the G.I. Bill p
assed 50 years ago and,
as Governor Miller said, the largest increase in health
insurance
and health support for children since Medicaid was enacted in
1965
with a bipartisan vote from the Congress.

We have a chance to pass a balanced budget that will
move more people from welf
are to work, that protects the
environment, that extends the Medicaid trust fun
d for a decade --
although, to be sure, we will have to do more on that in the
future. We have an opportunity to give the American people a tax
cut that is m

odest in the context of the overall economy, but still will provide much needed relief to middle class families, will support education, and will help to grow this economy in the future.

This is an historic opportunity. It can be the achievement of a generation. It can only happen with big majorities of people in both Houses-- and both parties coming together. And I believe we're on the verge of achieving it.

We've worked hard over the past weekend trying to work out some of the last difficulties with which many of you are very familiar. I am pleased to say that we have reached agreement, that the American people will get America's version of Georgia's HOPE Scholarship a $1,500 tax credit for the first two years of college. There will be other things in the agreement that are wellknown, but it's clear to me that it must have a child tax credit available for working families who need it from teachers to technicians, from fire fighters to small business people across this country. It should include $24 billion for children's health care. It should include a tobacco tax to help pay for that health care. And it should preserve the fiscal integrity of the budget. We need to be able to say to you, not just in five years, but in 10 years, we will continue to be able to keep this budget in balance if we have a reasonably successful economy.

Over the longterm, the policy of fiscal
responsibility is best economics. And
we dare not go back to a
policy of sustained structural deficits. We will be p
unished in
the international markets, and people in every state in this
country
that you represent will be hurt if we do that. I think
we're going to do it.

I know that you have some concerns over the
continuing debate in the children's
health package. We're trying
to work through that. Let me just say that I am
striving to
achieve two principles that I do not believe have to be in
conflic
t. First of all, I think there will be more flexibility
than the states have h
ad in the past ever in the administration
of the Medicaid program and the new c
hildren's health program.
And there will be no new costs to the states in the
children's
health program.

But it is important also that we have an adequate
benefit package for children,
recognizing that there are some
problems that children have in a way that is m
ore profound than
adults, including problems with vision, with hearing, with de
ntal
health. I also think it's important that the American peoplex7know if we'
re going to raise this tax money on tobacco that the
money will actually add ch
ildren to the ranks of the insured and
not be used, in effect, for people to be
able to drop other
insurance schemes of children and put them on a public prog
ram,
or that the money would be spent on things other than adding
children.

So that's where we are. I feel good about it. And I think we're on the right track. And I will be surprised and deeply disappointed if we do not achieve an agreement in the near future that you will, hopefully, be quite supportive of and that will achieve sustained, big majorities from both Houses and both parties.

The second thing I'd like to talk about briefly is welfare reform. It has been one of my top priorities for a long time as Governor Miller said, for at least 10 years, since my predecessor, as head of the Governors Association, Lamar Alexander, asked Mike Castle and I to head a welfare reform task force a decade ago.

Since I took office, we have given waivers to 43 states to help you launch your own welfare reform experiments to make welfare a second chance, not a way of life; to promote independence and family and work and responsibility. And about a year ago, I signed the welfare reform law which has tough work requirements, time limits, parental responsibility, and imposes significant responsibilities on you, while giving you more flexibility to be fully responsible for the program.

There was a lot of debate about the time I signed the bill about whether welfar

e reform would work, about whether
people would actually move from welfare to w
ork or whether they
could. I would submit to you that after four and a half ye
ars
that debate should be over, based on the evidence that you have
worked so h
ard to amass.

There are now 3 million fewer people on welfare than
the day I took office and
1.2 million fewer people since I signed
the welfare reform bill just a year ago
. Nine states have cut
their welfare rolls by more than 40 percent in the last
four
years. Wisconsin and Wyoming have cut their welfare rolls in
half. This
is the largest decrease in history. And we now have
the lowest percentage of
our population on welfare since 1970.
And you should be very proud of your rol
e in that achievement.
That is something America can be proud of the lowest
p
ercentage of people on public assistance since 1970.
(Applause.)

Now, I know there are a lot of reasons for that.
The good economy has taken so
me people from welfare to work.
There's been a 50percent increase in child supp
ort collections
and that's helped. The minimum wage and the earned income tax
credit have made work more attractive for people on the margins;
that's helped.
But make no mistake about it, our Council of
Economic Advisors did a very rig
orous analysis of this, making
clear that a significant percentage of the peopl
e who had moved
from welfare to work did so because of state welfare reform
ini
tiatives and because of the new law. So we know it can work.

Now, let me also say I know that a lot of you were
concerned, as I was, about s
ome of thing things that were in the
welfare reform law that I felt should not
have been there, and we
are moving forward in this budget agreement to fix that
. Among
other things, the most egregious cuts in aid to legal immigrants
will
be restored under agreements we have already reached with
the Republican and th
e Democratic leaders in the Congress. And
there will be another $1.5 billion f
or food stamps, which I think
is important, among other things, because it's im
portant for us
to remember that most people on welfare are single mothers and
t
heir little children, but a lot of unemployed people longterm6in this society a
re single men, and we should not forget about
them.

And one of the things that I like so much about what
Governor Carnahan has been
doing in Missouri is the attempt to
integrate the efforts to put single men in
to the work force with
the effort to put people from welfare into the work forc
e. If we
can't do this now when our unemployment is five percent
nationwide an
d when prosperity is virtually uniform across the
country, but there are pocket
s of people who are still
unemployed, when can we do it.

So I believe that these restorations will help you
in your efforts. And state
officials were central to this budget
debate without regard to party, and I tha
nk you for your help in
getting that into the agreement.

But there's also a lot more to be done. You asked
to be cut loose from the fed
eral government's bureaucratic
strings, and we did that. But now you have cont
inuing
responsibility that is greater, and we have continuing
responsibility be
cause it's still a national priority. So I
think we ought to take a look at ho
w we're doing our
successes, our shortcomings and our continuing challenges i
n
four areas: jobs, child care, transportation and child support.

First, how well are we doing in creating the jobs
that are necessary to move pe
ople from welfare to work? If we
require people to work, they have to be able
to work; there have
to be jobs there for them. Nearly all the state welfaretow
ork
programs include the traditional elements of job search,
training, educatio
n, community work experience, placement in
unsubsidized jobs. But now I think
this is remarkable now
36 of the 50 states are doing what I would encourage e
very state
to do, using welfare checks to subsidize private employment for a
pe
riod of time.

Almost every state in America today has more money
under the welfare program of
the reform law than you would have
if the old law was in place, because we peg
ged the block grant to
the time when welfare rolls were the highest and they've
dropped
at a record rate. So the 36 states that are doing this I predict
will
find much, much greater success in getting private employers

to be willing to
take a chance, because now that we've moved 3
million people off the rolls, you
know as well as I do that the
remaining adults on the rolls, by and large, are
the hardest to
place in employment in the private sector, need the most
traini
ng, need the most support, may have a false start or two,
and we cannot do it u
nless we have private sector support. So
for those of you who have done this,
I take my hat off to you.

We also know that there will be some places in this
country where the impact of
welfare is so great and the present
absence of private sector successful job c
reation is limited,
that we have to do more. So this agreement will include $3

billion to go to communities and states to help you create the
work opportunit
ies in those areas where the private sector will
not be able to provide them al
one. And I think that is a good
thing.

We also have secured in this agreement from
congressional leaders a private emp
loyers tax credit to help hire
longterm welfare recipients. And I believe it i
s drawn as
narrowly as we could draw it, so that the tax credit cannot, in
effe
ct, be used for people other than those who are actually
moving from welfare to
work. And I hope that will help you to
meet your goals in each state. Pennsy
lvania and Massachusetts
are among the states that are already doing this.

And I also believe, if I might say, that every one
of these workers should earn
 the minimum wage. And I know
there's been some debate about that. I've heard
 already fromx7Governor Voinovich and Governor Miller what your position is, bu
t
I just want to reaffirm my view that when people go into the
workplace and th
ey earn the minimum wage they ought to be able to
earn the minimum wage, they s
hould be eligible for the earned
income tax credit. That's what I believe. Wh
ether we can work
some resolution of some of the other issues, I don't know, bu
t I
feel very strongly about that.

I know right now that according to our analysis, the
fact that we raised the mi
nimum wage and raised the earned income
tax credit is one of the reasons a lot
of people voluntarily
tried to move from welfare to work, and I don't think we
ought to
do anything that would undermine that incentive.

Let me say that we also have a welfaretowork
partnership nationally with CEOs o
f large, medium and small
businesses. And I want to thank Governors Thompson a
nd Carper
for agreeing to cochair the advisory council of that
partnership. I
think it would be a good thing if every state had
a similar partnership. North
 Carolina, I know, is one of the
states a growing list -- that have establishe
d them locally.

My experience has been that private employers are
actually quite eager to help
us solve this problem. If we will

help them with some of their problems, I thi
nk that they will
carry a lot of this load for us because all of America has a
vest
interest in seeing that welfare is a second chance, not a way of
life.

MGM Grand Hotel here has hired over 1,000 welfare
recipients during the past fe
w years. And the state of Nevada
has set a goal for new casinos to set aside 1
0 percent of all
their positions for former welfare recipients. And we thank y
ou
for that.

The second thing that it seems to me we ought to
look at is child care. We all
know that it's essential if lowincome families are going to succeed at work an
d at home. And I
think we all agree that raising children will always be our m
ost
important job. It's more important than our day job. It is the
most impor
tant thing any society can do. And we can't have
people with young children mo
ving into the work force unless they
know that they're children are going to be
wellcaredfor and
safe and secure in a nourishing environment while they're at
work.

Now, we worked hard to add $4 billion to the welfare
reform law to increase chi
ld care assistance to you. And states
are now receiving more federal dollars,
and about half the states
over and above that are increasing their spending bey
ond what is
needed to receive these federal funds. And for those of you that
a
re doing that, I applaud you. And I think the states with the

biggest drop in
welfare loads would say I see Governor
Thompson nodding his head I believe th
ey would say that that
has been critical in their endeavors. Florida, Wisconsi
n and a
few other states have added quite a bit more than required under
the fe
deral law.

Some states are creating seamless child care systems
which provide subsidies fo
r all workers below a certain income
whether they were once on welfare or not.
That is a model that I
hope one day we'll be able to have everywhere in Americ
a.

The First Lady and I have worked on this she,
particularly for a long time.
We think every child should
have access to quality child care, and we think it'
s the next
great frontier if we're going to make sure all Americans can
succeed
at home and at work. On October 23, we're going to have
the first ever White
House conference on child care, to discuss
the strengths and weaknesses of the
present system and what else
we have to do. And I hope you will all be involve
d in that and
will have representatives there.x7

The third thing we have to do is to make sure we
have adequate transportation f
or those moving from welfare to
work, because the jobs, the training programs a
nd the child care
centers are often outside the neighborhoods. I must say, I
t
hought I knew a lot about welfare, but until we actually got
into the law here,

I was unaware that only six percent of the people on welfare have cars, and that in many big cities, no matter how long people are willing to ride the bus or the subway, they will never get to the available entrylevel jobs. That is a stunning statistic.

At the same time, there are a lot of suburbs where businesses need new workers. And Congress, therefore, I think should put in this new transportation bill the proposal I've made for $600 million to help states and localities devise transportation strategies to move people from welfare to work. Some communities and states have already started. Kentucky has an Empower Kentucky initiative that uses the resources of four different Cabinet offices and a free transportation brokerage system to assure transportation in all areas of the state. And this will probably be something that all of us who come from states with large rural populations, where there are people in rural areas on welfare, will have to adopt.

Michigan's Project Zero provides transportation in its effort to put every able bodied person to work. In Wisconsin -- this was a stunning statistic to me only 3.5 percent of the people on welfare have cars. So the state has a job ride initiative to vanpool literally thousands of central city workers to suburban jobs.

Other states are spending part of the welfare block
grant you now have on trans
portation. And I would just encourage
you to do more of it, and I ask you to p
lease help me persuade
Congress to put this $600 million in the new ISTEA bill,
because
it will help you to do what you have to do to meet your goals of
emplo
yment.

Finally, let me say a word about child support. The
governors have been in the
vanguard of insisting on more uniform,
tougher child support requirements. Th
e legislation that has
been passed and the efforts that we've made together hav
e led to
an increase of 50 percent in child support collections between
'92 and
'96. And that is very good that's billions of
dollars. But with the unanimo
us support from this body we made
sure in the welfare law there were tough new
measures to help the
states track deadbeat parents across state lines.

To date, however, as you saw from the study that was
published a few days ago,
not all states have put these measures
in place. This is one of the critical s
teps to welfare reform.
And the more people who are obliged to pay for their ch
ildren,
who can pay for their children, are unable to escape the
obligation to
pay for their children, the more there will be
public money to spend on product
ive ways to help the people who
actually have to have help. So I would urge al
l the states to
put in place these tough, statewide child support collections
m
echanisms as fully and quickly as possible.

Finally, let me say that I have some concern that
the savings from welfare, whi
ch have been very considerable in
some states, will not be used on welfare refo
rm to move all the
people who can move from welfare into the work force. We ha
ve
lowered welfare rolls by $3 million over 4.5 years, and that's a
great accom
plishment. But we know we've been helped by the other
things that I mentioned.

Now, I know in some state capitals there are big
debates about how to use extra
money caused by the fact that the
block grant was pegged to the peak welfare c
aseload and the
caseload is much lower in your states. But I think if we were
tox7revert these savings to other things away from welfare reform, it
would be
a big mistake that would come home to haunt the states
the next time there is a
n economic down turn. We would
anybody who does it, I think, would really win
d up regretting it
the next time there's an economic down turn.

And if you can get people even in an economic
down turn, if people lose their
jobs, if they have work
experience now, if we can get all these people into the
work
force now, then when they become unemployed, as there will always
be some
people who are unemployed, they will be far, far more
likely to be unemployed
for a shorter period of time and to get
back to productive work more quickly.

Maryland has decided to take the money that they
have from lowering caseloads a
nd they're using all of it for
child care, transportation and training people.
And I think that
that is the way to go. After a year of this law, we know tha
t
welfare reform will work we know it will. But we know that we
have a ways t
o go to make a culture of dependency a thing of the
past. And so in these four
areas, for all you're doing, I
applaud you. But I would urge you, all of you,
to make sure that
you've done everything you can in each area.

Finally, let me ask your help in one other area. As
all of you know, and parti
cularly those of you who served with me
know, education has been not only the c
enterpiece of a lot of
what I'm trying to do in this second term, it's been an
obsession
of mine throughout my public life. We have made a lot of
progress si
nce the Nation At Risk report was issued in the spring
on 1983, and governors h
ave led the way. But we have a lot more
to do.

In the State of the Union address I asked every
state to adopt high national st
andards and, by 1999, to
participate in testing every 4thgrader in reading and
every 8thgrader in math to make sure the standards are being met.

Since I issued that call, governors and education
leaders in six states have ag
reed to participate. And I thank
the governors of North Carolina, Maryland, Ma
ssachusetts,

Michigan, Kentucky and West Virginia three Republicans and
three
Democrats along with the Department of Defense schools
all over the world for
stepping up to the challenge.

I wish Governor Weld were here for me to thank him,
but I appreciate the fact t
hat he's willing to go to Mexico. And
I hope we can get him there. (Applause.
)

Last week, Secretary Riley and I went to the
National Association of Elementary
School Principals where we
were able to announce, thanks to the Coalition of G
reat City
Schools, that 15 of the largest school districts in this country,
inc
luding schools in six of the seven largest cities in America,
have committed to
adopt national standards and to participate in
the program. This will get us
up to about 20 percent of the
children in America who are now committed to be a
part of this in
1999.

Now, this is an astonishing thing. For those of us
who have been at this for a
long time, this five years ago the
idea that 15 of the largest cities in Amer
ica, which were written
off in terms of their school system, would come up and
say, not
only do we not wish to be written off, we're willing to be held
accoun
table, and if our kids aren't measuring up, we want to know
about it, is an ast
onishing development in modern history of
education reform and something we sho
uld all be very, very

excited about and grateful for.

Now, I know there is some reluctance here, and I
would just like to deal with a
couple of issues. One is the
cities wouldn't do it for a long time because th
ey thought thatx7our kids couldn't do it. That's the truth. They said America

has a higher percentage of poor kids than other countries;
America's got a mo
re diverse student body than other countries;
America's got all these problems
in the way they work than other
countries, and on and on and on and these kid
s, they just have
too many loads to bear.

My theory is that the kids with too many loads to
bear need to be held to the h
ighest expectations and need a good
education more than anybody else. And now
we know we can do it.
The results we got just a few weeks ago from the Third
I
nternational Math and Science Tests, which include a few
thousands kids from Am
erica but they are a representative
sample by race, by region and by income h
ad for the very first
time on any international test our 4th graders scored wa
y
above the international average in math and science, way above
the internatio
nal average. It had never happened before. But we
know we can do it now. (Ap
plause.) That's the good news.

The bad news is, the kids in the 8th grade still
scored below the international
average. And we know why. When
they reach adolescence, they all the problem
s of adolescence

come to bear. They become more vulnerable to the gangs, the g
uns, the drugs, all the other things. The middle schools in many, many of our
states were organized many of them are too
big to be functional they were org
anized when our society was
far more stable and coherent than it is now.

We know there are a lot of problems we have to face,
but we don't have to guess
anymore about whether our kids can do
it. We don't have that's not it's not
an open debate.
They proved that they could do this. And we owe it to them.
So
we're not doing them any favors by not saying we're prepared to be held to
international standards.

The second reservation I think is that somehow this
was a power grab by the fed
eral government to erode state's
constitutional responsibility for education or
local control of
the schools.

Now, Secretary Governor Riley is going to be here
after I leave, and I know he
's been here, but let me reemphasize
our basic role here is to pay for the dev
elopment of this
test. And most of you now participate in the national assessm
ent
of education progress over 40 states do. We participated in
helping to pa
y for the development of that test, but it's a
national test that is given to a
representative sample of
students; it has nothing to do with the federal gover
nment.
They're not government questions, government standards,

government anyth
ing. We helped them to develop the test. That's
what we propose to do for all
 the kids at the 4th and 8th grade
level not to have a federal standard, but a
 national standard.

Governor Romer has been working on that for years.
When I handed over the lead
ership of the standards movement and
he took it up, he's been, I think, perhaps
 out most passionate
and certainly our most wellinformed advocate on this issue
 for a
long time.

But this is not a federal government power grab.
It's a question of whether th
ere should be national standards.
Neither is it inconsistent with the fact that
 the Department of
Education has actually given more say to states and local sc
hool
districts than our predecessors in how to spend federal funds.
So I think
 that that is not accurate.

Now, the third and the legitimate concern that a lot
of you have is that you al
ready have sometimes more than one
other testing regime. That is a legitimate
concern. And so we
have to work with you if we're going to ask you to particip
ate in
this to try to reconcile these things so that you're not
overburdened in
 terms of the administrative time, the time thatx7 kids spend, all that. I und
erstand there are practical
implementation issues that I consider legitimate.
But I think we
can work through those.

I just have to say, though, I do not believe that we
will be the leading econom
y in the world 50 years from now unless
we can do a more uniform job of getting
people out of high school
with excellent worldclass educations. I do not beli
eve that.
You have to ask yourself whether you believe that. I don't
believe
that.

We've got the finest system of higher education in
the world. It will continue
to carry us a long way, but we
simply have to do a better job in K through 12.
And I believe
this will help. And I want to implore you to work with us and
try to work through the legitimate administrative concerns you
have of the dupl
ication of tests and the time and all that
business. We will do everything we
can to help with that. But I
think this is a terrific opportunity for us and n
ow we know we
can do it.

So those are the things I wanted to say about the
budget and welfare reform and
education: state responsibilities
involving education and welfare reform, but
high national
priorities; and critical to move with these forward into the 21s
t
century.

Just very briefly let me mention one more thing. I
have been helped greatly by
two of your former colleagues,

Governor Kean of New Jersey and Governor Winter
of Mississippi,
who agreed to be two of the seven members of our advisory boar
d
in this yearlong effort we're making to look at the state of
race relations i
n America, race reconciliation and where we're
going into the 21st century. I
think all of us know there is
still some unfinished business, represented by th
e continuing
debates we have in America over affirmative action and other
issue
s. But what I think has not been as clearly thought through
are the implicatio
ns of where we're going racially as a country.

Today, Governor Cayetano is the governor of the only
state in America that has
no majority race. In Hawaii, about a
third of the people are of European herit
age, about a third of
the people are of Japanese heritage, maybe a little lower
, both;
about 18 percent of Philippine heritage, about 16 percent native
Pacifi
c Islanders. But within five years the state of California
will have no majori
ty race. And unless there is a dramatic
change in birth patterns and immigrati
on patterns I mean a
dramatic change within 30 to 40 years in our nation as a
whole
there will be no majority race. We have to think about the
implications
of this.

I just welcomed all the delegates from Girls Nation
and Boys Nation to the Whit
e House. And both the delegates from
Girls Nation Governor Carlson from Minne
sota were Asian
Americans, in Nordic Minnesota. This country is changing in
d
ramatic ways. Race, ethnicity and religion is convulsing the
rest of the world
. If we can somehow not only respect, but

actually celebrate our diversity and
still have people say that
the most important thing is I'm an American and we
have one
America, this is an unbelievable opportunity for us in the new
century
. It can do as much as anything else to preserve our
world leadership for the
things that we care about and to make
America really work.

And so I would ask all of you over the course of the
year, and maybe we'll take
it beyond we'll be trying to get in
touch with people in every state I hope
you will participate
in this. This will be a good, healthy thing for America.
But it
is also absolutely essential to the function of this country as
we move
into the 21st century. If we can't find a way to say
it's good, whatever our
ethnic heritage is and we celebrate it,
but the most important thing is we are
a part of one America. Wex7
can't achieve any of these other things we want to achieve over
the long run.

And again I say, if you think about what the
governors are about getting rid o
f false choices, getting rid
of phony debates, going into the future this is a
t the core of
that. So the country is in good shape, we're moving in the right

direction. We've got to finish the job of balancing the budget,
follow throug
h on welfare, put education on the front burner and
learn to work and live toge
ther. If we do that, then all of us
together will leave our grandchildren an A
merica that will be
greater than it is today.

Thank you very much. (Applause.)

)END`,(#=11:43 A.M. PDT================= END ATTACHMENT 3 =================

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2017-1075-F

Bucket: WHO

Creation Date: 1997-07-29

Subject: Re: fast track

Creator: Peter O'Keefe CN=Peter O'Keefe/OU=WHO/O=EOP [WHO]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter O'Keefe (CN=Peter O'Keefe/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 15:41:27.00

SUBJECT: Balanced Budget/Tax Cut information

TO: Morganew (Morganew @ AOL.com @ inet [UNKNOWN])
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Peter O'Keefe/WHO/EOP on 07/29/97
03:31 PM ---------------------------

Peter O'Keefe
07/29/97 03:22:03 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Balanced Budget/Tax Cut information

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT

U Roughly $900 Billion in Net 10 Year Deficit Savings.

U First Balanced Budget since 1969.

U Largest Investment in Higher Education Since the G.I. Bill in 1945:

$1,500 HOPE Scholarship to Help Make Two Years of College Universally Available.
20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and Working Americans pursuing Lifelong Learning to upgrade their skills.

U Single Largest Investment in Health Care for Children Since 1965.

U A $500 Per Child Tax Credit for Approximately 27 Million Families.

U Critical Long-Term Entitlement Reforms --Extends Solvency of Medicare Trust Fund for at Least a Decade.

U Brownfields and Empowerment Zones Tax Incentives to Revitalize Our Nation,s Distressed Areas.

U A $ 3 Billion Welfare-to-Work Jobs Initiative Targeted to High Poverty

Areas.

U Treats Legal Immigrants Fairly --Restores Health and Disability Benefits.

THE FIRST BALANCED BUDGET IN A GENERATION

FIRST BALANCED BUDGET SINCE 1969

U Net savings of roughly $900 billion over ten years.
U 1993 Economic Plan has cut the deficit more than 75% from $290 billion in 1992 to $67 billion or lower in 1997. This agreement finishes the job --balances the budget in 2002 and puts the budget in surplus at least through 2007.

SINGLE LARGEST INVESTMENT IN HEALTH CARE FOR CHILDREN SINCE THE PASSAGE OF MEDICAID IN 1965

U An unprecedented $24 billion for children,s health care.
U Guarantee of meaningful health coverage including full range of benefits to as many as 5 million uninsured children.
U Provisions to ensure that states use this investment to provide health care coverage to children who do not currently have health insurance and that there are adequate cost protections so that families are not burdened with excessive costs so that care is affordable.
CRITICAL LONG-TERM ENTITLEMENT REFORMS

U Between $400-$450 billion in ten-year Medicare savings.
U Extends the life of the Medicare Trust Fund for at least a decade.
U Prepares Medicare for the 21st century --more choice, competition, improved payment systems.
U $4 billion in preventive benefits to fight diseases like breast cancer, diabetes & colon cancer.
U $1.5 billion to help pay the premiums of low-income Medicare beneficiaries.

PROTECTS THE PRESIDENT,S CRITICAL DOMESTIC PRIORITIES. The Budget Agreement, which will be enacted in the Appropriations bills in the fall, includes 99% of total amount of President,s 5-year Domestic Discretionary Budget.

U Largest education investment in 30 years.
U Pell Grant expansion --maximum grant increased to $3,000.
U New child literacy initiative consistent with President,s America Reads.
U Head Start expansion --on track to 1 million children in 2002.
U Full funding for President,s training budget, including Job Corps.
U President,s FY 98 budget request for EPA Operating Budget
U National Park Service full funding for operations budget, plus land acquisition and state assistance, and Everglades Restoration.
U Superfund --clean-up of 500 toxic sites in next four years (if policies can be worked out).
U COPS --funding on track to put 100,000 more police officers on streets

by 2000, plus full funding for overall Violent Crime Reduction Trust Fund.

MOVES PEOPLE FROM WELFARE TO WORK & TREATS LEGAL IMMIGRANTS FAIRLY

U $3 billion to help states and local communities move people from welfare to work.
U $12 billion to restore both disability and health benefits for 350,000 legal immigrants in 2002 who are currently receiving assistance or become disabled, ensuring that they will not be turned out of their apartments or nursing homes or otherwise helpless.
U Preserves the minimum wage and other labor protections for welfare recipients moving from welfare to work. Does not include the House-passed provision to leave workfare participants unprotected by the
U Fair Labor Standards Act and other employment laws. Protects workers from displacement by those leaving the welfare rolls, and establishes a strong process for workers to raise grievances with an independent agency.

A MAINSTREAM TAX CUT

On December 15, 1994, President Clinton proposed the Middle Class Bill of Rights, which included a $500 Child Tax Credit, an expanded IRA to allow people to withdraw money tax-free and without penalty for education, and a tax deduction for post-high school education expenses. Each of the President,s proposals is included in this budget:

A CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES.

U $500 Per-Child Tax Credit for approximately 27 million families with 45 million children under 17. The credit begins to phase out for couples with incomes above $110,000.
U 13 million children from families with incomes below $30,000 will receive the child tax credit
--up to 7.5 million* more than would have under the Congressional plans. Families earning under $30,000 such as young teachers, police officers, farmers, and nurses who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.
A VICTORY FOR MIDDLE CLASS PARENTS TRYING TO PAY FOR THEIR CHILDREN,S COLLEGE AND FOR WORKING PEOPLE TRYING TO UPGRADE THEIR SKILLS.

U $1,500 HOPE Scholarship to make the first two years of college universally available. The final agreement includes the President,s initiative to help make the 13th and 14th grades as universal as a high school diploma is today. Students will receive a scholarship of 100% on the first $1,000 of tuition and fees and 50% on the second $1,000.
U 20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of qualified education expenses through 2002, and to the first $10,000 thereafter. The President has long understood that the economy is changing and that people need the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and was a major improvement over the bills

passed by Congress.

TAX INCENTIVES TO REVITALIZE OUR NATION,S DISTRESSED URBAN AREAS.

A key component of the President,s tax cutting agenda has been to spur economic activity in distressed areas of our nation,s cities. This budget reflects the President,s agenda:

U A New Tax Cut Plan Helps to Clean Up and Redevelop Brownfields. The 3-year Brownfields tax incentive will reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas by permitting clean-up costs to be deducted immediately for tax purposes. This will, in turn, encourage redevelopment of these areas. The Treasury Department estimates that this $1.5 billion tax incentive would leverage more than $6 billion for private sector cleanups nationwide, allowing redevelopment of 14,000 brownfields.

U New Empowerment Zones (EZs). The budget includes a second-round of EZs --15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits from the first-round communities. For example, the EZs will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

HELPING MOVE PEOPLE FROM WELFARE TO WORK

U A Welfare to Work Tax Credit. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first $10,000 in wages in the first year of employment, and 50% of the first $10,000 in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring but retention.

U $3 Billion to Help Move 1 Million People from Welfare to Work. Includes President's proposal to create $3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

PRESIDENT CLINTON DELIVERS
THE LARGEST SINGLE INVESTMENT IN CHILDREN,S HEALTH CARE SINCE THE PASSAGE OF MEDICAID IN 1965

The President fought hard to ensure that the Budget Agreement includes $24 billion to provide meaningful health care coverage to as many as five million of our nation,s ten million uninsured children. This investment includes a meaningful benefits package, ensures that states use this money to cover uninsured children and not replace existing public or private spending, and guarantees adequate cost-sharing protections for families.

U INVESTS UNPRECEDENTED $24 BILLION FOR UNINSURED CHILDREN. The President insisted on increasing the investment for children,s health from $16 billion to $24 billion by including revenue from a new tobacco tax. Because of the President,s leadership, this budget will contain the largest children,s health care budget increase since the enactment of Medicaid in 1965. Including these additional revenues in the children,s health initiative will not only further reduce the number of uninsured children, but it will also serve as a financial barrier to help prevent o ur children from starting smoking in the first place.

U ENSURES MEANINGFUL HEALTH CARE COVERAGE, WHILE ALLOWING STATES TO DESIGN THEIR OWN BENEFITS PACKAGES. The President fought hard to ensure that this investment guarantees the full range of benefits --from checkups to surgery -- that children need to grow up strong and healthy. The President

U GIVES STATES THE FLEXIBILITY TO DESIGN BENEFITS THAT MEET THEIR NEEDS. States will be able to choose from any of four benefits packages: (1) the FEHPB model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the three stated benefit plans as long as prescription drugs, vision, hearing, and mental health services now offered in these plans are guaranteed to equal at least 75 percent of the value of these services.

U SUPPLEMENTS, NOT SUPPLANTS, CURRENT HEALTH CARE COVERAGE. Includes provisions to ensure that states provide health care coverage to children who do not currently have health insurance. It requires that states maintain their current Medicaid eligibility levels of spending to access Federal dollars to ensure that this investment is not used to replace public or private money that already covers children.

U ENSURES ADEQUATE COST-SHARING PROTECTIONS. The President fought to ensure that families are not forced to shoulder excessive costs for their children. The Agreement guarantees that families under 150 percent of poverty will be protected against overly burdensome cost sharing.

PRESIDENT CLINTON DELIVERS A $500 CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES

MAIN FEATURES OF THE CHILD TAX CREDIT:

Age. Covers children under 17.

Amount per child. $400 in 1998. $500 thereafter.

Income limits. Begins to be phased out for couples making over $110,000 and for one parent families making over $75,000.

&Stacking.8 Child tax credit will be calculated or &stacked8 before the EITC, and will therefore be available for the up to 7.5 million children in working families who have incomes below $30,000 and who were denied the child tax credit under the congressional bills.

For families with more than two children -- Refundability to cover out-of-pocket income and payroll taxes. Because many large families have little income tax liability, but pay significant out-of-pocket payroll taxes, the child tax credit for these families is partially refundable. These families will receive a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.

Savings Incentive. Taxpayers will be given the opportunity to contribute $500 each year to an education Individual Retirement Account (IRA). Earnings would accumulate tax-free in the account, and no taxes will be due upon withdrawal for an approved purpose.

A CHILD TAX CREDIT FOR FAMILIES WHO WORK HARD AND PAY TAXES.

13 million children from families with incomes below $30,000 will receive the child tax credit
--up to 7.5 million* more than would have under the Congressional plans.
Families making under $30,000 like young teachers, police officers, farmers, nurses and others who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

President Clinton worked to ensure that under any final agreement, these young parents would receive a child tax credit to make it easier for them to raise their children.
Consider a family of four with two small children: the father is a rookie police officer making $23,000, and the mother has chosen to stay at home. Both congressional bills would have denied this family, and millions of others, the child tax credit. Under the final agreement, this family will receive a child tax credit of $675.

	President Clinton,s Proposal	Agreement	House Bill	Senate Bill
Child Tax Credit for family of rookie police officer making $23,000	$767	$675	$0	$0

PRESIDENT CLINTON DELIVERS EDUCATION TAX CUTS
TO HELP MIDDLE CLASS FAMILIES PAY FOR COLLEGE

THE PRESIDENT,S HOPE SCHOLARSHIP AND TUITION TAX CREDIT

From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton,s budget and his middle class tax cut proposal. Promoting education is the centerpiece of this final tax cut bill:

U $1,500 HOPE Scholarship to make the first two years of college universally available. The final agreement includes the President,s program to advance the goal of making the 13th and 14th grades as universally available as a high school diploma is today. Students will receive a scholarship of 100% on the first $1,000 of tuition and fees and 50% on the second $1,000.

U 20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of tuition and fees through 2002, and to the first $10,000 thereafter.. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and is a major improvement over the Congressionally-passed bills.

A SUMMARY OF ADDITIONAL EDUCATION TAX CUTS

Education and Retirement Savings Accounts. Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers are given the opportunity to deposit $500 into an education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for an approved purpose.

Employer-Provided Education Benefits. Extends Section 127 of the tax code for three years, which allows workers to exclude $5,250 of employer-provided undergraduate education benefits from their taxable income.

Student Loan Interest Deduction. Allows a deduction for up to $2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. This deduction will be available even if the taxpayer does not itemize deductions.

Community Service Loan Forgiveness. In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, the agreement excludes from taxable income both loa n amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

PRESIDENT CLINTON DELIVERS A BUDGET THAT STRENGTHENS AND PRESERVES

MEDICARE

The Budget Agreement preserves and strengthens the Medicare program, saving $115 billion over five years and extending the life of the Medicare Trust Fund for at least ten years. It modernizes Medicare by including new market-oriented reforms that have proved successful in the private sector plus $4 billion in new preventive benefits. As this agreement strengthens and preserves the Medicare program, it also creates a Medicare Commission to examine the long-term needs of the program so that Medicare will be prepared for the retirement of the baby boomers.

U SAVES APPROXIMATELY $115 BILLION OVER FIVE YEARS. Includes about $115 billion in savings over five years and between $400-$450 billion over ten years.

U EXTENDS THE LIFE OF THE MEDICARE TRUST FUND FOR AT LEAST TEN YEARS. This agreement will keep Medicare solvent until at least 2007.

U IMPLEMENTS NEW MARKET-ORIENTED REFORMS INCLUDING:

(1) Empowering the Secretary of Health and Human Services to implement competitive market mechanisms;
(2) Opening up new options that offer more choice among competing health plans and have proven effective in the private sector, including Preferred Provider Organizations (PPOs) and Provider Sponsored Organizations (PSOs);
(3) Providing Americans with meaningful choices by reforming annual Medigap enrollment; and
(4) Building on Medicare ,s success in controlling hospital costs, restructuring the payment systems for home health, agencies, skilled nursing facilities and hospital outpatient departments so that rates are set in advance through a prospective payment system.

U INCLUDES $4 BILLION OVER FIVE YEARS FOR NEW PREVENTIVE BENEFITS. Expanding coverage for mammograms and colorectal screening and improving self-management of diseases like diabetes.

U ENSURES NEW PREMIUM PROTECTIONS FOR LOW-INCOME MEDICARE BENEFICIARIES. The budget agreement invests $1.5 billion over five years to pay the premiums for beneficiaries up to 135 percent of poverty. Beneficiaries over 135 percent of poverty to as high as 175 percent of poverty will get assistance as well.

U TAKES STEPS TO ENSURE THAT VULNERABLE HOSPITALS ARE PROTECTED. The Agreement reduces the Medicare Disproportionate Share Hospitals cut from $2.4 billion in the Senate-passed bill to $600 million over five years.

U ESTABLISHES A MEDICARE COMMISSION. The agreement creates a 17-member Medicare Commission which contains eight Democrats and eight Republicans and a Chair who will be selected jointly by the President and the Congressional leadership. The Commission will release a report in 1999 and require an 11 of 17 majority to ensure that its recommendations are bipartisan.

THE BUDGET AGREEMENT PROTECTED THE PRESIDENT ,S PRIORITY PROGRAMS, INCLUDING EDUCATION, ENVIRONMENT AND LAW ENFORCEMENT

The Budget Agreement achieved 99% of the President ,s budget for non-defense discretionary spending over the next 5 years. While priority items are protected, there are $61 billion of savings in non-defense discretionary outlays over the next 5 years --a 10% real cut by 2002. These priorities will be ratified in the appropriations process under the budget agreement.

LARGEST INCREASE IN EDUCATION INVESTMENT IN 30 YEARS

The budget agreement endorsed President Clinton ,s overall plan for investing in education and training --$63 billion more than the Republican plan over five years. With the tax cuts for education, this represents the largest increase in the Federal investment in education in 30 years. The agreement specifically calls for:

U Increases funding for Head Start to continue on road to achieve enrollment of 1 million kids in 2002.

U Largest Pell Grant increase in two decades -boosts the maximum 1998 Pell grant from $2,700 to $3,000, and expands the program to more poor independent students.

U Adopts the President ,s budget request to launch a child literacy initiative consistent with his America Reads program.

U Increases funding for bilingual (27% increase) and immigrant education (50% increase).

U Includes all of the $579 million increase in funding requested by the President in his FY 1998 budget of $5.3 billion for Training and Employment Services, including Job Corps.

BOLSTERS ENVIRONMENTAL ENFORCEMENT AND KEY PROGRAMS

U Provides a 9% increase for EPA ,s Operating program which includes research, enforcement, state grants and regulatory programs.

U Doubles the pace of Superfund cleanups, if policy details can be worked out.

U Provides a 6 percent increase for operation of the National Parks, and a more than doubles funding ($156 million) for Everglades Restoration.

PUTS MORE POLICE ON THE STREET

U Protects funding for the Community Oriented Policing Services (COPS) initiative, which should put 100,000 more police officers on the street by 2000.

URBAN INITIATIVES

U Expansion of Community Development Financial Institution Fund.

PRESIDENT CLINTON DELIVERS TAX CUTS
TO CLEAN UP AND REVITALIZE URBAN AREAS...

U THE BROWNFIELDS TAX INCENTIVE WILL REDUCE THE COST OF CLEANING UP THOUSANDS OF CONTAMINATED, ABANDONED SITES IN ECONOMICALLY DISTRESSED AREAS by permitting clean-up costs to be deducted immediately for tax purposes. This will, in turn, encourage redevelopment of these areas. The tax incentive will be available for three years. The Treasury Department estimates that this $1.5 billion tax incentive would leverage more than $6 billion for private sector cleanups nationwide, allowing redevelopment of 14,000 brownfields.

U THIS PROPOSAL IS A MAJOR PRIORITY FOR MANY OF AMERICA ,S MAYORS. Chicago Mayor Richard Daley, writing recently on behalf of the U.S. Conference of Mayors, urged Ways and Means Chairman Archer to include the President ,s Brownfields proposal in the tax bill: &This is a high priority for communities across the nation. 8 [Letter to Chmn. Archer, 6/11/97]

U CREATES NEW EMPOWERMENT ZONES. Under the President ,s 1993 Empowerment Zones and Enterprise Communities initiative, participating communities develop a strategic plan to spur economic development, and they receive Federal tax benefits, social service grants and flexibility in use of Fed eral funds in order to put these plans into effect. The EZs and ECs are urban or rural areas with high poverty and unemployment rates.

A Strong Start since 1994. The 105 communities selected as EZ/ECs in 1994 amassed over $8 billion in public-private commitments. In the six urban Empowerment Zones, the private sector has made or pledged $2 billion in new investments.

A Second Round to Build on Successes. In response, the President proposed, and the bill includes, a second round of EZs --15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits from first-round EZs. They will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

...AND TO MOVE PEOPLE FROM WELFARE TO WORK

U A WELFARE-TO-WORK TAX CREDIT. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first $10,000 in wages in the first year of employment, and 50% of the first $10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.

U $3 BILLION TO HELP MOVE 1 MILLION PEOPLE FROM WELFARE TO WORK. Includes President's proposal to create $3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

U PRESERVES THE MINIMUM WAGE AND OTHER LABOR PROTECTIONS FOR WELFARE RECIPIENTS MOVING FROM WELFARE TO WORK. Does not include the House-passed provision to leave workfare participants unprotected by the Fair Labor Standards Act and other employment laws.

U PROTECTS WORKERS FROM DISPLACEMENT BY THOSE LEAVING THE WELFARE ROLLS, and establishes a strong process for workers to raise grievances with an independent agency.

PRESIDENT CLINTON FOUGHT TO PROTECT
OUR MOST VULNERABLE PEOPLE

Several provisions in last year ,s welfare reform bill had nothing to do with the goals of welfare reform. The President said so at the time and promised to work to correct these provisions. That ,s why he fought to ensure that any agreement protects the most vulnerable in our society. The President fought to better protect:

CHILDREN

U KEEPING THE MEDICAID GUARANTEE. Preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. Also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.

LEGAL IMMIGRANTS

U CURRENT RECIPIENTS. Restores both SSI and Medicaid benefits for immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left helpless.

U CURRENT RESIDENT NONRECIPIENTS. Does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits. The budget will restore benefits to over 350,000 legal immigrants in FY 2002.

U REFUGEES AND ASYLEES. Extends the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry (the limit in the welfare bill) to 7 years to give these residents more time to naturalize. Adopts Administration proposal to treat Cuban and Haitian entrants and Amerasian immigrants as refugees to preserve benefits for these groups that have endured extraordinary hardships.

POOR ELDERLY AND DISABLED, INCLUDING CITIZENS

U RECIPIENTS OF STATE SSI SUPPLEMENTS. Does not include the House-passed provision that would have repealed the maintenance-of-effort requirement applying to State supplementation of SSI benefits which would have permitted States to reduce or eliminate benefits to almost 3 million poor blind, elderly and disabled individuals.

PEOPLE WHO WANT TO WORK BUT CAN ,T FIND A JOB

U 235,000 MORE WORK SLOTS. Last year ,s welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The budget bill provides nearly $1 billion for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment.

U ALLOWS STATES TO EXEMPT UP TO 15 PERCENT OF THE FOOD STAMP RECIPIENTS (70,000 Individuals Monthly) WHO WOULD OTHERWISE BE DENIED BENEFITS AS A RESULT OF THE &3 IN 36" LIMIT.

AN HISTORIC BALANCED BUDGET: BUILDING ON THE PRESIDENT ,S STRONG RECORD OF DEFICIT REDUCTION AND GROWTH

President Clinton has achieved a balanced budget agreement that includes critical investments in education, health care, and the environment while strengthening and modernizing Medicare and Medicaid --just as he promised last year. This achievement finishes the job of balancing the budget, a key priority for the President since he took office.

ONLY FOUR YEARS AGO. In 1993, the President inherited a budget deficit of $290 billion that was expected to explode to over one-half trillion dollars in 2002. A decade of large deficits had weakened the foundation of our economy and sapped our power and prestige abroad. Unemployment was 7.5% in 1992, and job growth was sluggish.

THE PRESIDENT PASSES HIS 1993 ECONOMIC PLAN. President Clinton addressed this problem of fiscal instability immediately on a pledge to cut the deficit in half. Working with Democrats in Congress, he implemented an economic program designed to reduce the deficit and to invest in critical priorities, such as education and training. The 1993 economic plan has exceeded all expectations: the deficit has fallen by more than 75%, dropping for a likely fifth year in a row to $67 billion or lower in 1997; equipment investment has been the strongest since Kennedy was President; the economy has produced over 12.5 million new jobs; and the unemployment rate this year is the lowest in 24 years.

THE PRESIDENT ACHIEVES BIPARTISAN AGREEMENT TO FINISH THE JOB. The President began his second term determined to fulfill his goal of balancing the budget. As we head into the next century, this bipartisan agreement protects our priorities, solidifies the nation ,s economic foundation, restores faith in our ability to govern ourselves, and bolsters America ,s preeminent position in the world economy. The balanced budget agreement includes roughly $900 billion in 10 year net deficit savings and delivers the first balanced budget in a generation.

The First Balanced Budget in a Generation*

GYear	1993 Deficit Projection	Current Deficit Pathe
1993	$310	$255
1994	$302	$203
1995	$301	$164
1996	$298	$107
1997	$347	$67
1998	$387	$90
1999	$429	$90
2000	$475	$83
2001	$521	$53
2002	$576	$1 Surplus

BUDGET STAYS IN BALANCE. In addition to delivering a balanced budget in 2002, the budget agreement delivers budget surpluses for each of the second five years of the budget window, 2003-2007, putting the nation on a solid fiscal path at a critical time as the baby boom generation edges toward retirement.

Year	Surplus*
2003	$5
2004	$20
2005	$24
2006	$30
2007	$34

* Numbers from the budget agreement. Final Budget numbers from reconciliation still being tallied.

The Balanced Budget Delivers
a Mainstream, Middle Class Tax Cut

How Typical American Families Will Benefit

Example #1

Consider a family of four with an income of $40,000 a year. The father is a carpenter who makes $25,000, and the mother works at a local department store and makes $15,000. They have two children, a son who is 14 and a freshman in high school and a daughter enrolled full-time in her first year at a state university. Her tuition is $5,000 a year.

This family benefits from the tax cut in at least two ways. They will receive a child tax credit of $500 for their son, plus a HOPE Scholarship of $1,500 for their daughter. In total, they will receive a $2,000 tax cut.

Tax Cut

Family of four with two children aged 14 and 18 and $40,000 income:

Child Tax Credit for 14 year old	$500
HOPE Scholarship for 18 year old	$1,500

Total tax cut: $2,000

* Tax Year 1999

Example #2

Consider a family of three making $55,000 a year. The father has a degree in accounting and works for a local business in the accounting department. The mother works part-time at the local library. They have one daughter aged 7. The father would like to return to school to prepare for his CPA examination. He is going to attend the local liberal arts college. He has signed up for two courses with total tuition of $4,000.

This family will receive a $500 child tax credit for their daughter and an $800 tuition tax credit to help pay for the father ,s course work.

Tax Cut

Family of three with one child aged 7 and $55,000 income:

Child Tax Credit for 7 year old	$500
Tuition tax credit	$800

Total tax cut: $1,300

* Tax Year 1999

Example #3

Consider a family of three making $80,000 combined. They have a daughter who is 17 years old and is trying to decide where to go to college. She is leaning towards a private liberal arts school. Her parents are staring at tuition payments in excess of $10,000 a year for four school years and wondering how they will pay for it.

This tax cut will help. Their daughter will be eligible for a $1,500 HOPE Scholarship in each of her first two years in college. During her junior and senior years, she will be eligible for a tuition tax credit of

$1,000. (because four school years fall across five tax years she will be eligible for another $1,000 in the fifth year).

Year	Tuition Tax Credits
1998	$1,500 Hope Scholarship
1999	$1,500 Hope Scholarship
2000	$1,000 Tuition Tax Credit
2001	$1,000 Tuition Tax Credit
2002	$1,000 Tuition Tax Credit
Cumulative Tax Cut to Help Pay for Daughter ,s Education	$6,000

Example #4
A single mother lives with her six year old daughter in California. She ,s been working as a bank teller for several years and her pay is now $20,000 a year. Working towards becoming a loan officer, she is taking one course a semester towards a bachelor ,s degree. Her tuition is $1,000. This family will receive a $500 child tax credit for the daughter and a $200 tuition tax credit.

	Tax Cut
Family of two with one child aged 6 and $20,000 income:	
Child Tax Credit for 6 year old	$500
Tuition Tax Credit	$200
Total tax cut:	$700

* Tax Year 1999

Message Sent
To:____
jplebani @ arterhadden.com @ inet
rplatt @ mwe.com @ inet
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Mandrews @ sbi.com @ inet

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

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Collection: 2014-0226-F

Bucket: WHO

Creation Date: 1997-07-30

Subject: Budget

Creator: Ilia V. Velez CN=Ilia V. Velez/OU=WHO/O=EOP [WHO]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dag Vega (CN=Dag Vega/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 10:07:08.00

SUBJECT: CNN: Inside Politics, 7/29/97

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TO: June Shih (CN=June Shih/OU=WHO/O=EOP @ EOP [WHO])
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TO: Brenda M. Anders (CN=Brenda M. Anders/OU=WHO/O=EOP @ EOP [WHO])
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TEXT:
Inside Politics: THE BUDGET DEAL

Aired July 29, 1997 - 4:00 p.m. ET

ANNOUNCER (voice-over): From Washington, this is INSIDE POLITICS with Judy Woodruff.

JUDY WOODRUFF, CNN ANCHOR: Thanks for joining us. The White House and Republican leaders are touting their
balanced
budget deal today as doing many good things for this
and future
generations of Americans. No doubt, they also expect the agreement and the tax cuts. It includes to do good

things for them
politically. Here's our Congressional correspondent Bob
Franken.
Bob.

BOB FRANKEN, CNN CORRESPONDENT (voice-over): So,
Judy, there were a lot of happy faces in Washington
today from one
end of Pennsylvania Avenue to the other.

BILL CLINTON, U.S. PRESIDENT: Last night, we reached an
agreement with the Congress on detailed legislation to
balance the
budget in a way that honors our values, invests in our
people, and
cuts taxes for middle-class families.

REP. NEWT GINGRICH, (R) HOUSE SPEAKER: Let me just
say that we are delighted to be here to celebrate a
great victory for
all of these young people and for the country they will
someday
inherit and lead.

FRANKEN: But there was a stony silence from many
Congressional Democrats described as lukewarm, just
plain
unhappy with the budget deal. House Minority Leader Dick
Gephardt pointedly refused to stand by the president's
side for his
announcement.

But most Democrats and certainly the Republicans were
talking
about how they had won. Republicans prevailed in the
dispute over
the control of health care for uninsured children. The
states will have
$24 billion to run the programs with federal
guidelines. But
Democrats were successful in removing GOP provisions on
welfare
recipients taking public service jobs. That would have
taken away
labor protections and minimum wage.

Democrats also succeeded in getting a new cigarette tax
that rises
15 cents a pack in five years. And both sides claim
success on the
per child tax credit which will start at $400 per child
next year,
$500 after that.

Democrats got the eligible income level down to $18,000. Republicans raised the top family limit to 110,000. The GOP realized a long held agreement in this package, a capital gains tax cut from the current 28 percent to 20 percent for upper incomes, 15 to 10 percent for the middle class, no break for inflation as the White House insisted.

Republicans were happy about larger exemptions for the estate tax. And the president trumpeted his covered higher education tax breaks. And both sides were ecstatic, Judy, about the fact that, thanks to a robust economy, they were able to have a tax cut of $91 billion, instead of 85 billion. That's six billion dollars more than the package costs. But what's a few billion dollars among happy negotiators?

WOODRUFF: Indeed, what is a few billion? All right, Bob Franken, thank you.

Now, let's bring in one of the pivotal players in these budget negotiations. He is Senate Republican leader Trent Lott. He joins us from Capitol Hill.

SEN. TRENT LOTT, (R) MAJORITY LEADER: Hello, Judy.

WOODRUFF: Senator, thank you for being with us.

LOTT: Glad to be with you.

WOODRUFF: My mother and father told me to beware whenever there was a deal that presented itself that promised something for everybody. Is that what is in this deal?

LOTT: Actually, I think this one does give something to almost all Americans. For our children, we've got the tax credit -- for families with children, significant additions for education. In fact, as it stands right now from K all the way through college with the president's hope scholarship programs in there, but other education programs that Republicans felt were very important.

I worked for a university myself, after I finished college. So I was very interested in that particular part of it. It also has encouragement for people to invest and to be able to save with the individual retirement accounts, significant new IRA's, including IRA's for spouses.

It also has reforms for Medicare with more choices for our seniors to allow them to pick and choose in a way they have not been able to in the past. So when you look at it, it is really for our children, for working Americans, middle income Americans, for investors and savers, and for our senior citizens. I mean, this one comes as close as doing something for everyone as you'll ever get. On top of that, we're going to have an honest balanced budget this time. I'm convinced for the first time since 1969.

WOODRUFF: Senator, if I may play devil's advocate here for just a moment that you and some of the other Republican leaders were saying this represents a new era in getting the federal government out of people's lives. And yet, there's another interpretation that this is the biggest new federal investment in children's health care, since Medicaid was invented in 1965.

LOTT: There's no question that there is more here in child care than we've ever had before, but I have to ask the question, you know, isn't that a pretty good investment? Don't we want our children to be

healthy? I think it's a good investment. And if you have healthier children, it will leave the children who are able to learn and to productive citizens. That is one place where more

spending was
included in the bill that I thought was necessary, but it was a part of
what's agreed to to bring the whole package together in.

But in many other areas, we allowed more choices for individuals.
And I mentioned the senior citizens being able to make choices,
many more opportunities to choose how you're going to save for
your education, many areas where we're going to control the federal
Washington spending. So I think when you look at whole package,
there's less spending and more tax relief.

WOODRUFF: Indeed, with regard to the children's health care ,
you had predicted a few months ago there would be no increase in
the cigarette tax.

LOTT: Well, I don't like tax increases. And I don't like cigarette tax
increases. It's not because I have any particular affinity. I don't
smoke cigarettes. I don't come from a state that's a tobacco abusing
state. But somebody pays. Somebody always pays. There's no free
thing when somebody has to pay higher taxes. I'd much prefer to
give people tax relief. I think the American people pay too much in
taxes.

WOODRUFF: On different front, Senator, there's a senior analyst
the at the conservative Heritage Foundation, I know you're familiar
with that organization.

LOTT: Sure.

WOODRUFF: They are quoted in the "New York Times" that
saying that the welfare provisions here represent a significant, a
sizable, liberal victory.

LOTT: Look, you can pick this apart piece by piece and say, I
don't particularly like that part. I don't particularly

like that part. But when you look at the entire package, as I described it in my radio program in response to the president's program on Saturday, look, we gave ground, the president gave ground, we found common ground.

There's some areas where we didn't do enough to improve the programs, but overall, this is a major achievement to get to a balanced budget, to get it with tax relief, to save Medicare and to get these other tax relief programs. The combined package is worth having.

If I didn't think it was worth having, I would not have agreed to be a party to it. And I actually gave some thought Saturday night and Sunday to not do it.

WOODRUFF: So just quickly, the political interpretation that the Republicans had to go along with much of this, because the alternative, no deal, was just unacceptable to them. You're saying is...

LOTT: What I'm saying is I came here. And I was elected by the people of my state of Mississippi and to be majority leader to do the right thing for our country. If I didn't think this was the right thing it to do, I would not do it. But I believe it is good for our country. And I think there are farmers and small businessmen and women and children all across America today that are saying this is good, this will help me.

WOODRUFF: All right, Senator Trent Lott, the Majority Leader in the Senate, we thank you very much for joining us.

LOTT: Thank you, Judy.

WOODRUFF: An FBI agent assigned to the Senate

Governmental
Affairs Committee testified today about another key
figure in the
money trail probe, Charlie Trie. The one-time Little
Rock,
Arkansas, restaurant owner became a fund-raiser for the
Democratic Party. Trie is now in China and has so far
refused to
return for the hearings, leaving behind the question,
where did the
money come from? CNN's Candy Crowley has some answers.

CANDY CROWLEY, CNN CORRESPONDENT (voice-over):
Using Charlie Trie's bank records, charts, and graphs,
an FBI
investigator working for the Thompson committee sized
things up
like this. Charlie Trie, Bill Clinton's old friend from
Little Rock,
could not have made those big donations to the
Democratic
National Committee without the money wired to him by a
wealthy
Chinese businessman, Trie's partner, Mr. Wu.

JERRY CAMPANE, FBI SPECIAL AGENT: Trie's bank records
further show that Mr. Wu's wire transfers represented
the largest
source of income to Trie and his companies. And that
quote
commissions received from Mr. Wu were the apparent
source for
these contributions.

CROWLEY: From 1994 to 1996, Wu wired Trie over $900,000.
Five hundred thousand came from elsewhere overseas.
Meanwhile,
Trie, with a bank account sometimes as low as $400, was
writing
large checks to the DNC, often within 24 hours of the
transfers.

CAMPANE: Charlie Trie's wife, secretary, or Charlie
Trie himself,
caused a check to be written from that account for
$15,000 the
very next day to the Democratic National Committee. I
show you
this chart because I think the record we have clearly
indicates that
this $15,000 contribution to the DNC originated from a
foreign
source.

CROWLEY: That's illegal. And that's not all. Records indicate Trie sometimes washed funds through intermediaries. This is the tale of Trie associate Keshi Zhan.

CAMPANE: She wrote both checks, one to herself to give her the 12,500 from Mr. Trie's account, so that she could then move that $12,500 from her account to the Democratic National Committee, in essence, not touching her own $15,229.

MAN, SENATOR: That sound like money laundering to you?

CAMPANE: It's what we call in the business, a slam dunk, Senator.

CROWLEY: Democrats conceded the Trie tale is suspicious, but they also noted what these hearings today did not prove that this was any sort of plot by the Chinese Government to influence U.S. elections. Judy.

WOODRUFF: All right, Candy Crowley, thanks. Our man Brooks Jackson has been watching the Thompson committee hearings unfold over the past few weeks. Brooks, as Candy just suggested some people had said that Charlie Trie was a conduit from the Chinese Government. What do we learn from that?

BROOKS JACKSON, CNN CORRESPONDENT: They thought he was a possible conduit. What we've learned is that I think after listening to today's testimony, it seems much less likely that Charlie Trie was a conduit for Chinese Government money, but still possible.

It's less likely for a number of reasons. The picture we got from the FBI agent was a man motivated by money. Charlie Trie was hustling for a buck. He tried businesses ranging from safe deposit boxes to chickens. Seems to have failed at every one of them.

Less likely, because patron Mr. Wu is a wealthy man in his own right, well able to afford the $900,000 in money that got wired to Charlie Trie's account. There were millions of dollars in and out of Mr. Wu's bank account on a monthly basis.

Less likely, too, because Mr. Wu's connection to the Chinese Government turns out to be rather wispy. He is a member of a commission, but it's a regional advisory commission of some sort, not hardly the Chinese version of the CIA. It's still possible simply because investigators cannot rule it out. And the reason they can't rule it out is they don't have access to foreign bank and business records to trace back the money to its ultimate source, as FBI agent Campane made clear.

ALAN BARON, DEMOCRATIC COUNSEL: Then I take it your answer as you did not find any affirmative evidence that established a relationship between the money that came from Mr. Wu to Mr. Trie back to the Chinese Government?

CAMPANE: That is correct, but that kind of affirmative evidence would probably come, based upon my experience in criminal cases, from the ability to access foreign bank records. In this case, of course, it's my understanding the committee's authority stops at the Pacific Ocean line.

JACKSON: So, Judy, the picture we got from agent Campane was not really a picture of a spy, a more familiar picture, a picture of businessman trying to buy political access to make a buck.

WOODRUFF: All right, Brooks Jackson, thanks. And just ahead on INSIDE POLITICS: he's proved he can carry a tune. But can he carry an election? He's taking his act on the road to find out.

(COMMERCIAL BREAK)

WOODRUFF: There are many names of possible Republican presidential contenders floating around these days, one of them, Missouri Senator John Ashcroft. How does his name fit into all this? Well, our John King has been looking at the Senator's plans.

JOHN KING, CNN CORRESPONDENT (voice-over): John Ashcroft gets a kick out of his role in this singing Senate quartet. But he's about to take his act on the road -- solo. CNN has learned the Missouri Senator has paid a call to Majority Leader Trent Lott to discuss his presidential aspirations.

Ashcroft plans to spend much of August traveling the country to assess his prospects. This agenda includes a visit to the lead-off primary state of New Hampshire and several fund-raisers for his political committee, money that could be used for a White House run later. Ashcroft is an abortion foe, well-liked by the GOP's powerful religious conservative movement.

TERRY JEFFREY, HUMAN EVENTS EDITOR: He is very well known among the sort of activists that get out the vote in the early primary and caucus states.

KING: And he's a favorite of term limits-backers, another strong grassroots group.

PAUL JACOB, EXEC. DIR., US TERM LIMITS: People who are looking for real change in Washington, and who have been frustrated that not much has really changed, have mentioned his name. He is certainly somebody who has been on the radar screen of reformers for sometime.

KING: Ashcroft is a senator and a former governor from a critical presidential battleground. But he's untested on the national stage.

And several advisers called into recent meetings are against a presidential run. Ashcroft won't comment on his presidential planning, but sources say he is intrigued by the idea, as is most of his inner circle.

JEFFREY: I think he is doing a very smart thing by getting his name out early.

KING: The likelihood of a crowded Republican field is one reason Ashcroft wants to test his appeal so early. His Senate seat is also up in campaign 2000, although Missouri late primary gives Ashcroft a fall back if he runs for president and sputters. John King, CNN, Washington.

(END VIDEOTAPE)

WOODRUFF: And this question when INSIDE POLITICS returns: is the economy riding high on the backs of insecure and wary American workers? Bill Schneider will give us some insight.

(COMMERCIAL BREAK)

SCHNEIDER: President Clinton just celebrated what sounds like "The Great Society, Part Two," the biggest increase in education funding since the G.I. Bill, the biggest investment in child health care since Medicaid began. Keep in mind, the president is talking about a tax cut and a balanced budget deal, one that he has to sell to Democrats.

What can make a tax cut look like the Great Society? A booming economy, that's what. But this boom is different from previous booms. It's different economically, as Federal Reserve Chairman Alan Greenspan pointed out last week, and it's also different politically.

(BEGIN VIDEOTAPE)

ALAN GREENSPAN, FEDERAL RESERVE CHAIRMAN:
Many observers, including us, have been puzzled about how an economy operating at high levels and drawing into employment increasingly less experienced workers can still produce subdued and by some measures, even falling inflation rates.

SCHNEIDER (voice-over): Greenspan's explanation? We've gone high-tech very fast.

But why does that hold down inflation? Greenspan's explanation:

GREENSPAN: It has brought with it a heightened sense of job insecurity, and, as a consequence, subdued wage gains.

SCHNEIDER: Aha! Workers face global composition and rapid technological change. They are unprotected because of government deregulation and weak labor unions. The result: very little pressure for wage hikes.

Look at the number of workers who say they are concerned about losing their jobs. It's gone from 18 percent in 1988 to one-third in 1995 to almost half last year.

GREENSPAN: A lingering sense of fear or uncertainty seems still to pervade the job market.

SCHNEIDER: That helps to explain why the politics of prosperity today is so different from the last time we were in this kind of sustained economic boom in the 1960s under LBJ.

In the 1960s, America was the world's preeminent economic power. Those were the days of big-agenda politics.

LYNDON JOHNSON, FORMER PRESIDENT OF THE UNITED STATES: Let a just nation throw open to them the city of promise to the elderly, by providing hospital care under Social Security.

SCHNEIDER: Medicare, signed June 30th, 1965.

JOHNSON: The poor and the unfortunate through doubling the war against poverty this year.

SCHNEIDER: The Economic Opportunity Act, signed August 24, 1964.

JOHNSON: To Negro Americans, through enforcement of the civil rights law and elimination of barriers to the right to vote.

SCHNEIDER: The Civil Rights Act, signed July 2nd, 1964. The Voting Rights Act, signed August 6th, 1965. And we would save the world. 125,000 American troops sent to Vietnam, July 26th, 1965.

LBJ's expansive vision bore the seeds of its own destruction. With no new taxes to pay for that vision, the country ended up with a great inflation that lasted 17 years.

Now we're booming again, but politics has been downsized. In the '60s, America was the affluent society. In the '90s, we're the competitive society.

In the '60s, Americans were confident and ambitious. Now, Americans are insecure and wary.

(END VIDEOTAPE)

SCHNEIDER (on-camera): And that explains why inflation pressures are down and why agenda pressures are down.

Bill Schneider, CNN, Washington.

WOODRUFF: All right, and that's all for this secure edition of INSIDE POLITICS. I'm Judy Woodruff.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ilia V. Velez (CN=Ilia V. Velez/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 11:00:31.00

SUBJECT:

TO: SantosMiriam (SantosMiriam @ 13122366938 @ fax [UNKNOWN])
READ:UNKNOWN

TO: RossiLuis (RossiLuis @ 17733273822 @ fax [UNKNOWN])
READ:UNKNOWN

TO: ChivianoHugo13123570198 (ChivianoHugo13123570198 @ fax [UNKNOWN])
READ:UNKNOWN

TO: AndradeJuan (AndradeJuan @ 13124275183 @ fax [UNKNOWN])
READ:UNKNOWN

TO: RosalesQrabel (RosalesQrabel @ 13128142241 @ fax [UNKNOWN])
READ:UNKNOWN

TEXT:
PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT
Roughly $900 Billion in Net 10 Year Deficit Savings.
First Balanced Budget since 1969.
Largest Investment in Higher Education Since the G.I. Bill in 1945:
$1,500 HOPE Scholarship to Help Make Two Years of College Universally Available.
20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and Working Americans pursuing Lifelong Learning to upgrade their skills.
Single Largest Investment in Health Care for Children Since 1965.
A $500 Per Child Tax Credit for Approximately 27 Million Families.
Critical Long-Term Entitlement Reforms -- Extends Solvency of Medicare Trust Fund for at Least a Decade.
Brownfields and Empowerment Zones Tax Incentives to Revitalize Our Nation,s Distressed Areas.
A $ 3 Billion Welfare-to-Work Jobs Initiative Targeted to High Poverty Areas.
Treats Legal Immigrants Fairly -- Restores Health and Disability Benefits.

PRESIDENT CLINTON DELIVERS
THE LARGEST SINGLE INVESTMENT IN CHILDREN,S HEALTH CARE SINCE THE PASSAGE OF MEDICAID IN 1965

The President fought hard to ensure that the Budget Agreement includes $24 billion to provide meaningful health care coverage to as many as five million of our nation,s ten million uninsured children. This investment includes a meaningful benefits package, ensures that states use this money to cover uninsured children and not replace existing public or private spending, and guarantees adequate cost-sharing protections for families.

INVESTS UNPRECEDENTED $24 BILLION FOR UNINSURED CHILDREN. The President insisted on increasing the investment for children,s health from $16 billion to $24 billion by including revenue from a new tobacco tax. Because of the President,s leadership, this budget will contain the largest children,s health care budget increase since the enactment of Medicaid in 1965. Including these additional revenues in the children,s health initiative will not only further reduce the number of uninsured children, but it will also serve as a financial barrier to help prevent o ur children from starting smoking in the first place.

ENSURES MEANINGFUL HEALTH CARE COVERAGE, WHILE ALLOWING STATES TO DESIGN THEIR OWN BENEFITS PACKAGES. The President fought hard to ensure that this investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. The President also worked to ensure that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

GIVES STATES THE FLEXIBILITY TO DESIGN BENEFITS THAT MEET THEIR NEEDS. States will be able to choose from any of four benefits packages: (1) the FEHPB model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the three stated benefit plans as long as prescription drugs, vision, hearing, and mental health services now offered in these plans are guaranteed to equal at least 75 percent of the value of these services.

SUPPLEMENTS, NOT SUPPLANTS, CURRENT HEALTH CARE COVERAGE. Includes provisions to ensure that states provide health care coverage to children who do not currently have health insurance. It requires that states maintain their current Medicaid eligibility levels of spending to access Federal dollars to ensure that this investment is not used to replace public or private money that already covers children.

ENSURES ADEQUATE COST-SHARING PROTECTIONS. The President fought to ensure that families are not forced to shoulder excessive costs for their children. The Agreement guarantees that families under 150 percent of poverty will be protected against overly burdensome cost sharing.

PRESIDENT CLINTON DELIVERS A $500 CHILD TAX CREDIT
FOR APPROXIMATELY 27 MILLION FAMILIES

MAIN FEATURES OF THE CHILD TAX CREDIT:

Age. Covers children under 17.
Amount per child. $400 in 1998. $500 thereafter.
Income limits. Begins to be phased out for couples making over $110,000 and for one parent families making over $75,000.
"Stacking" Child tax credit will be calculated or &stacked8 before the EITC, and will therefore be available for the up to 7.5 million children in working families who have incomes below $30,000 and who were denied the child tax credit under the congressional bills.
For families with more than two children -- Refundability to cover out-of-pocket income and payroll taxes. Because many large families have little income tax liability, but pay significant out-of-pocket payroll

taxes, the child tax credit for these families is partially refundable. These families will receive a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.

Savings Incentive. Taxpayers will be given the opportunity to contribute $500 each year to an education Individual Retirement Account (IRA). Earnings would accumulate tax-free in the account, and no taxes will be due upon withdrawal for an approved purpose.

A CHILD TAX CREDIT FOR FAMILIES WHO WORK HARD AND PAY TAXES.

13 million children from families with incomes below $30,000 will receive the child tax credit -- up to 7.5 million* more than would have under the Congressional plans. Families making under $30,000 like young teachers, police officers, farmers, nurses and others who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

President Clinton worked to ensure that under any final agreement, these young parents would receive a child tax credit to make it easier for them to raise their children.

PRESIDENT CLINTON DELIVERS EDUCATION TAX CUTS TO HELP MIDDLE CLASS FAMILIES PAY FOR COLLEGE

THE PRESIDENT,S HOPE SCHOLARSHIP AND TUITION TAX CREDIT

From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton,s budget and his middle class tax cut proposal. Promoting education is the centerpiece of this final tax cut bill:

$1,500 HOPE Scholarship to make the first two years of college universally available. The final agreement includes the President,s program to advance the goal of making the 13th and 14th grades as universally available as a high school diploma is today. Students will receive a scholarship of 100% on the first $1,000 of tuition and fees and 50% on the second $1,000.

20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of tuition and fees through 2002, and to the first $10,000 thereafter.. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and is a major improvement over the Congressionally-passed bills.

A SUMMARY OF ADDITIONAL EDUCATION TAX CUTS

Education and Retirement Savings Accounts. Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers are given the opportunity to deposit $500 into an education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for an approved purpose.

Employer-Provided Education Benefits. Extends Section 127 of the tax code for three years, which allows workers to exclude $5,250 of employer-provided undergraduate education benefits from their taxable income.

Student Loan Interest Deduction. Allows a deduction for up to $2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. This deduction will be available even if the taxpayer does not itemize deductions.

Community Service Loan Forgiveness. In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, the agreement excludes from taxable income both loa n amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

PRESIDENT CLINTON DELIVERS A BUDGET THAT STRENGTHENS AND PRESERVES MEDICARE

The Budget Agreement preserves and strengthens the Medicare program, saving $115 billion over five years and extending the life of the Medicare Trust Fund for at least ten years. It modernizes Medicare by including new market-oriented reforms that have proved successful in the private sector plus $4 billion in new preventive benefits. As this agreement strengthens and preserves the Medicare program, it also creates a Medicare Commission to examine the long-term needs of the program so that Medicare will be prepared for the retirement of the baby boomers.

SAVES APPROXIMATELY $115 BILLION OVER FIVE YEARS. Includes about $115 billion in savings over five years and between $400-$450 billion over ten years.

EXTENDS THE LIFE OF THE MEDICARE TRUST FUND FOR AT LEAST TEN YEARS. This agreement will keep Medicare solvent until at least 2007.

IMPLEMENTS NEW MARKET-ORIENTED REFORMS INCLUDING:

(1) Empowering the Secretary of Health and Human Services to implement competitive market mechanisms;
(2) Opening up new options that offer more choice among competing health plans and have proven effective in the private sector, including Preferred Provider Organizations (PPOs) and Provider Sponsored

Organizations (PSOs);
(3) Providing Americans with meaningful choices by reforming annual Medigap enrollment; and
(4) Building on Medicare,s success in controlling hospital costs, restructuring the payment systems for home health, agencies, skilled nursing facilities and hospital outpatient departments so that rates are set in advance through a prospective payment system.

INCLUDES $4 BILLION OVER FIVE YEARS FOR NEW PREVENTIVE BENEFITS. Expanding coverage for mammograms and colorectal screening and improving self-management of diseases like diabetes.

ENSURES NEW PREMIUM PROTECTIONS FOR LOW-INCOME MEDICARE BENEFICIARIES. The budget agreement invests $1.5 billion over five years to pay the premiums for beneficiaries up to 135 percent of poverty. Beneficiaries over 135 percent of poverty to as high as 175 percent of poverty will get assistance as well.

TAKES STEPS TO ENSURE THAT VULNERABLE HOSPITALS ARE PROTECTED. The Agreement reduces the Medicare Disproportionate Share Hospitals cut from $2.4 billion in the Senate-passed bill to $600 million over five years.

ESTABLISHES A MEDICARE COMMISSION. The agreement creates a 17-member Medicare Commission which contains eight Democrats and eight Republicans and a Chair who will be selected jointly by the President and the Congressional leadership. The Commission will release a report in 1999 and require an 11 of 17 majority to ensure that its recommendations are bipartisan.

THE BUDGET AGREEMENT PROTECTED THE PRESIDENT,S PRIORITY PROGRAMS, INCLUDING EDUCATION

The Budget Agreement achieved 99% of the President,s budget for non-defense discretionary spending over the next 5 years. While priority items are protected, there are $61 billion of savings in non-defense discretionary outlays over the next 5 years -- a 10% real cut by 2002. These priorities will be ratified in the appropriations process under the budget agreement.

LARGEST INCREASE IN EDUCATION INVESTMENT IN 30 YEARS

The budget agreement endorsed President Clinton,s overall plan for investing in education and training -- $63 billion more than the Republican plan over five years. With the tax cuts for education, this represents the largest increase in the Federal investment in education in 30 years. The agreement specifically calls for:

Increases funding for Head Start to continue on road to achieve enrollment of 1 million kids in 2002.
Largest Pell Grant increase in two decades - boosts the maximum 1998 Pell grant from $2,700 to $3,000, and expands the program to more poor independent students.
Adopts the President,s budget request to launch a child literacy initiative consistent with his America Reads program.

Increases funding for bilingual (27% increase) and immigrant education (50% increase).
Includes all of the $579 million increase in funding requested by the President in his FY 1998 budget of $5.3 billion for Training and Employment Services, including Job Corps.

...AND TO MOVE PEOPLE FROM WELFARE TO WORK

A WELFARE-TO-WORK TAX CREDIT. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first $10,000 in wages in the first year of employment, and 50% of the first $10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.
$3 BILLION TO HELP MOVE 1 MILLION PEOPLE FROM WELFARE TO WORK. Includes President's proposal to create $3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.
PRESERVES THE MINIMUM WAGE AND OTHER LABOR PROTECTIONS FOR WELFARE RECIPIENTS MOVING FROM WELFARE TO WORK. Does not include the House-passed provision to leave workfare participants unprotected by the Fair Labor Standards Act and other employment laws.
PROTECTS WORKERS FROM DISPLACEMENT BY THOSE LEAVING THE WELFARE ROLLS, and establishes a strong process for workers to raise grievances with an independent agency.

PRESIDENT CLINTON FOUGHT TO PROTECT
OUR MOST VULNERABLE PEOPLE

Several provisions in last year,s welfare reform bill had nothing to do with the goals of welfare reform. The President said so at the time and promised to work to correct these provisions. That,s why he fought to ensure that any agreement protects the most vulnerable in our society. The President fought to better protect:

CHILDREN

KEEPING THE MEDICAID GUARANTEE. Preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. Also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.

LEGAL IMMIGRANTS

CURRENT RECIPIENTS. Restores both SSI and Medicaid benefits for immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left helpless.

CURRENT RESIDENT NONRECIPIENTS. Does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits. The budget will restore benefits to over 350,000 legal immigrants in FY 2002.

REFUGEES AND ASYLEES. Extends the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry (the limit in the welfare bill) to 7 years to give these residents more time to naturalize. Adopts Administration proposal to treat Cuban and Haitian entrants and Amerasian immigrants as refugees to preserve benefits for these groups that have endured extraordinary hardships.

POOR ELDERLY AND DISABLED, INCLUDING CITIZENS

RECIPIENTS OF STATE SSI SUPPLEMENTS. Does not include the House-passed provision that would have repealed the maintenance-of-effort requirement applying to State supplementation of SSI benefits which would have permitted States to reduce or eliminate benefits to almost 3 million poor blind, elderly and disabled individuals.

PEOPLE WHO WANT TO WORK BUT CAN ,T FIND A JOB

235,000 MORE WORK SLOTS. Last year ,s welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The budget bill provides nearly $1 billion for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment.

ALLOWS STATES TO EXEMPT UP TO 15 PERCENT OF THE FOOD STAMP RECIPIENTS (70,000 Individuals Monthly) WHO WOULD OTHERWISE BE DENIED BENEFITS AS A RESULT OF THE "3 IN 36" LIMIT.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Margaret M. Suntum (SUNTUM_M) (WHO)

CREATION DATE/TIME:30-JUL-1997 13:00:41.35

SUBJECT: internal transcript - closing remarks at budget announcement

TO: Steven A. Cohen (COHEN_SA) Autoforward to: Remote Addressee (Steven A. Cohen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TEXT:
PRINTER FONT 10_POINT_COURIER
BOTTOM ODD
MORE

PRINTER FONT 12_POINT_COURIER
THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript July 29, 1997

CLOSING REMARKS AT BUDGET ANNOUNCEMENT

The South Lawn

SENATOR DASCHLE: Thank you. Mr. President, Mr. Vice President, on behalf of every one of the 45 Democratic colleagues in the United States Senate, we salute you for your leadership and the accomplishment we celebrate this afternoon. (Applause.)

In the 1980s, we mortgaged America's future. Today, we are making the last downpayment on that mortgage. This budget agreement gives America's children back their shot at the American Dream. Because of this agreement, parents like Charlie and Karen Richards of Sioux Falls, South Dakota, will have health insurance for their little daughter and for the second child that they're expecting soon. Charlie is a substitute teacher who works two other part

-time jobs to make
ends meet.

Because of this agreement, he and Karen will get a $975 tax credit next year to help them raise their two children. (Applause.) And when the kids are ready for college, federal tax credits will be there to help them pay the tuition because of this budget. And if somehow Charlie and Karen can manage to save a little money, they will be able to invest it tax free in an education retirement account for their children because of this budget. Because Democrats stood our ground and insisted that working families like the Richards not be left out in this budget, today, the Richards win. (Applause.)

I'm proud, Mr. President, I'm proud to stand here with you today, as my colleagues are, to let me say unequivocally this agreement could not have happened without the extraordinary leadership that you and the Vice President have demonstrated not just this year, but for the past four years and we thank you for that this afternoon. (Applause.)

This is the final installment of the deficit reduction plan that we passed as you indicated in 1993. Unlike the first installment, though, I am happy to report to you that this bill will pass the Congress by a lot more than one vote. (Laughter.) So many people played a part in making this budget plan a fairer plan for working families, and I want to particularly acknowledge a few of them, as you did.

Mrs. Clinton deserves recognition for all that she has done to focus attention on the needs of America's children. And I think it's fair to say today that this budget would not contain health care for children were it not for the incredible dedication and contribution she has made to this debate for the last four years. And we thank you, to the First Lady, for the work that she has done. (Applause.)

Let me also acknowledge my colleagues, Senator Mary Landrieu, for fighting to make sure that parents who claim an earned

income tax credit don't lose that tax credit; Senator Barbara Boxer, for changes she made to protect the pensions of working people. (Applause.) Senator Carol Moseley

-Braun, for her plan to help communities repair crumbling and overcrowded schools and build new ones. (Applause.)

And, finally, let me thank Senators Lautenberg and Moynihan and Congressmen Rangel and Spratt for all the work that they did -- the incredible stamina and the reason that they showed throughout the negotiations for the unity and the kind of dedication the Democrats were able to demonstrate -- to them, to the White House negotiators, on behalf of every Senate Democrat, let us thank you and congratulate you. This is a great day for America. (Applause.)

CONGRESSMAN RANGEL: Thank you. My name is Charles Rangel. (Applause.) I brought some prepared remarks, but the President said in view of the sun to kind of reduce it.

I come here on behalf of the House Democrats to laud the President and the Vice President for making certain that a bipartisan agreement did not exclude the democratic principles that so many of us truly believe in.

I also want to thank our leadership in making certain that we were included not only in the process of the negotiation -- but Dick Gephardt, Dave Bonior, and the entire leadership team who were part of putting together in a way that we could run and be proud of our record in making certain that including Republicans don't mean that you give up Democratic principles.

So we have now shattered the myth that we as Democrats are spending Democrats and taxing Democrats, because we have come forward in support of the President's package which, of course, bought a lot of converts because the President carries a big veto and I've never seen so many Republicans converted so fast in my life. As a matter of fact, some wanted to come up, but I explained that they have to understand about the protection of children and jobs and decency, and they're working on that and they'll be coming back soon.

But I really want to thank not only all of the negotiators, but especially the Secretary of the Treasury. I don't know when he finally writes his book whether he got a harder time from the Democrats than he did from the Republicans, but the truth of the matter is that even though we lost with the House

-passed tax
bill, we did not say no, pick up our marbles and walk away. The administration was there to help us gather our dignity and our principles, and it was Bob Rubin that made it possible for us to bring a bill to the Floor, that kept our Democratic Party together, that strengthened the President's position at every stage of the negotiation.

So I thank the President, the Vice President, the Democratic House leadership in giving us something to stay together and now giving us something that we can vote for. (Applause.)

SENATOR XXXX: Mr. President, Mr. Vice President, the negotiating team that you gave us was a strong and persistent team, Mr. President, even though at moments we might have had a slight disagreement or two. The fact of the matter is that everybody was persistent, and I have to say that Tom Daschle, our leader in the Senate, gave us the kind of energy and direction that we had to have to complete the task. There were times when it looked like we were going nowhere, but Tom would always remind us about what the larger picture was. For all America, today is one great day.

Mr. President, this day, you delivered a down

-payment on
the 21st century for a stable and driving America, and we thank you for it. (Applause.) We made sure that we were going to have a balanced budget, but that we didn't sacrifice the interests of
hard

-working people, of our children, or of the children's health programs that are so vital in this country. I can talk from experience, Mr. President, as a recipient of the G.I. Bill and what it meant to me in my life, and I can tell you there is nothing more important than

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BOTTOM ODD
MORE
education for children who can learn, but who don't have the money to do it. And Mr. President, you will be remembered in history for your commitment to education -- we're grateful to you for that. (Applause.)

The American people are sturdy people, but when given the kind of leadership that President Clinton gave us, we're a mighty people as well. And the problem for the Republicans was -- and I say I worked with them and we got along splendidly, but everybody was reminded by the American people what it was they were interested in -- they were interested in reduced taxes for middle

-class people,
they were interested in protecting children's health, they were interested in not turning our back on legal immigrants who were here when they became disabled. They were interested in getting tax relief on their principal asset, which is a home -- that was taken care of for the middle class people in this country.

And so, Mr. President, and everybody here, this is a great day for America; it's great because you were there as our leader, because you were persistent, insistent, it was a pleasure to work with my colleagues, Congressman John Spratt from the House and the others with whom we worked, and to say this is one fine day. Thank you very much. (Applause.)

CONGRESSMAN BONIOR: I'm David Bonior from the state of Michigan, and I, too, wish to offer my congratulations to the President and the Vice President and the wonderful team that they assembled that put this package together. Also, my congratulations to my two dear friends, Charlie Rangel and John Spratt, for the outstanding job that they did, and to the rest of the leadership in the House and our members who worked so very hard on this package, and to my Senate colleagues.

Also, I would like to also echo the comments that people made about the First Lady with respect to her consistent push for health care for children and also to Mrs. Gore for her consistent help over the years on the mental health issue.

This isn't an easy package. When you look at it, there's some things you like and there's some things you don't like.

But when it comes down to making a decision, I think the words of Tom Daschle were apropos and really hit it on the nail. You've got to look at that family out there who's going to gain $500 or $1,000 or $1,500 because of the child tax credit, you've got to look at the HOPE Scholarship opportunities for their children, you've got to look at the Pell Grants that have been increased. You've got to look at the 5 million children who now will have health insurance as a result of the $24 billion set aside.

And I finally would like to thank the President and the Vice President for standing by working men and women in this country, standing by the Fair Labor Standards Act and standing by against independent contract expansion. Those were important things, not well

-known necessarily, by the government. (Applause.) But we appreciated their steadfastness.

And we thank all of you for your participation. And again, congratulations Mr. President. (Applause.)

CONGRESSMAN SPRATT: I'm John Spratt and it looks like I'm sort of the wrap

-up hitter for the members of Congress.
(Applause.) I want to -- that leaves me to underscore what a lot of others have said, but there is one thing I want to make and make emphatically: This last lap, the long march to balance the budget, started five months ago, but the real journey started five years ago. What we did in 1993, when we as Democrats -- and Democrats alone -- passed the President's budget and dealt with the deficit that was hovering then in the range of $300 billion and rising, what we did in

1993 made this day possible. (Applause.) That five

-year plan
brought us to this day -- that plan brought us to this year's deficit, a deficit that's likely to be well below $50 billion. It put us within reach of a balanced budget.

But when we began this year with the government divided, it wasn't clear by any means that we could muster the effort for this last lap. We did it. We did it because the President and Vice President leaned into this problem, and not only that, they put their first team on the field -- Erskine Bowles, Franklin Raines, Gene Sperling, John Hilley, all of them working virtually in a full

-court
press for all four quarters of this game.

And Dave Bonior talked about the things they got out of this agreement, which is as much to celebrate as anything else. The devil has been in the details and they didn't quit until they had exorcised the last devil from this agreement -- or almost. (Applause.)

We did it, but the full import and impact of what we've done is not that we've balanced the budget in five years, but we did it the right way. We hammered out a plan to balance the budget, but we have not been so fixated on that goal that we forgot the country has other problems too, and they call for attention.

We're wiping out the deficit, but we're doing more than ever to see that all Americans have the opportunity of higher education. We're taking down the deficit, but we're also taking steps to see that millions of children and working families have the simple right to medical insurance. We're lowering the cost of Medicare by $115 billion over the next five years and making it solvent for 10 years, but we're also protecting every beneficiary. Indeed, we're adding $4 billion in preventive care coverage, coverage like mammograms with no copayments. (Applause.)

So we're balancing the budget. We're balancing the budget, and we have a right to be proud of that, but what's vitally important about what we're doing is that we're doing it the right way, we're doing it in a balanced way. I'm proud I've had a hand in this part, proud of the work with the many people who have made it come about. I think this is a great day for America. Thank you very much. (Applause.)

* * * * *

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lawrence J. Haas (CN=Lawrence J. Haas/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:31-JUL-1997 17:47:13.00

SUBJECT: Suggested edits to tax statement (see bold)

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
STATEEMENT ON TAXES
for possible release later

Senate passage of tax cut legislation brings us one step closer to final enactment of landmark legislation that will balance the budget for the first time in a generation. We are offering tax relief to Americans while balancing the budget and strengthening our economy.

This tax cut honors our values, helping middle class families raise their children, send them to college, save for retirement and buy and sell a home. I am particularly pleased that it includes $35 billion to give every American who needs it a Hope Scholarship tax cut for the first two years of college, to provide further tax relief for all four years of college, and to help pay for education and training throughout a lifetime. This first balanced budget in a generation is also the best education budget in a generation, and our tax cut is the best education tax cut ever.

By giving working families direct tax relief, we will further our economic strategy of balancing the budget while investing in our people. By already reducing the deficit by over 80 percent, we have helped create strong prosperity, with robust growth, low inflation, [and] strong investment [growth], and rising middle class incomes. Now, this tax cut will help boost the standard of living for middle class families even more . [The middle class and] Working families deserve the dividend from a growing economy and balanced budget, and with this tax cut, they will get it.

I look forward to speedy House passage of this legislation.

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Lori L. Anderson@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME:31-JUL-1997 19:37:00.00

SUBJECT: Statement by the President: Passage of Tax Cut Portion of Budge

TO: 1=US (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\MWOLFE(A)MH1.JS.MIL@MRX)
READ:NOT READ

TO: 1=US (1=US@2=WESTERN UNION@5=ATT.COM@*ELN\62955104@MRX)
READ:NOT READ

TO: 62955104 (62955104@eln.attmail.com@INET)
READ:NOT READ

TO: 73030.21 (73030.21@compuserve.com@INET)
READ:NOT READ

TO: BARBUSCHAK_K (BARBUSCHAK_K@A1@CD) (OA)
READ: 1-AUG-1997 07:30:43.42

TO: rdittmar (rdittmar@ostp.eop.gov@INET)
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TO: CAPLAN_P (CAPLAN_P@A1@CD) (WHO)
READ: 1-AUG-1997 11:35:35.19

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TO: INFOMGT (INFOMGT@A1@CD) (SYS)
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TO: WOZNIAK_N (WOZNIAK_N@A1@CD) (NSC)
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TO: backup (backup@wilson.ai.mit.edu@INET)
READ:NOT READ

TO: newsdesk (newsdesk@usnewswire.com@INET)
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TO: ttate (ttate@esusda.gov@INET)
READ:NOT READ

TO: usia01 (usia01@access.digex.com@INET)
READ:NOT READ

TO: usnwire (usnwire@access.digex.com@INET)
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TO: wh-outbox-distr (wh-outbox-distr@clinton.ai.mit.edu@INET)
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TO: GRAY_W (GRAY_W@A1@CD) (NSC)
READ:NOT READ

TO: NAPLAN_S (NAPLAN_S@A1@CD) (NSC)
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TO: WEINER_R (WEINER_R@A1@CD) (DON)
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TO: SCHAEFER_V (SCHAEFER_V@A1@CD) (OMB)
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TO: ROBINSON_C (ROBINSON_C@A1@CD) (OPD)
READ:NOT READ

TO: RONNEL_S (RONNEL_S@A1@CD) (WHO)
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TO: tnewell (tnewell@ostp.eop.gov@INET)
READ:NOT READ

TO: HEMMIG_M (HEMMIG_M@A1@CD) (WHO)
READ: 1-AUG-1997 09:36:11.99

TO: Lori E. Abrams (Lori E. Abrams@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Donald A. Baer (Donald A. Baer@EOP@LNGTWY@EOPMRX)
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TO: Laura K. Capps (Laura K. Capps@EOP@LNGTWY@EOPMRX)
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TO: Ann M. Cattalini (Ann M. Cattalini@EOP@LNGTWY@EOPMRX)
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TO: Steven A. Cohen (Steven A. Cohen@EOP@LNGTWY@EOPMRX)
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TO: Anne M. Edwards (Anne M. Edwards@EOP@LNGTWY@EOPMRX)
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TO: Rahm I. Emanuel (Rahm I. Emanuel@EOP@LNGTWY@EOPMRX)
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TO: Karen E. Finney (Karen E. Finney@EOP@LNGTWY@EOPMRX)
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TO: Ben A. Freeland (Ben A. Freeland@EOP@LNGTWY@EOPMRX)
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TO: Jeremy M. Gaines (Jeremy M. Gaines@EOP@LNGTWY@EOPMRX)
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TO: Jason S. Goldberg (Jason S. Goldberg@EOP@LNGTWY@EOPMRX)
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TO: Julia R. Green (Julia R. Green@EOP@LNGTWY@EOPMRX)
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TO: James T. Heimbach (James T. Heimbach@EOP@LNGTWY@EOPMRX)
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TO: Russell W. Horwitz (Russell W. Horwitz@EOP@LNGTWY@EOPMRX)
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TO: Brian J. Johnson (Brian J. Johnson@EOP@LNGTWY@EOPMRX)
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TO: David E. Kalbaugh (David E. Kalbaugh@EOP@LNGTWY@EOPMRX)
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TO: Angus S. King (Angus S. King@EOP@LNGTWY@EOPMRX)
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TO: Joshua A. King (Joshua A. King@EOP@LNGTWY@EOPMRX)
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TO: Nicholas B. Kirkhorn (Nicholas B. Kirkhorn@EOP@LNGTWY@EOPMRX)
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TO: G N. Lattimore (G N. Lattimore@EOP@LNGTWY@EOPMRX)
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TO: Peter R. Orszag (Peter R. Orszag@EOP@LNGTWY@EOPMRX)
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TO: Gordon Li (Gordon Li@EOP@LNGTWY@EOPMRX)
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TO: Julie E. Mason (Julie E. Mason@EOP@LNGTWY@EOPMRX)
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TO: Doris O. Matsui (Doris O. Matsui@EOP@LNGTWY@EOPMRX)
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TO: April K. Mellody (April K. Mellody@EOP@LNGTWY@EOPMRX)
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TO: Elisa Millsap (Elisa Millsap@EOP@LNGTWY@EOPMRX)
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TO: Cheryl D. Mills (Cheryl D. Mills@EOP@LNGTWY@EOPMRX)
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TO: G. Timothy Saunders (G. Timothy Saunders@EOP@LNGTWY@EOPMRX)
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TO: Laura D. Schwartz (Laura D. Schwartz@EOP@LNGTWY@EOPMRX)
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TO: Douglas S. Sheorn (Douglas S. Sheorn@EOP@LNGTWY@EOPMRX)
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TO: Joshua Silverman (Joshua Silverman@EOP@LNGTWY@EOPMRX)
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TO: Douglas B. Sosnik (Douglas B. Sosnik@EOP@LNGTWY@EOPMRX)
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TO: Todd Stern (Todd Stern@EOP@LNGTWY@EOPMRX)
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TO: Barry J. Toiv (Barry J. Toiv@EOP@LNGTWY@EOPMRX)
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TO: Jodie R. Torkelson (Jodie R. Torkelson@EOP@LNGTWY@EOPMRX)
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TO: Michael Waldman (Michael Waldman@EOP@LNGTWY@EOPMRX)
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TO: Christopher F. Walker (Christopher F. Walker@EOP@LNGTWY@EOPMRX)
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TO: Dorian V. Weaver (Dorian V. Weaver@EOP@LNGTWY@EOPMRX)
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TO: Catherine T. Kitchen (Catherine T. Kitchen@EOP@LNGTWY@EOPMRX)
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TO: Jay K. Footlik (Jay K. Footlik@EOP@LNGTWY@EOPMRX)
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TO: Lori L. Anderson (Lori L. Anderson@EOP@LNGTWY@EOPMRX)
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TO: Brenda M. Anders (Brenda M. Anders@EOP@LNGTWY@EOPMRX)
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TO: Michael W. Williams (Michael W. Williams@EOP@LNGTWY@EOPMRX)
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TO: Marilyn DiGiacobbe (Marilyn DiGiacobbe@EOP@LNGTWY@EOPMRX)
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TO: Suzanne Dale (Suzanne Dale@EOP@LNGTWY@EOPMRX)
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TO: Richard Socarides (Richard Socarides@EOP@LNGTWY@EOPMRX)
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TO: Dag Vega (Dag Vega@EOP@LNGTWY@EOPMRX)
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TO: Stefanie Sanford (Stefanie Sanford@EOP@LNGTWY@EOPMRX)
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TO: James A. Dorskind (James A. Dorskind@EOP@LNGTWY@EOPMRX)
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TO: Eli G. Attie (Eli G. Attie@EOP@LNGTWY@EOPMRX)
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TO: Darby E. Stott (Darby E. Stott@EOP@LNGTWY@EOPMRX)
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TO: Jake Siewert (Jake Siewert@EOP@LNGTWY@EOPMRX)
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TO: Cynthia M. Jasso-Rotunno (Cynthia M. Jasso-Rotunno@EOP@LNGTWY@EOPMRX)
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TO: Sara M. Latham (Sara M. Latham@EOP@LNGTWY@EOPMRX)
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TO: Carole A. Parmelee (Carole A. Parmelee@EOP@LNGTWY@EOPMRX)
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TO: Andrew J. Mayock (Andrew J. Mayock@EOP@LNGTWY@EOPMRX)
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TO: Beverly J. Barnes (Beverly J. Barnes@EOP@LNGTWY@EOPMRX)
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TO: Megan C. Moloney (Megan C. Moloney@EOP@LNGTWY@EOPMRX)
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TO: Jonathan Murchinson (Jonathan Murchinson@EOP@LNGTWY@EOPMRX)
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TO: Joseph P. Lockhart (Joseph P. Lockhart@EOP@LNGTWY@EOPMRX)
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TO: Laura S. Marcus (Laura S. Marcus@EOP@LNGTWY@EOPMRX)
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TO: Virginia N. Rustique (Virginia N. Rustique@EOP@LNGTWY@EOPMRX)
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TO: Christa Robinson (Christa Robinson@EOP@LNGTWY@EOPMRX)
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TO: Thomas D. Janenda (Thomas D. Janenda@EOP@LNGTWY@EOPMRX)
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TO: Ricardo M. Gonzales (Ricardo M. Gonzales@EOP@LNGTWY@EOPMRX)
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TO: Dina Wood (Dina Wood@EOP@LNGTWY@EOPMRX)
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TO: Terri J. Tingen (Terri J. Tingen@EOP@LNGTWY@EOPMRX)
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TO: Jennifer D. Dudley (Jennifer D. Dudley@EOP@LNGTWY@EOPMRX)
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TO: Brian D. Smith (Brian D. Smith@EOP@LNGTWY@EOPMRX)
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TO: Leanne A. Shimabukuro (Leanne A. Shimabukuro@EOP@LNGTWY@EOPMRX)
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TO: Stacey L. Rubin (Stacey L. Rubin@EOP@LNGTWY@EOPMRX)
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TO: Tracy S. Olmstead (Tracy S. Olmstead@EOP@LNGTWY@EOPMRX)
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TO: Kim B. Widdess (Kim B. Widdess@EOP@LNGTWY@EOPMRX)
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TO: Lawrence J. Haas (Lawrence J. Haas@EOP@LNGTWY@EOPMRX)
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TO: Roger V. Salazar (Roger V. Salazar@OVP@LNGTWY@EOPMRX)
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TO: Elizabeth R. Newman (Elizabeth R. Newman@EOP@LNGTWY@EOPMRX)
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TO: Carolyn Curiel (Carolyn Curiel@EOP@LNGTWY@EOPMRX)
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TO: Jordan Tamagni (Jordan Tamagni@EOP@LNGTWY@EOPMRX)
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TO: Elisabeth S. Steele (Elisabeth S. Steele@OVP@LNGTWY@EOPMRX)
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TO: Serena C. Torrey (Serena C. Torrey@EOP@LNGTWY@EOPMRX)
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TO: Kevin S. Moran (Kevin S. Moran@EOP@LNGTWY@EOPMRX)
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TO: Ashley L. Raines (Ashley L. Raines@EOP@LNGTWY@EOPMRX)
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TO: Peter A. Weissman (Peter A. Weissman@EOP@LNGTWY@EOPMRX)
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TO: Mary A. Dixon (Mary A. Dixon@OVP@LNGTWY@EOPMRX)
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TO: Douglas J. Band (Douglas J. Band@EOP@LNGTWY@EOPMRX)
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TO: Edwin R. Thomas III (Edwin R. Thomas III@EOP@LNGTWY@EOPMRX)
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TO: Sherman A. Williams (Sherman A. Williams@EOP@LNGTWY@EOPMRX)
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TO: William W. McCathran (William W. McCathran@EOP@LNGTWY@EOPMRX)
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TO: Jonathan P. Robell (Jonathan P. Robell@EOP@LNGTWY@EOPMRX)
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TO: Julia M. Payne (Julia M. Payne@EOP@LNGTWY@EOPMRX)
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TO: Robin J. Bachman. (Robin J. Bachman@EOP@LNGTWY@EOPMRX)
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TO: Ruby Shamir (Ruby Shamir@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Katherine Hubbard (Katherine Hubbard@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (Nicole R. Rabner@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: June Shih (June Shih@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lowell A. Weiss (Lowell A. Weiss@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TEXT:
Message Creation Date was at 31-JUL-1997 19:32:00

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 31, 1997

STATEMENT BY THE PRESIDENT

Congressional passage of tax cut legislation brings us one step closer to final enactment of landmark legislation that will balance the budget, provide meaningful tax relief to middle class families, and strengthen the nation ,s economy.

This tax cut honors our values by helping middle class families raise their children, send them to college, save for retirement, and buy and sell a home. I am particularly pleased that it includes $35 billion to give every American who needs it a Hope Scholarship tax cut for the first two years of college, to provide further tax relief for all four years of college, and to help to pay for education and training throughout a lifetime.

The first balanced budget in a generation is also the best education budget in a generation.

By giving working families direct tax relief, we are continuing our economic strategy of balancing the budget while investing in people. That strategy has helped create prosperity, with steady growth, low inflation, strong investment, and rising middle class incomes. Now, this tax cut will boost the standard of living for middle class families even more. Working families deserve the dividend from a growing economy and a balanced budget, and with this tax cut, they will receive it.

-30-30-30-

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:31-JUL-1997 19:32:15.00

SUBJECT: The White House at Work (7/31)

TO: HAYMES_W (HAYMES_W @ A1 @ CD @ LNGTWY [UNKNOWN]) (OA)
READ:UNKNOWN

TO: SKOLODA_K (SKOLODA_K @ A1 @ CD @ LNGTWY [UNKNOWN]) (OA)
READ:UNKNOWN

TEXT:
Title: Balanced Budget Agreement

PRESIDENT CLINTON DELIVERS ON HIS PROMISE:
BALANCE THE BUDGET and PROTECT OUR VALUES

&The final Congressional passage of the balanced budget bill is the achievement of a generation and a triumph for every American. This budget marks an end to decades of deficits, and just as important, it honors our values, investing in the education, health and futures of our people.
--President Clinton, July 29, 1997

This week President Clinton announced an historic agreement to balance the budget by the year 2002. In addition to giving our nation its first balanced budget since 1969, the agreement honors our values and invests in a brighter future for our families. Key investments include: an historic commitment to expanding educational opportunity and health care for children; and tax cuts to help millions of working families.

The First Balanced Budget Since 1969:
The President ,s 1993 Economic Plan has cut the deficit more than 75% from $290 billion in 1992 to $67 billion or lower in 1997. This agreement finishes the job --balances the budget in 2002 and puts the budget in surplus through 2007. And it keeps the President ,s commitment to the American people: balance the budget and protect our values.

The Largest Investment in Higher Education Since the G.I. Bill in 1945:
The budget agreement endorses the centerpiece of President Clinton ,s second term agenda: investing in education. The agreement includes the largest investment in higher education since the G.I. Bill became law in 1945 and the largest overall investment in education and training ($63 billion more than the Republican plan over five years) in 30 years. The agreement specifically calls for:

T The $1,500 HOPE Scholarship to make the first two years of college universally available. This advances the President ,s goal of making the 13th and 14th grades as universally available as a high school diploma is today.

T A 20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of qualified education expenses through 2002, and the first $10,000 thereafter.

T The largest expansion of Pell Grants in two decades. The plan boosts the maximum 1998 Pell grant from $2,700 to $3,000 and expands the program to more poor independent students.

The Largest Investment in Health Care for Children Since 1965:
The budget agreement accomplishes another of President Clinton top priorities: protecting our children. The plan invests an unprecedented $24 billion to provide health care to the millions of children who are currently uninsured --and represents the largest expansion of children ,s health care since the creation of Medicaid in 1965.

Tax Relief For 27 Million Working Families:
The balanced budget agreement meets another of President Clinton ,s central commitments to American working families: tax relief. The plan calls for a $500 per child tax credit for approximately 27 million families with children under 17. Thirteen million children from families with incomes below $30,000 will receive the child tax credit --up to 7.5 million more than would have under the Congressional plans.