

RECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/O=OVP [UNKNOWN])

CREATION DATE/TIME:25-JUL-1997 14:48:43.00

SUBJECT: Enclosed -- comments today from Mccurry on education tax cuts.

TO: David_Longanecker (David_Longanecker @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Rick_Miller (Rick_Miller @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Leslie_Thornton (Leslie_Thornton @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Pauline_Abernathy (Pauline_Abernathy @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Daniel_Bernal (Daniel_Bernal @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: David_Frank (David_Frank @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Terry_Peterson (Terry_Peterson @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Mike_Smith (Mike_Smith @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Susan_Frost (Susan_Frost @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TEXT:

I assume you all already have e-mail of President's standards speech this morning, but -- in addition to Mccurry's comments -- I also include here the portion of the President's speech that focused on the education tax cuts.

MCCURRY BRIEFING, 7/25

Q The President said this morning that the Republican tax plan falls far short of the agreements -- commitments on education. What's the White House's view on how much money the Republicans have allocated for education? How close are they to the \$35 billion? And what are the specific disagreements? He didn't enumerate them this morning.

MR. MCCURRY: Well, on education, they have not provided that 20-percent tax credit for expenses up to \$5,000, which is

potentially the most important part of the President's education package. And then, in addition -- up to \$5,000 or \$10,000? Barry, the budget expert, will check. Anyhow, you know what I'm referring to -- the 20-percent cost you can deduct major expenses. Now, that's available to virtually anybody up to the income cut-off.

Then we've got the HOPE Scholarship-type credit, which is also, we think, a necessary part of relief. And the Republicans have not structured it in the same way. In fact, that's one reason why -- that's the principal reason why the President's proposal shifts the benefit of tax relief right to the middle income -- the people we think would, A, most appreciate it and, B, use it to further their own skills, their own training, to get additional education which will make them more productive, higher wage-earning workers into the next century.

From Clinton speech today....

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 25, 1997

REMARKS BY THE PRESIDENT
TO THE NATIONAL ASSOCIATION OF
ELEMENTARY SCHOOL PRINCIPALS

Crystal Gateway Marriott Hotel
Crystal City, Virginia

.... The agreement provided for a tax credit for the first two years of college that would be sufficient to virtually guarantee universal access at least to community college for every high school graduate in the United States, and for every adult who needs to go back to school.

In addition, it provides tax relief for the third and fourth years of college and for graduate school. And that's what we're working on now in these budget negotiations. The agreement provided for that.

The tax plan that the Republicans released a couple of days ago falls far short of the commitment in the agreement. Now, let me say again, I believe we should have a tax cut. We can afford it and still balance the budget, because the budget is now going to

finish this year over 80 percent below what it was when I took office. We've already done over 80 percent of the work in balancing the budget. (Applause.)

But the tax cut has to, first of all, put middle-class families who need the relief most at the heart of its objectives. It should help families to pay for all four years of college and for graduate education. It should help working people get training throughout a lifetime. It should help middle-class parents to raise their children, and equally important, it should keep us within the limits of balancing this budget and keeping it balanced and not having it explode in the out-years.

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

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

CREATION DATE/TIME:28-JUL-1997 16:52:56.07

SUBJECT: 1997-07/28 Remarks by President to Nat'l Governors Assoc.

TO: Julie E. Mason (MASON_J) Autoforward to: Remote Addressee (Julie E.
Mason@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) Autoforward to: Remote Addressee (April
Mellody@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Darby Stott (STOTT_D) Autoforward to: Remote Addressee (Darby E.
Stott@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Margaret M. Suntum (SUNTUM_M) (WHO)
READ:28-JUL-1997 16:53:06.87

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ:NOT READ

TO: Julia R. Green (GREEN_J) Autoforward to: Remote Addressee (Julia R.
Green@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) Autoforward to: Remote Addressee (Lorraine L.
Wytkind@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) Autoforward to: Remote Addressee (Laura D.
Schwartz@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Remote Addressee (backup@wilson.ai.mit.edu@INET)
READ:NOT READ

TO: Remote Addressee (wh-outbox-distr@clinton.ai.mit.edu@INET)
READ:NOT READ

TO: Lori E. Abrams (ABRAMS_L) Autoforward to: Remote Addressee (Lori E.
Abrams@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Lori L. Anderson (ANDERSON_L) Autoforward to: Remote Addressee (Lori
Anderson@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Brenda M. Anders (ANDERS_B) Autoforward to: Remote Addressee (Brenda M.

Anders@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Eli G. Attie (ATTIE_E) Autoforward to: Remote Addressee (Eli G.
Attie@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin J. Bachman (BACHMAN_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kris Balderston (BALDERSTON_K) (WHO)
READ:NOT READ

TO: Karen L. Barbuschak (BARBUSCHAK_K) (OA)
READ:29-JUL-1997 08:10:58.67

TO: Beverly J. Barnes (BARNES_BJ) Autoforward to: Remote Addressee (Beverly J.
Barnes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Mark H. Bartholomew (BARTHOLOME_M) (OA)
READ:NOT READ

TO: Todd A. Bartholow (BARTHLOW_T) (OA)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) Autoforward to: Remote Addressee (David S.
Beaubaire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marsha E. Berry (BERRY_ME) Autoforward to: Remote Addressee (Marsha E.
Berry@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Antony J. Blinken (BLINKEN_A) Autoforward to: Remote Addressee (antony j.
blinken@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Lanny A. Breuer (BREUER_L) Autoforward to: Remote Addressee (Lanny A.
Breuer@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin Bachman (Bachman_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Phillip M. Caplan (CAPLAN_P) (WHO)
READ:28-JUL-1997 18:03:09.92

TO: Laura Capps (CAPPS_L) Autoforward to: Remote Addressee (Laura
Capps@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W.
Cerrell@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

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

TO: Michelle Crisci (CRISCI_M) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) Autoforward to: Remote Addressee (Carolyn
Curiel@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Cutler, Lynn (CUTLER_L) ()
READ:NOT READ

TO: Suzanne E. Dale (DALE_S) Autoforward to: Remote Addressee (Suzanne
Dale@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Lanny Davis (DAVIS_L) Autoforward to: Remote Addressee (Lanny J.
Davis@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Marilyn DiGiacobbe (DIGIACOBBE_M) Autoforward to: Remote Addressee (Marilyn
DiGiacobbe@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James A. Dorskind (DORSKIND_J) (WHO)
READ:NOT READ

TO: Jennifer D. Dudley (DUDLEY_J) Autoforward to: Remote Addressee (Jennifer D.
Dudley@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Dorinda A. Salcido (Dorinda A. Salcido@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: James T. Edmonds (EDMONDS_J) Autoforward to: Remote Addressee (James T.
Edmonds@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) Autoforward to: Remote Addressee (Anne M.
Edwards@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) Autoforward to: Remote Addressee (Rahm
Emanuel@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Karen E. Finney (FINNEY_K) Autoforward to: Remote Addressee (Karen E.
Finney@eop@lngtwy@eopmr) (WHO)

READ:NOT READ

TO: Ben Freeland (FREELAND_B) Autoforward to: Remote Addressee (Ben A.
Freeland@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) Autoforward to: Remote Addressee (Jeremy M.
Gaines@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Chris Gillespie (GILLESPIE_C) (WHO)
READ:NOT READ

TO: Michael A. Gill (GILL_M) Autoforward to: Remote Addressee (Michael A.
Gill@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Adam W. Goldberg (GOLDBERG_A) Autoforward to: Remote Addressee (Adam W.
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) Autoforward to: Remote Addressee (Jason S.
Goldberg@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Ricardo M. Gonzales (GONZALES_R) Autoforward to: Remote Addressee (Ricardo M.
Gonzales@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Wendy E. Gray (GRAY_W) (NSC)
READ:NOT READ

TO: John Gribben (GRIBBEN_J) (OMB)
READ:28-JUL-1997 18:50:22.16

TO: Donald Goldberg (Goldberg_D) Autoforward to: Remote Addressee (Donald
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:28-JUL-1997 17:38:22.46

TO: Richard Hayes (HAYES_R) Autoforward to: Remote Addressee (Richard
Hayes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Russell W. Horwitz (HORWITZ_R) Autoforward to: Remote Addressee (Russell W.
Horwitz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thomas D. Janenda (JANENDA_T) Autoforward to: Remote Addressee (Thomas D.
Janenda@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian J. Johnson (JOHNSON_BJ) Autoforward to: Remote Addressee (Brian J.
Johnson@eop@lngtwy@eopmrx)
READ:NOT READ

TO: David T. Johnson (JOHNSON_DT) Autoforward to: Remote Addressee (david t.
johnson@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Wayne C. Johnson (JOHNSON_WC) (OA)
READ:29-JUL-1997 08:35:40.76

TO: Michele Jolin (JOLIN_M) Autoforward to: Remote Addressee (Michele
Jolin@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James M. Teague (James M. Teague@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Julia R. Green (Julia R. Green@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: David E. Kalbaugh (KALBAUGH_D) Autoforward to: Remote Addressee (David E.
Kalbaugh@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: William R. Kincaid (KINCAID_W) Autoforward to: Remote Addressee (William R.
Kincaid@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angus S. King (KING_A) Autoforward to: Remote Addressee (Angus S.
King@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Joshua A. King (KING_J) Autoforward to: Remote Addressee (Joshua A.
King@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nick B. Kirkhorn (KIRKHORN_N) Autoforward to: Remote Addressee (Nicholas B.
Kirkhorn@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Catherine T. Kitchen (KITCHEN_C) Autoforward to: Remote Addressee (Catherine T.
Kitchen@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: James Kohlenberger (KOHLEN_J) Autoforward to: Remote Addressee (Jim
Kohlenberger@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Heidi Kukis (KUKIS_H) Autoforward to: Remote Addressee (Heidi
Kukis@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Sara Latham (LATHAM_S) Autoforward to: Remote Addressee (Sara M.

Latham@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) Autoforward to: Remote Addressee (G N.
Lattimore@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher J. Lavery (LAVERY_C) Autoforward to: Remote Addressee (Christopher J.
Lavery@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne H. Lewis (LEWIS_AH) Autoforward to: Remote Addressee (Anne H.
Lewis@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Cynthia J. Lizik (LIZIK_C) (OA)
READ:29-JUL-1997 08:21:46.99

TO: Joseph P. Lockhart (LOCKHART_J) Autoforward to: Remote Addressee (Joseph P.
Lockhart@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (Laura D. Schwartz@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Michael D. Malone (MALONE_M) Autoforward to: Remote Addressee (Michael D.
Malone@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura S. Marcus (MARCUS_LS) Autoforward to: Remote Addressee (Laura S.
Marcus@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Doris O. Matsui (MATSUI_D) Autoforward to: Remote Addressee (Doris O.
Matsui@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Andrew Mayock (MAYOCK_A) Autoforward to: Remote Addressee (Andrew J.
Mayock@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) Autoforward to: Remote Addressee (Anne E.
McGuire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cheryl D. Mills (MILLS_C) Autoforward to: Remote Addressee (Cheryl D.
Mills@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Megan C. Moloney (MOLONEY_M) Autoforward to: Remote Addressee (Megan C.
Moloney@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Kevin Moran (MORAN_K1) Autoforward to: Remote Addressee (Kevin
Moran@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan Murchinson (MURCHINSON_J) Autoforward to: Remote Addressee (Jonathan
Murchinson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Steven J. Naplan (NAPLAN_S) Autoforward to: Remote Addressee (steven j.
naplan@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Elizabeth R. Newman (NEWMAN_E) Autoforward to: Remote Addressee (Elizabeth R.
Newman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter Orszag (ORSZAG_P) Autoforward to: Remote Addressee (Peter R.
Orszag@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Kristen E. Panerali (PANERALI_K) Autoforward to: Remote Addressee (Kristen E.
Panerali@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Carol Parmelee (PARMELEE_C) Autoforward to: Remote Addressee (Carole A.
Parmelee@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sally P. Paxton (PAXTON_S) Autoforward to: Remote Addressee (Sally P.
Paxton@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Payne (PAYNE_J) Autoforward to: Remote Addressee (Julia M.
Payne@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) Autoforward to: Remote Addressee (Jonathan
Prince@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter O'Keefe (Peter O'Keefe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (RABNER_N) Autoforward to: Remote Addressee (Nicole R.
Rabner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Renee C. Riley (RILEY_R) (OA)
READ:NOT READ

TO: Jonathan P. Robell (ROBELL_J) Autoforward to: Remote Addressee (Jonathan P.
Robell@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Charles Ruff (RUFF_C) Autoforward to: Remote Addressee (Charles F.
Ruff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia N. Rustique (RUSTIQUE_V) Autoforward to: Remote Addressee (Virginia N.
Rustique@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Evan Ryan (RYAN_E) Autoforward to: Remote Addressee (Evan
Ryan@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. Timothy Saunders (SAUNDERS_GT) Autoforward to: Remote Addressee (G. Timothy
Saunders@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Stuart Schear (SCHEAR_S) Autoforward to: Remote Addressee (Stuart
Schear@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Jill A. Schuker (SCHUKER_J) Autoforward to: Steven J. Naplan (NAPLAN_S) (NSC)
READ:28-JUL-1997 16:53:47.06

TO: Ruby Shamir (SHAMIR_R) Autoforward to: Remote Addressee (Ruby
Shamir@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Douglas S. Sheorn (SHEORN_D) Autoforward to: Remote Addressee (Douglas S.
Sheorn@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: David Shipley (SHIPLEY_D) Autoforward to: Remote Addressee (David
Shipley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robert M. Shireman (SHIREMAN_R) Autoforward to: Remote Addressee (Robert M.
Shireman@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jake Siewert (SIEWERT_J) Autoforward to: Remote Addressee (Jake
Siewert@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) Autoforward to: Remote Addressee (Joshua
Silverman@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_B2) Autoforward to: Remote Addressee (Brian D.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_BD) (OMB)

READ:NOT READ

TO: Craig T. Smith (SMITH_CT) Autoforward to: Remote Addressee (Craig T.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Richard Socarides (SOCARIDES_R) Autoforward to: Remote Addressee (Richard
Socarides@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Douglas B. Sosnik (SOSNIK_D) Autoforward to: Remote Addressee (Douglas B.
Sosnik@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Todd Stern (STERN_T) Autoforward to: Remote Addressee (Todd
Stern@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Diane A. Stumpf (STUMPF_D) (DON)
READ:30-JUL-1997 09:26:34.30

TO: Mike Sullivan (SULLIVAN_M) Autoforward to: Remote Addressee (Michael J.
Sullivan@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jonathan Schnur (Schnur_J) Autoforward to: Remote Addressee (Jonathan H.
Schnur@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Sylvia M. Mathews (Sylvia M. Mathews@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) Autoforward to: Remote Addressee (Lisa
Tamagni@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia M. Terzano (TERZAN_V) Autoforward to: Remote Addressee (Virginia M.
Terzano@ovp@eop@lngtwy@eopm (VPO)
READ:NOT READ

TO: Terri I. Tingen (TINGEN_T) Autoforward to: Remote Addressee (terri
tingen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Barry J. Toiv (TOIV_B) Autoforward to: Remote Addressee (Barry J.
Toiv@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jodie R. Torkelson (TORKELOSON_J) Autoforward to: Remote Addressee (Jodie R.
Torkelson@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Serena C. Torrey (TORREY_S) Autoforward to: Remote Addressee (Serena C.
Torrey@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: June G. Turner (TURNER_J) Autoforward to: Remote Addressee (June G.
Turner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dag Vega (VEGA_D) (WHO)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@ovp@eop@lngtwy@eopmrx (VPO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) Autoforward to: Remote Addressee (Michael
Waldman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angelina Walker (WALKER_L) Autoforward to: Remote Addressee (Angelina
Walker@ovp@eop@lngtwy@eopmrx) (VPO)
READ:NOT READ

TO: Robert S. Weiner (WEINER_R) (DON)
READ:NOT READ

TO: Teresa Wildman (WILDMAN_T) Autoforward to: Remote Addressee (Teresa
Wildman@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)
READ:28-JUL-1997 17:05:13.74

TO: Remote Addressee (glynnm@panet.us-state.gov@INET)
READ:NOT READ

TO: Remote Addressee (usia01@access.digex.com@INET)
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THE WHITE HOUSE

Office of the Press Secretary
(Las Vegas, Nevada)

For Immediate Release
28, 1997

REMARKS BY THE PRESIDENT TO THE NATIONAL GOVERNORS ASSOCIATION

The Mirage Hotel
Las Vegas, Nevada

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 leave, and I always know there's something that we don't entirely agree on. And right before we came in here, I came into the Mirage and I saw Steve Wynn and Governor Miller, and right before we walked in, we walked through another room which is set up just like this one -- a committee room -- there wasn't a soul in there. And I thought, look, I know we don't agree on everything, but this is taking it a little far. (Laughter.) I was delighted to see the real thing. Thank 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 especially for what you've done on early childhood development. I congratulate Governor Voinovich on assuming the chairmanship. And I thank him for what he has done 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 administration 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 prepare our country to go into this new century where every American who is responsible enough to work for it has a chance at the American Dream; where out of our vast 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 tried to do, because it seems to me now, as it seemed to me when I took office -- although, I feel more strongly about it now -- that in some ways our major challenge is to develop new ways of thinking and acting about all of our problems, going 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 it is to imagine a new way of doing business.

Indeed, a great deal of my time away from domestic issues is spent trying to get 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 they

were shooting at each other's children. In Ireland they're still fighting over 600

-year

-old disputes when the young people are dying to get away from it. But people just can't escape the habits of old conflicts. Thank goodness, ours are more constrained, but we have to do better.

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And I must say, Governor, the best example that I have seen of a new way of doing things I saw two days ago when I was in Nevada at Lake Tahoe, one of the most 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 most conservative business people sitting with the most active environmentalists on the same page. They would say that same things. You couldn't tell after a point who was in what group, because they have concluded that they cannot preserve 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 spending and still invest more money in education -- but we did. They said that we couldn'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 government 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 just 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 generation.

In crime, we said we had to keep being tough on criminals, but we had to do some intelligent things -- that we could have reasonable restrictions on keeping guns 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 drop 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 false 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 the 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. We know now that the deficit this year, when it comes in, will be over 80 percent less than it was in 1992, when I took office, in January of '93. And some people 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 might be in balance next year or it might not, but if it is the deficit will start going up again immediately. Why? Because as all of you know, you can't reform the entitlements in an annual appropriations basis. We have over \$400 billion of savings in the entitlement programs in this balanced budget agreement and \$900 billion in savings over 10 years.

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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 agreement we don't know what impact it would have on the stock market and on individual investment decisions and on the other things that keep our economy growing. 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 reflects our values and strengthens our economy as well; a historic opportunity to pass a balanced budget that includes the largest increase in education since 1965, the largest increase in helping people go to college since the G.I. Bill passed 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 welfare to work, that protects the environment, that extends the Medicaid trust fund 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 modest 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 well

-known, 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 long

-term, the policy of fiscal responsibility is best economics. And we dare not go back to a policy of sustained structural deficits. We will be punished 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 conflict. First of all, I think there will be more flexibility than the states have had in the past ever in the administration of the Medicaid program and the new children'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 more profound than adults, including problems with vision, with hearing, with dental health. I also think it's important that the American people know if we're going to raise this tax money on tobacco that the

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money will actually add children 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 program, 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 welfare reform would work, about whether people would actually move from welfare to work or whether they could. I would submit to you that after four and a half years that debate should be over, based on the evidence that you have worked so hard 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 role in that achievement. That is something America can be proud of -- the lowest percentage of people on public assistance since 1970. (Applause.)

Now, I know there are a lot of reasons for that. The good economy has taken some people from welfare to work. There's been a 50

-percent increase in child support 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 rigorous analysis of this, making clear that a significant percentage of the people who had moved from welfare to work did so because of state welfare reform initiatives 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 some of the 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 the Democratic leaders in the Congress. And there will be another \$1.5 billion for food stamps, which I think is important, among other things, because it's important for us to remember that most people on welfare are single mothers and their little children, but a lot of unemployed people long

-term in this society are 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 into the work force with the effort to put people from welfare into the work force. If we can't do this now when our unemployment is five percent nationwide and when prosperity is virtually uniform across the country, but there are pockets 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 thank 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 federal government's bureaucratic strings, and we did that. But now you have continuing responsibility that is greater, and we have continuing responsibility because it's still a national priority. So I think we ought to take a look at how we're doing -- our successes, our shortcomings and our continuing challenges -- in four areas: jobs, child care, transportation and child support.

First, how well are we doing in creating the jobs that are necessary to move people 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 welfare

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programs include the traditional elements of job search, training, education, 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 every state to do, using welfare checks to subsidize private employment for a period 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 pegged 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 training, need the most support, may have a false start or two, and we cannot do it unless 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 creation 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 opportunities in those areas where the private sector will not be able to provide them alone. And I think that is a good thing.

We also have secured in this agreement from congressional leaders a private employers tax credit to help hire long

-term welfare recipients. And I believe it is drawn as narrowly as we could draw it, so that the tax credit cannot, in effect, 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. Pennsylvania 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 from Governor Voinovich and Governor Miller what your position is, but I just want to reaffirm my view that when people go into the workplace and they earn the minimum wage they ought to be able to earn the minimum wage, they should be eligible for the earned

income tax credit. That's what I believe. Whether we can work some resolution of some of the other issues, I don't know, but I feel very strongly about that.

I know right now that according to our analysis, the fact that we raised the minimum 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 welfare

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-work partnership nationally with CEOs of large, medium and small businesses. And I want to thank Governors Thompson and Carper for agreeing to co

-chair 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 established 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 think that they will carry a lot of this load for us because all of America has a vested 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 few years. And the state of Nevada has set a goal for new casinos to set aside 10 percent of all their positions for former welfare recipients. And we thank you 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 low

-income families are going to succeed at work and at home. And I think we all agree that raising children will always be our most important job. It's more important than our day job. It is the most important thing any society can do. And we can't have people with young children moving into the work force unless they know that they're children are going to be well

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-for 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 child 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 beyond what is needed to receive these federal funds. And for those of you that are 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 they would say that that has been critical in their endeavors. Florida, Wisconsin and a few other states have added quite a bit more than required under the federal law.

- Some states are creating seamless child care systems which provide subsidies for 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 America.

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 involved in that and will have representatives there.

The third thing we have to do is to make sure we have adequate transportation for those moving from welfare to work, because the jobs, the training programs and the child care centers are often outside the neighborhoods. I must say, I

thought 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 entry

-level 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 van

-pool literally thousands of central city workers to suburban jobs.

Other states are spending part of the welfare block grant you now have on transportation. And I would just encourage you to do more of it, and I ask you to please 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 employment.

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. The legislation that has been passed and the efforts that we've made together have 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 unanimous 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 steps to welfare reform. And the more people who are obliged to pay for their children, 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 productive ways to help the people who actually have to have help. So I would urge all the states to put in place these tough, state

-wide child support collections mechanisms as fully and quickly as possible.

Finally, let me say that I have some concern that the savings from welfare, which have been very considerable in some states, will not be used on welfare reform to move all the people who can move from welfare into the work force. We have lowered welfare rolls by \$3 million over 4.5 years, and that's a great accomplishment. 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 caseload and the caseload is much lower in your states. But I think if we were to revert 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 an economic down turn. We would -- anybody who does it, I think, would really wind 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 and 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 that welfare reform will work -- we know it will. But we know that we have a ways to 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 particularly those of you who served with me

know, education has been not only the centerpiece 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 since the Nation At Risk report was issued in the spring of 1983, and governors have 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 standards and, by 1999, to participate in testing every 4th

-grader in reading and every 8th

-grader in math to make sure the standards are being met.

Since I issued that call, governors and education leaders in six states have agreed to participate. And I thank the governors of North Carolina, Maryland, Massachusetts, 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 that 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 Great City Schools, that 15 of the largest school districts in this country, including 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 America, 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 accountable, and if our kids aren't measuring up, we want to know about it, is an astonishing development in modern history of education reform and something we should 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 they thought that our 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 more 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 kids, 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 highest 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 International Math and Science Tests, which include a few thousands kids from America -- but they are a representative sample by race, by region and by income -- had for the very first time on any international test -- our 4th graders scored way above the international average in math and science, way above the international average. It had never happened before. But we know we can do it now. (Applause.) 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 problems of adolescence come to bear. They become more vulnerable to the gangs, the guns, 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 organized 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 federal 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 development of this test. And most of you now participate in the national assessment of education progress -- over 40 states do. We participated in helping to pay 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 government. They're not government questions, government standards, government anything. 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 leadership of the standards movement and he took it up, he's been, I think, perhaps our most passionate and certainly our most well

-informed advocate on this issue for a long time.

But this is not a federal government power grab. It's a question of whether there 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 school 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 already 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 participate in this to try to reconcile these things so that you're not overburdened in terms of the administrative time, the time that kids spend, all that. I understand 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 economy in the world 50 years from now unless we can do a more uniform job of getting people out of high school with excellent world

-class educations. I do not believe 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 duplication 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 now 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 21st 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 board in this year

-long effort we're making to look at the state of

race relations in 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 the continuing debates we have in America over affirmative action and other issues. But what I think has not been as clearly thought through are the implications 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 heritage, 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 Pacific Islanders. But within five years the state of California will have no majority race. And unless there is a dramatic change in birth patterns and immigration 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 White House. And both the delegates from Girls Nation -- Governor Carlson from Minnesota -- were Asian Americans, in Nordic Minnesota. This country is changing in dramatic 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. We

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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 of false choices, getting rid of phony debates, going into the future -- this is at 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 through on welfare, put education on the front burner and

learn to work and live together. If we do that, then all of us together will leave our grandchildren an America that will be greater than it is today.

Thank you very much. (Applause.)
END 11:43 A.M. PDT

RECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: George A. Kosnik (CN=George A. Kosnik/OU=ONDCP/O=EOP [ONDCP])

CREATION DATE/TIME:29-JUL-1997 15:55:44.00

SUBJECT: Budget Talking Points -- please distribute widely

TO: Deeo (Deeo @ iquest.net @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

You ought to see this stuff. Feel free to pass it around.

Will phone you in a few minutes.

----- Forwarded by George A. Kosnik/ONDCP/EOP on 07/29/97

03:53 PM -----

Donald P. Daugherty

07/29/97 03:52:05 PM

Record Type: Record

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

cc:

Subject: Budget Talking Points -- please distribute widely

fyi -- little d

----- Forwarded by Donald P. Daugherty/ONDCP/EOP on

07/29/97 03:50 PM -----

Jennifer Brown

07/29/97 03:40:38 PM

Record Type: Record

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

cc:

Subject: Budget Talking Points -- please distribute widely

----- Forwarded by Jennifer Brown/ONDCP/EOP on 07/29/97

03:37 PM -----

From: David S. Beaubaire on 07/29/97 02:48:54 PM

Record Type: Record

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

cc:

Subject: Budget Talking Points -- please distribute widely

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.

Message Sent

To: _____

Patrick.Steel @ usda
Mike.Derian @ usda.gov @ inet
Antonella.Pianalto @ SBA.Gov @ inet
duncanca @ SSONWPOA.us-state.gov @ INET @ LNGTWY
Saunders @ osdpo.secdef.osd.mil @ INET @ LNGTWY
David S. Beaubaire/WHO/EOP
mmerritt @ fema.gov @ INET
drossi @ ed.gov @ INET
tbish @ ios.doi.gov @ INET
eric.dodds @ gsa.gov @ INET
bannister @ mail.va.gov @ INET
bdjamoos @ os.dhhs.gov @ INET
mderian @ sies.wsc.ag.gov @ INET
rhoda_j._glickman @ hud.gov @ INET
franke_greenberg @ postmaster2.dot.gov @ INET
rangell.jorge @ epamail.epa.gov @ INET
crayford @ doc.gov @ INET
clare.giesen @ hq.doe.gov @ INET
Patrick_McDermott_at_WDCB02 @ ed.gov @ INET
Karen Hancox @ 7367551 @ fax @ INET
cmcarthy @ a1.eop.gov @ inet
brian.coyne @ ssa.gov @ inet
dkwalker @ opm.gov @ INET
Llnadomi @ doc.gov @ INET
Jennifer Brown/ONDCP/EOP
kjabrams @ usia.gov @ INET @ LNGTWY
Sandy.Mancini @ MS01.DO.treas.sprint.com @ INET @ LNGTWY
Jolin_M @ a1.eop.gov @ inet
Culberson_R @ a1.eop.gov @ inet
Paul J. Weinstein Jr./OPD/EOP
Jonathan A. Kaplan/OPD/EOP

Message Sent

To:

Wayne R. Purser/ONDCP/EOP
Donald P. Daugherty/ONDCP/EOP
Bernard E. Harvey/ONDCP/EOP
David J. Rivait/ONDCP/EOP
Sarah J. Vogelsberg/ONDCP/EOP
Robert S. Weiner/ONDCP/EOP
Timothy J. Cooney/ONDCP/EOP
Robert F. Housman/ONDCP/EOP
Alejandra Y. Castillo/ONDCP/EOP

Message Sent

To:

Catherine S. Barker/ONDCP/EOP
Philip H. Cogan/ONDCP/EOP
Donald P. Daugherty/ONDCP/EOP
Martin C. Dougherty/ONDCP/EOP
Clara L. Gant/ONDCP/EOP
George A. Kosnik/ONDCP/EOP
John F. Lindsay/ONDCP/EOP
John Navarrete/ONDCP/EOP
Edward Stelzer/ONDCP/EOP
LaWan A. Sweetenberg/ONDCP/EOP
Barbara A. Tyler/ONDCP/EOP
Jaime Vega/ONDCP/EOP
Stephen M. Wilkins/ONDCP/EOP
Joy A. Willett/ONDCP/EOP
Richard Y. Yamamoto/ONDCP/EOP
Jeffery B. Frey/ONDCP/EOP
Kristin L. Wheeler/ONDCP/EOP
Mary K. Shilton/ONDCP/EOP
Robin A. Ganz/ONDCP/EOP

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

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

CREATION DATE/TIME:29-JUL-1997 15:31:45.72

SUBJECT: 1997-07/29 Presidential remarks on budget agreement

TO: Julie E. Mason (MASON_J) Autoforward to: Remote Addressee (Julie E.
Mason@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) Autoforward to: Remote Addressee (April
Mellody@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Darby Stott (STOTT_D) Autoforward to: Remote Addressee (Darby E.
Stott@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Margaret M. Suntum (SUNTUM_M) (WHO)
READ:29-JUL-1997 15:31:52.38

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ:NOT READ

TO: Julia R. Green (GREEN_J) Autoforward to: Remote Addressee (Julia R.
Green@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) Autoforward to: Remote Addressee (Lorraine L.
Wytkind@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) Autoforward to: Remote Addressee (Laura D.
Schwartz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Remote Addressee (backup@wilson.ai.mit.edu@INET)
READ:NOT READ

TO: Remote Addressee (wh-outbox-distr@clinton.ai.mit.edu@INET)
READ:NOT READ

TO: Lori E. Abrams (ABRAMS_L) Autoforward to: Remote Addressee (Lori E.
Abrams@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lori L. Anderson (ANDERSON_L) Autoforward to: Remote Addressee (Lori
Anderson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brenda M. Anders (ANDERS_B) Autoforward to: Remote Addressee (Brenda M.

Anders@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Eli G. Attie (ATTIE_E) Autoforward to: Remote Addressee (Eli G.
Attie@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin J. Bachman (BACHMAN_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kris Balderston (BALDERSTON_K) (WHO)
READ:NOT READ

TO: Karen L. Barbuschak (BARBUSCHAK_K) (OA)
READ:29-JUL-1997 16:14:11.79

TO: Beverly J. Barnes (BARNES_BJ) Autoforward to: Remote Addressee (Beverly J.
Barnes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Mark H. Bartholomew (BARTHOLOME_M) (OA)
READ:31-JUL-1997 11:22:40.11

TO: Todd A. Bartholow (BARTHOLOW_T) (OA)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) Autoforward to: Remote Addressee (David S.
Beaubaire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marsha E. Berry (BERRY_ME) Autoforward to: Remote Addressee (Marsha E.
Berry@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Antony J. Blinken (BLINKEN_A) Autoforward to: Remote Addressee (antony j.
blinken@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Lanny A. Breuer (BREUER_L) Autoforward to: Remote Addressee (Lanny A.
Breuer@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin Bachman (Bachman_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Phillip M. Caplan (CAPLAN_P) (WHO)
READ:29-JUL-1997 15:31:46.32

TO: Laura Capps (CAPPS_L) Autoforward to: Remote Addressee (Laura
Capps@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W.
Cerrell@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

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

TO: Michelle Crisci (CRISCI_M) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) Autoforward to: Remote Addressee (Carolyn
Curiel@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Cutler, Lynn (CUTLER_L) ()
READ:NOT READ

TO: Suzanne E. Dale (DALE_S) Autoforward to: Remote Addressee (Suzanne
Dale@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Lanny Davis (DAVIS_L) Autoforward to: Remote Addressee (Lanny J.
Davis@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Marilyn DiGiacobbe (DIGIACOBBE_M) Autoforward to: Remote Addressee (Marilyn
DiGiacobbe@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James A. Dorskind (DORSKIND_J) (WHO)
READ:NOT READ

TO: Jennifer D. Dudley (DUDLEY_J) Autoforward to: Remote Addressee (Jennifer D.
Dudley@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Dorinda A. Salcido (Dorinda A. Salcido@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: James T. Edmonds (EDMONDS_J) Autoforward to: Remote Addressee (James T.
Edmonds@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) Autoforward to: Remote Addressee (Anne M.
Edwards@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) Autoforward to: Remote Addressee (Rahm
Emanuel@eop@lngtwy@eopmr x) (WHO)
READ:NOT READ

TO: Karen E. Finney (FINNEY_K) Autoforward to: Remote Addressee (Karen E.
Finney@eop@lngtwy@eopmr x) (WHO)

READ:NOT READ

TO: Ben Freeland (FREELAND_B) Autoforward to: Remote Addressee (Ben A.
Freeland@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) Autoforward to: Remote Addressee (Jeremy M.
Gaines@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Chris Gillespie (GILLESPIE_C) (WHO)
READ:NOT READ

TO: Michael A. Gill (GILL_M) Autoforward to: Remote Addressee (Michael A.
Gill@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Adam W. Goldberg (GOLDBERG_A) Autoforward to: Remote Addressee (Adam W.
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) Autoforward to: Remote Addressee (Jason S.
Goldberg@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Ricardo M. Gonzales (GONZALES_R) Autoforward to: Remote Addressee (Ricardo M.
Gonzales@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Wendy E. Gray (GRAY_W) (NSC)
READ:NOT READ

TO: John Gribben (GRIBBEN_J) (OMB)
READ:29-JUL-1997 16:15:53.62

TO: Donald Goldberg (Goldberg_D) Autoforward to: Remote Addressee (Donald
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ: 1-AUG-1997 10:22:27.16

TO: Richard Hayes (HAYES_R) Autoforward to: Remote Addressee (Richard
Hayes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Russell W. Horwitz (HORWITZ_R) Autoforward to: Remote Addressee (Russell W.
Horwitz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thomas D. Janenda (JANENDA_T) Autoforward to: Remote Addressee (Thomas D.
Janenda@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian J. Johnson (JOHNSON_BJ) Autoforward to: Remote Addressee (Brian J.
Johnson@eop@lngtwy@eopmrx)
READ:NOT READ

TO: David T. Johnson (JOHNSON_DT) Autoforward to: Remote Addressee (david t.
johnson@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Wayne C. Johnson (JOHNSON_WC) (OA)
READ:29-JUL-1997 15:48:22.43

TO: Michele Jolin (JOLIN_M) Autoforward to: Remote Addressee (Michele
Jolin@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James M. Teague (James M. Teague@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Julia R. Green (Julia R. Green@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: David E. Kalbaugh (KALBAUGH_D) Autoforward to: Remote Addressee (David E.
Kalbaugh@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: William R. Kincaid (KINCAID_W) Autoforward to: Remote Addressee (William R.
Kincaid@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angus S. King (KING_A) Autoforward to: Remote Addressee (Angus S.
King@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Joshua A. King (KING_J) Autoforward to: Remote Addressee (Joshua A.
King@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nick B. Kirkhorn (KIRKHORN_N) Autoforward to: Remote Addressee (Nicholas B.
Kirkhorn@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Catherine T. Kitchen (KITCHEN_C) Autoforward to: Remote Addressee (Catherine T.
Kitchen@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: James Kohlenberger (KOHLEN_J) Autoforward to: Remote Addressee (Jim
Kohlenberger@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Heidi Kukis (KUKIS_H) Autoforward to: Remote Addressee (Heidi
Kukis@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Sara Latham (LATHAM_S) Autoforward to: Remote Addressee (Sara M.

Latham@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) Autoforward to: Remote Addressee (G N.
Lattimore@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher J. Lavery (LAVERY_C) Autoforward to: Remote Addressee (Christopher J.
Lavery@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Anne H. Lewis (LEWIS_AH) Autoforward to: Remote Addressee (Anne H.
Lewis@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Cynthia J. Lizik (LIZIK_C) (OA)
READ:30-JUL-1997 08:26:39.57

TO: Joseph P. Lockhart (LOCKHART_J) Autoforward to: Remote Addressee (Joseph P.
Lockhart@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (Laura D. Schwartz@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Michael D. Malone (MALONE_M) Autoforward to: Remote Addressee (Michael D.
Malone@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura S. Marcus (MARCUS_LS) Autoforward to: Remote Addressee (Laura S.
Marcus@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Doris O. Matsui (MATSUI_D) Autoforward to: Remote Addressee (Doris O.
Matsui@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Andrew Mayock (MAYOCK_A) Autoforward to: Remote Addressee (Andrew J.
Mayock@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) Autoforward to: Remote Addressee (Anne E.
McGuire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cheryl D. Mills (MILLS_C) Autoforward to: Remote Addressee (Cheryl D.
Mills@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Megan C. Moloney (MOLONEY_M) Autoforward to: Remote Addressee (Megan C.
Moloney@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Kevin Moran (MORAN_K1) Autoforward to: Remote Addressee (Kevin
Moran@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan Murchinson (MURCHINSON_J) Autoforward to: Remote Addressee (Jonathan
Murchinson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Steven J. Naplan (NAPLAN_S) Autoforward to: Remote Addressee (steven j.
naplan@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Elizabeth R. Newman (NEWMAN_E) Autoforward to: Remote Addressee (Elizabeth R.
Newman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter Orszag (ORSZAG_P) Autoforward to: Remote Addressee (Peter R.
Orszag@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Kristen E. Panerali (PANERALI_K) Autoforward to: Remote Addressee (Kristen E.
Panerali@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Carol Parmelee (PARMELEE_C) Autoforward to: Remote Addressee (Carole A.
Parmelee@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sally P. Paxton (PAXTON_S) Autoforward to: Remote Addressee (Sally P.
Paxton@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Payne (PAYNE_J) Autoforward to: Remote Addressee (Julia M.
Payne@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) Autoforward to: Remote Addressee (Jonathan
Prince@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter O'Keefe (Peter O'Keefe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (RABNER_N) Autoforward to: Remote Addressee (Nicole R.
Rabner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Renee C. Riley (RILEY_R) (OA)
READ:NOT READ

TO: Jonathan P. Robell (ROBELL_J) Autoforward to: Remote Addressee (Jonathan P.
Robell@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Charles Ruff (RUFF_C) Autoforward to: Remote Addressee (Charles F.
Ruff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia N. Rustique (RUSTIQUE_V) Autoforward to: Remote Addressee (Virginia N.
Rustique@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Evan Ryan (RYAN_E) Autoforward to: Remote Addressee (Evan
Ryan@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. Timothy Saunders (SAUNDERS_GT) Autoforward to: Remote Addressee (G. Timothy
Saunders@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Stuart Schear (SCHEAR_S) Autoforward to: Remote Addressee (Stuart
Schear@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Jill A. Schuker (SCHUKER_J) Autoforward to: Steven J. Naplan (NAPLAN_S) (NSC)
READ:29-JUL-1997 16:31:06.44

TO: Ruby Shamir (SHAMIR_R) Autoforward to: Remote Addressee (Ruby
Shamir@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Douglas S. Sheorn (SHEORN_D) Autoforward to: Remote Addressee (Douglas S.
Sheorn@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: David Shipley (SHIPLEY_D) Autoforward to: Remote Addressee (David
Shipley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robert M. Shireman (SHIREMAN_R) Autoforward to: Remote Addressee (Robert M.
Shireman@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jake Siewert (SIEWERT_J) Autoforward to: Remote Addressee (Jake
Siewert@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) Autoforward to: Remote Addressee (Joshua
Silverman@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_B2) Autoforward to: Remote Addressee (Brian D.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_BD) (OMB)

READ:NOT READ

TO: Craig T. Smith (SMITH_CT) Autoforward to: Remote Addressee (Craig T.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Richard Socarides (SOCARIDES_R) Autoforward to: Remote Addressee (Richard
Socarides@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Douglas B. Sosnik (SOSNIK_D) Autoforward to: Remote Addressee (Douglas B.
Sosnik@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Todd Stern (STERN_T) Autoforward to: Remote Addressee (Todd
Stern@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Diane A. Stumpf (STUMPF_D) (DON)
READ:30-JUL-1997 09:26:57.06

TO: Mike Sullivan (SULLIVAN_M) Autoforward to: Remote Addressee (Michael J.
Sullivan@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jonathan Schnur (Schnur_J) Autoforward to: Remote Addressee (Jonathan H.
Schnur@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Sylvia M. Mathews (Sylvia M. Mathews@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) Autoforward to: Remote Addressee (Lisa
Tamagni@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia M. Terzano (TERZAN_V) Autoforward to: Remote Addressee (Virginia M.
Terzano@ovp@eop@lngtwy@eopm (VPO)
READ:NOT READ

TO: Terri I. Tingen (TINGEN_T) Autoforward to: Remote Addressee (terri
tingen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Barry J. Toiv (TOIV_B) Autoforward to: Remote Addressee (Barry J.
Toiv@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jodie R. Torkelson (TORKELOSON_J) Autoforward to: Remote Addressee (Jodie R.
Torkelson@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Serena C. Torrey (TORREY_S) Autoforward to: Remote Addressee (Serena C.
Torrey@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: June G. Turner (TURNER_J) Autoforward to: Remote Addressee (June G.
Turner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dag Vega (VEGA_D) (WHO)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@ovp@eop@lngtwy@eopmrx (VPO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) Autoforward to: Remote Addressee (Michael
Waldman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angelina Walker (WALKER_L) Autoforward to: Remote Addressee (Angelina
Walker@ovp@eop@lngtwy@eopmrx) (VPO)
READ:NOT READ

TO: Robert S. Weiner (WEINER_R) (DON)
READ:NOT READ

TO: Teresa Wildman (WILDMAN_T) Autoforward to: Remote Addressee (Teresa
Wildman@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)
READ:29-JUL-1997 15:37:51.22

TO: Remote Addressee (glynnm@panet.us-state.gov@INET)
READ:NOT READ

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

TO: Remote Addressee (1=US@2=WESTERN
UNION@3=@5=ATT.COM@*ELN\62955104@MRX@EOPMRX)
READ:NOT READ

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

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

TO: Manager Infomgt (INFOMGT) (SYS)
READ:NOT READ

TO: Remote Addressee (newsdesk@usnewswire.com@INET)
READ:NOT READ

TO: Remote Addressee (usnwire@access.digex.com@INET)

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

For Immediate Release July 29, 1997

REMARKS BY THE PRESIDENT
ON THE BUDGET

The South Lawn

2:50 P.M. EDT

THE PRESIDENT: Good afternoon. Ladies and gentlemen, we have the pleasure of announcing today an historic agreement that will benefit generations of Americans. Last night we reached agreement with 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. After decades of deficits, we have put America's fiscal house in order again. (Applause.)

Above all, we are investing in education, America's most important priority. I am particularly pleased that the first balanced budget in a generation is also the best education budget in a generation and the best for future generations. (Applause.)

This agreement meets my goal of balancing the budget in a way that honors our values, invests in our people and prepares America for the 21st century. It is very, very good for our country. It's a victory for every parent who wants a good education for their children, for every child in a poor household who needs health care, for every immigrant struggling to make it here, for every family working to build a secure future. It is the best investment we can make in America's future.

Let me underscore the magnitude of this achievement. Four and a half years ago, when this administration took office, America's budget deficit was \$290 billion and rising. We put in place a comprehensive economic strategy to cut the deficit and invest in our people. The budget plan adopted in 1993 made a large contribution to today's conditions in America -- a strong economy, low inflation, and a deficit that has already shrunk by more than 80 percent.

The budget agreement that we announced today would not be possible had it not been for the tough vote taken in 1993 to set us on the right path. (Applause.) Thank you. Now, this legislation will help to ensure the conditions for continued prosperity, keeping interest rates down and spurring investment. And, just as important, it will give our people the tools to reap the rewards of economic growth. Let me mention just a few of the details of this plan.

First, at the heart of this balanced budget is the historic investment in education -- the most significant increase in education funding in more than 30 years. It includes \$35 billion in tax relief to help families pay for college and training -- the largest investment in higher education since the G.I. Bill 50 years ago. (Applause.) It will give every American who needs it a HOPE Scholarship to pay for the first two years of college. Its gives tax relief for all four years of college and for education throughout a BOTTOM EVEN MORE lifetime. The overall budget agreement also includes the largest increase in Pell Grant Scholarships for deserving students in three decades, funds our America Reads Challenge, helps to connect all our schools and libraries to the Internet by the year 2000.

TOP EVEN

- \p -

BOTTOM EVEN

MORE

As the spending bills move forward in weeks to come, we will work to see that they reflect this agreement. I am pleased that this legislation also will give communities substantial tax cuts to help to build and modernize our schools. (Applause.)

All across America, I have challenged our people to make sure that every 8

-year

-old can read, every 12

-year

-old can log onto
the Internet, every 18

-year

-old can go to college, every adult can
keep learning for a lifetime. This balanced budget makes
unprecedented progress toward those goals.

Second, this is a balanced budget that strengthens our families by extending health insurance coverage to up to 5 million children. (Applause.) By investing fully \$24 billion we will be

able to provide quality medical care for these children, everything from regular check

-ups to major surgery. I want to thank all of the people in Congress and among my fellow Democrats here who worked so hard on the health care issue, but I especially want to say a thanks to Senator Kennedy, Senator Rockefeller and to the First Lady for what they have done over these years to help us to reach this important day. (Applause.)

We want every child in America to grow up healthy and strong and this investment takes a major step toward that goal. I'm also pleased that Congress agreed to pay for the children's health care in part with a new 15

-cents

-a

-pack tax on cigarettes. Not only will this new revenue help to pay for health care, it will help prevent children from taking up smoking in the first place. (Applause.)

Third, this is a balanced budget that provides modest tax relief to the middle class, helping families to raise their children, buy and sell a home, save for their retirement with expanded IRAs and send their children to college. We fought very hard to make sure this tax cut helped a wide range of middle class parents, all those who are working hard to raise their children, pay their taxes and be good citizens, and the agreement does just that. (Applause.)

Fourth, this is a balanced budget that will help us finish the job of welfare reform, providing \$3 billion to move welfare recipients to private sector jobs, keeping our promise made last year to provide \$12 billion to restore disability and health benefits for 350,000 legal immigrants. And, as the Vice President will describe, it will double the number of empowerment zones to bring the spark of private enterprise to our hardest

-pressed neighborhoods. (Applause.)

Finally, this is a balanced budget that honors our commitment to our parents by extending the Medicare Trust Fund for a decade and to the next generation by continuing our commitment to the environment to protect our air, our land, our water, to clean up the worst toxic waste sites in the nation. And we achieve all these goals while eliminating the budget deficit by 2002. We are determined never again to repeat the mistakes of the past, when we mortgaged our economy to reckless policies. This budget reforms and cuts yesterday's government so that we can help provide our people the means to meet the challenges of tomorrow.

Let me thank the negotiators for the administration who did a superb job, all the democratic lawmakers here and, indeed, all of the members of Congress who worked hard on this legislation. I also want to say a special word of appreciation to Senator Lott and Speaker Gingrich, to Senator Domenici and Congressman Kasich and to their committee chairs, who worked with us across the lines of substantial philosophical and practical differences to reach a good faith agreement that is an honorable and principled compromise. And especially let me thank Senators Daschle and Lautenberg, Congressman TOP ODD - \p -

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MORE

Spratt and Congressman Rangel for their leadership.

This agreement is a monument to the efforts that people, who good will can make, when they put aside partisan interests to work together for the common good and our common future. It reflects the values and aspirations of all Americans. And I hope and expect it will marshal strong majorities of both parties in both houses.

This summer we had an historic opportunity to strengthen America for the 21st century and we have seized it. Now our nation can move forward stronger, more vibrant, more united than ever. For that, I am profoundly grateful.

Now I'd like to ask the Vice President to come forward and let me thank you all again for this great, great day. (Applause.)

* * * * *

Wait, wait. We forgot to say one thing. We still have to pass this agreement. (Laughter.) And so, tomorrow, the next day -- and I hope it will be over by then -- all of us who are for it, in both parties, have a solemn obligation to go out there and try to keep moving and keep this spirit alive and actually pass it. We are celebrating an agreement; we still have to celebrate the passage of the bill and then the signing of the bill, and I look forward to being here for that with all of you and others as well.

Thank you very much. (Applause.)

END

3:25 P.M. EDT

RECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: Andrei H. Cherny (CN=Andrei H. Cherny/O=OVP [UNKNOWN])

CREATION DATE/TIME:29-JUL-1997 10:23:14.00

SUBJECT: Budget LAT

TO: Andrei H. Cherny (CN=Andrei H. Cherny/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TEXT:

1997 Tuesday, July 29,

White House, GOP Reach Deal to Balance Budget, Cut Taxes

Economy: Five-year plan would trim levies for families, students, investors, working poor. Package includes per-child credit, slashes capital gains top rate from 28% to 20%.

By ART PINE, MELISSA HEALY, ELIZABETH SHOGREN, Times Staff Writers

PREV STORY

NEXT STORY

WASHINGTON--The Clinton administration and GOP congressional leaders reached agreement Monday on a five-year plan to balance the budget and cut taxes for families, students, investors and the working poor. Details of the package were made available by Republican congressional strategists Monday evening, apparently in an effort to get a jump on the administration in announcing the plan.

Moments later, White House aides traveling with President

Clinton in Las Vegas said the president was "very pleased" with the accord and would be fully briefed on the details this morning.

Treasury Secretary Robert E. Rubin, who led the administration's negotiating team, called the accord "a very good balanced-budget plan."

And White House Chief of Staff Erskine Bowles told reporters:

"We couldn't be more pleased with the outcome."

House Speaker Newt Gingrich (R-Ga.), praising negotiators for both sides, portrayed the budget pact as only the beginning. "We were already talking today about a tax-cut bill next year," he told reporters.

The agreement follows weeks of cat-and-mouse negotiations in which the two sides dug in their heels for days until finally deciding it would be in both parties' interests to come to an accord quickly.

The final version of the tax-and-spending plan, designed to balance the federal budget by 2002, still must be approved by majorities in the House and Senate.

Included in the package is a Clinton proposal to spend \$24 billion over the next few years to provide states with funds to finance health insurance for some of the 10 million children not now covered by any health care plan.

The measure would be financed partly by a 15-cent-a-pack increase in the cigarette tax. The Senate version of the bill had sought to boost this by 20 cents a pack, but the extra 5-cent rise was dropped. The increase would come in two stages.

The cigarette tax would increase by 10 cents-per-pack in 2000; the remaining nickel would be added in 2002.

Republicans apparently conceded on another key Clinton demand: that welfare recipients required to work under the new welfare reform law be paid minimum wage and be

covered by

federal workplace laws.

Negotiators have also agreed to cover all 700,000 elderly and disabled legal immigrants on the welfare rolls last August, when the welfare reform bill was passed, and many who have become disabled since then.

The two sides resolved differences over the tax-cut package by expanding the size of the cuts to \$91 billion over the next five years--up from \$85 billion in previous versions--and broadening many key cuts.

The compromise tax measure, described by congressional strategists Monday, contains these major elements:
* A \$500-per-child tax credit that both sides had endorsed will be fixed at \$400 in 1998 and \$500 in 1999 and beyond, and will apply to children under the age of 17, rather than 12 as Clinton initially wanted.

In a compromise, Republicans agreed to extend the credit to working-poor families earning \$18,000 a year or more, rather than the \$24,000-a-year threshold they had sought.

At the same time, the White House agreed to make the credit available to single parents making as much as \$75,000 a year and families with incomes of up to \$110,000 a year, rather than phasing it out at \$60,000, as the president had sought.

* The maximum tax rate on capital gains--profits from the sale of stocks or other assets--will be cut to 20%, down from 28% now, and drop to 18% in 2001 for taxpayers who hold their assets for five years or more. The change is retroactive to May

7.

At the same time, the so-called bottom rate, which applies mainly to older investors earning less than \$41,200 per couple, will drop to 10%, from 15% now, and to 8% for assets held five years or more.

Republicans shelved a plan to "index" such

gains to account for
the effects of inflation. Clinton had warned that he
would veto the
entire bill if that provision were included.

* The maximum inheritance that can be passed on
to family
members tax-free will rise to \$1.3 million in
January in the case of
family-owned businesses or farms. That is up from
\$600,000 now.

The exclusion for other estates will remain at
\$600,000 next
year, rising gradually to \$1 million by 2007.

* A tax break for homeowners who sell their
principal
residence, enabling them to exempt the first
\$500,000 in profits
from capital gains taxes. It would apply to houses
sold after May 7,
1997.

* The compromise would create so-called Hope
Scholarship tax
credits to cover college costs, amounting to a 100%
credit on the
first \$1,000 of tuition and books, plus a credit
totaling 50% of the
next \$1,000.

* The bill provides for three special new
individual retirement
accounts, including one that would allow early
withdrawals for
first-time home buyers and others designed to help
parents save for
college costs.

Although details were sketchy, White House
officials said
taxpayers would be able to place up to \$2,000 in
saving into these
accounts each year and qualify for deferring taxes on
them.

Those who qualify for the family child credit
also would be able
to place up to \$500 per child into an IRA.

* The current 10% airline tax would be reduced
to 9% in 1998,
dropping gradually to 7.5% over the next three
years. The bill also
imposes a fee of \$2 per flight segment beginning
Oct. 1, rising to \$3
in 1998.

In addition, the measure will quadruple the
current \$6-a-person
departure fee on international flights, boosting it
to \$12 each way.

The president was playing golf at Las Vegas Country Club with pro basketball star Michael Jordan when he was called by one of his senior advisors and told about the deal, according to White House spokesman Joe Lockhart. Clinton "was looking forward to a full briefing" upon his return to Washington today, Lockhart said.

The president specifically asked whether his aims had been met on three of his priority initiatives: tax relief to help pay for college, a child tax credit and the expansion of health insurance for children.

He was told that "all three had been done to the president's satisfaction, so the president was gratified," Lockhart said.

Clinton has made the battle over the welfare provisions--which have been pushed by organized labor--a high priority, and he reaffirmed his determination Monday at a meeting of the National Governors' Assn.

The president wants states to make welfare workers eligible for both the minimum wage and a federal tax credit for the working poor--both rights that now are reserved for those with employee status.

"I feel very strongly about that . . . I don't think we ought to do anything that would undermine that incentive" for welfare recipients to work, Clinton told the governors.

But some governors have warned that such a requirement will make it vastly more difficult and expensive to prepare the nation's poorest and least employable welfare recipients for work in the private sector.

Governors from both parties stressed that they were not against paying welfare recipients the minimum wage, but were worried that requiring employers to pay Social Security and unemployment taxes would make hiring unskilled workers too expensive. "We're trying to get nonprofits, charities and

businesses to take a risk and hire these folks," Gov. George Allen (R-Va.) said. "What we ought to do is to knock down the burdens, not put up more burdens."

Gov. David Beasley (R-S.C.) warned that such requirements also will hurt states. "This will gut South Carolina's welfare program," Beasley added. "This is intolerable to us."

Pine and Healy reported from Washington; Shogren reported from Las Vegas. Times staff writer Edwin Chen in Washington contributed to this story.

* EFFECT ON STOCKS: Wall Street isn't too worried about a sell-off when the capital gains tax is lowered. D1

* * *

Finding the Tax Breaks
Highlights of the tax and budget accord reached Monday in

Washington:
PARENTS: A \$400-per-child tax credit in 1998, rising to \$500 in 1999 for children 16 and under. It would apply to many families who earn as little as \$18,000 and to single parents making as much as \$75,000 and couples making \$110,000.

HOME SALES: First \$500,000 in gain from the sale of principal residence would be excluded from taxation, but this benefit could be used only once every two years. This would be retroactive to May 7, 1997.

INVESTORS: Retroactive to May 7, 1997, the capital-gains rates would drop from a maximum 28% to 20%, and from 15% to 10% for the lowest income bracket. Lowest rate would drop to 8% for assets bought beginning in 1997 and held five years; top rate would drop to 18% for assets bought beginning in 2001 and held five years. Inflation-related portion of capital gains would be taxed,

despite GOP effort to exempt it.

INHERITANCES: An increase in the estate-tax exemption for family-owned businesses and farms from \$600,000 now to \$1.3

million, beginning in January. Beginning next year, the exclusion for other estates will rise to \$1 million by 2007.

IRAs: Several new Individual Retirement Accounts, although they will be limited to people with incomes of \$150,000 or less.

People could put money into as many IRAs as they would like, but could invest an annual total of no more than \$2,000 overall. New

IRAs include letting people qualify even if spouse does not, plus new tax breaks for withdrawals for education and first-time home purchases.

HIGHER EDUCATION: Around \$40 billion in tax credits and deductions, including penalty-free withdrawals from Individual Retirement Accounts for education expenses, interest deductions from student loans and a Hope scholarship tax credit for up to \$1,500 for tuition and related expenses for the first two years of college. The maximum credit would be \$1,500 for the first two years. The second two years of college, the credit would start at 0 and increase over time to \$2,000.

POOR CHILDREN: Expand health-care coverage for many of the 10 million children not covered by insurance. The five year plan to expand health care will cost \$24 billion. It is unclear what services that state would be required to provide.

SMOKERS: The current 24-cent-per-pack levy on cigarettes would increase by 10 cents in 2000 and an additional nickel in 2002. Some of the money would go toward the \$24-billion needed to pay the health-care costs for poor children.

HEALTH CARE PROVIDERS: Most of the approximately \$140 billion in five-year savings came from Medicare, whose growth would be trimmed by \$115 billion, or about

12%. Most savings would come from reducing payments to hospitals, doctors and other health-care providers, though the current \$43.80 monthly premium for coverage of doctors' bills would grow slowly. Lower Medicaid payments to hospitals would generate about \$13 billion in savings.

WELFARE RECIPIENTS: The president is demanding that welfare workers receive the minimum wage and other employee protections. Welfare coverage will be restored for some 700,000 elderly and disabled legal immigrants and children who lost coverage under last year's welfare overhaul.

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

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

CREATION DATE/TIME: 1-AUG-1997 15:24:18.49

SUBJECT: 1997-08/01 press briefing by Mike McCurry

TO: Julie E. Mason (MASON_J) Autoforward to: Remote Addressee (Julie E.
Mason@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) Autoforward to: Remote Addressee (April
Mellody@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Darby Stott (STOTT_D) Autoforward to: Remote Addressee (Darby E.
Stott@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Margaret M. Suntum (SUNTUM_M) (WHO)
READ: 1-AUG-1997 15:24:23.89

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ:NOT READ

TO: Julia R. Green (GREEN_J) Autoforward to: Remote Addressee (Julia R.
Green@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) Autoforward to: Remote Addressee (Lorraine L.
Wytkind@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) Autoforward to: Remote Addressee (Laura D.
Schwartz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Remote Addressee (backup@wilson.ai.mit.edu@INET)
READ:NOT READ

TO: Remote Addressee (wh-outbox-distr@clinton.ai.mit.edu@INET)
READ:NOT READ

TO: Lori E. Abrams (ABRAMS_L) Autoforward to: Remote Addressee (Lori E.
Abrams@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lori L. Anderson (ANDERSON_L) Autoforward to: Remote Addressee (Lori
Anderson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brenda M. Anders (ANDERS_B) Autoforward to: Remote Addressee (Brenda M.

Anders@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Eli G. Attie (ATTIE_E) Autoforward to: Remote Addressee (Eli G.
Attie@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin J. Bachman (BACHMAN_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kris Balderston (BALDERSTON_K) (WHO)
READ:NOT READ

TO: Karen L. Barbuschak (BARBUSCHAK_K) (OA)
READ: 1-AUG-1997 15:26:44.73

TO: Beverly J. Barnes (BARNES_BJ) Autoforward to: Remote Addressee (Beverly J.
Barnes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Mark H. Bartholomew (BARTHOLOME_M) (OA)
READ:NOT READ

TO: Todd A. Bartholow (BARTHOLOW_T) (OA)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) Autoforward to: Remote Addressee (David S.
Beaubaire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marsha E. Berry (BERRY_ME) Autoforward to: Remote Addressee (Marsha E.
Berry@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Antony J. Blinken (BLINKEN_A) Autoforward to: Remote Addressee (antony j.
blinken@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Lanny A. Breuer (BREUER_L) Autoforward to: Remote Addressee (Lanny A.
Breuer@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin Bachman (Bachman_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
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TO: Phillip M. Caplan (CAPLAN_P) (WHO)
READ: 1-AUG-1997 15:33:32.43

TO: Laura Capps (CAPPS_L) Autoforward to: Remote Addressee (Laura
Capps@eop@lngtwy@eopmrx) (WHO)
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TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W.
Cerrell@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

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

TO: Michelle Crisci (CRISCI_M) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) Autoforward to: Remote Addressee (Carolyn
Curiel@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cutler, Lynn (CUTLER_L) ()
READ:NOT READ

TO: Suzanne E. Dale (DALE_S) Autoforward to: Remote Addressee (Suzanne
Dale@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lanny Davis (DAVIS_L) Autoforward to: Remote Addressee (Lanny J.
Davis@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marilyn DiGiacobbe (DIGIACOBBE_M) Autoforward to: Remote Addressee (Marilyn
DiGiacobbe@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James A. Dorskind (DORSKIND_J) (WHO)
READ:NOT READ

TO: Jennifer D. Dudley (DUDLEY_J) Autoforward to: Remote Addressee (Jennifer D.
Dudley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dorinda A. Salcido (Dorinda A. Salcido@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: James T. Edmonds (EDMONDS_J) Autoforward to: Remote Addressee (James T.
Edmonds@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) Autoforward to: Remote Addressee (Anne M.
Edwards@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) Autoforward to: Remote Addressee (Rahm
Emanuel@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Karen E. Finney (FINNEY_K) Autoforward to: Remote Addressee (Karen E.
Finney@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Ben Freeland (FREELAND_B) Autoforward to: Remote Addressee (Ben A.
Freeland@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) Autoforward to: Remote Addressee (Jeremy M.
Gaines@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Chris Gillespie (GILLESPIE_C) Autoforward to: Remote Addressee (Christopher J.
Gillespie@eop@lngtwy@eop (WHO)
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TO: Michael A. Gill (GILL_M) Autoforward to: Remote Addressee (Michael A.
Gill@OVP@EOP@LNGTWY@EOPMRX) (VPO)
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TO: Adam W. Goldberg (GOLDBERG_A) Autoforward to: Remote Addressee (Adam W.
Goldberg@eop@lngtwy@eopmrx) (WHO)
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TO: Jason S. Goldberg (GOLDBERG_JS) Autoforward to: Remote Addressee (Jason S.
Goldberg@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Ricardo M. Gonzales (GONZALES_R) Autoforward to: Remote Addressee (Ricardo M.
Gonzales@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Wendy E. Gray (GRAY_W) (NSC)
READ:NOT READ

TO: John Gribben (GRIBBEN_J) (OMB)
READ: 1-AUG-1997 18:22:54.16

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Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:NOT READ

TO: Richard Hayes (HAYES_R) Autoforward to: Remote Addressee (Richard
Hayes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Russell W. Horwitz (HORWITZ_R) Autoforward to: Remote Addressee (Russell W.
Horwitz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thomas D. Janenda (JANENDA_T) Autoforward to: Remote Addressee (Thomas D.
Janenda@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian J. Johnson (JOHNSON_BJ) Autoforward to: Remote Addressee (Brian J.
Johnson@eop@lngtwy@eopmrx)
READ:NOT READ

TO: David T. Johnson (JOHNSON_DT) Autoforward to: Remote Addressee (david t.
johnson@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Wayne C. Johnson (JOHNSON_WC) (OA)
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Jolin@EOP@LNGTWY@EOPMRX) (WHO)
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TO: James M. Teague (James M. Teague@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Julia R. Green (Julia R. Green@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: David E. Kalbaugh (KALBAUGH_D) Autoforward to: Remote Addressee (David E.
Kalbaugh@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: William R. Kincaid (KINCAID_W) Autoforward to: Remote Addressee (William R.
Kincaid@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angus S. King (KING_A) Autoforward to: Remote Addressee (Angus S.
King@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Joshua A. King (KING_J) Autoforward to: Remote Addressee (Joshua A.
King@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nick B. Kirkhorn (KIRKHORN_N) Autoforward to: Remote Addressee (Nicholas B.
Kirkhorn@eop@lngtwy@eopmrx (WHO)
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TO: Catherine T. Kitchen (KITCHEN_C) Autoforward to: Remote Addressee (Catherine T.
Kitchen@eop@lngtwy@eopmrx (WHO)
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TO: James Kohlenberger (KOHLEN_J) Autoforward to: Remote Addressee (Jim
Kohlenberger@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Heidi Kukis (KUKIS_H) Autoforward to: Remote Addressee (Heidi
Kukis@OVP@EOP@LNGTWY@EOPMRX) (VPO)
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TO: Sara Latham (LATHAM_S) Autoforward to: Remote Addressee (Sara M.
Latham@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) Autoforward to: Remote Addressee (G N.
Lattimore@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher J. Lavery (LAVERY_C) Autoforward to: Remote Addressee (Christopher J.
Lavery@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne H. Lewis (LEWIS_AH) Autoforward to: Remote Addressee (Anne H.
Lewis@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Cynthia J. Lizik (LIZIK_C) (OA)
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TO: Joseph P. Lockhart (LOCKHART_J) Autoforward to: Remote Addressee (Joseph P.
Lockhart@eop@lngtwy@eopmrx) (WHO)
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TO: Laura D. Schwartz (Laura D. Schwartz@eop@LNGTWY@EOPMRX)
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TO: Michael D. Malone (MALONE_M) Autoforward to: Remote Addressee (Michael D.
Malone@eop@lngtwy@eopmrx) (WHO)
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TO: Laura S. Marcus (MARCUS_LS) Autoforward to: Remote Addressee (Laura S.
Marcus@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Doris O. Matsui (MATSUI_D) Autoforward to: Remote Addressee (Doris O.
Matsui@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Andrew Mayock (MAYOCK_A) Autoforward to: Remote Addressee (Andrew J.
Mayock@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) Autoforward to: Remote Addressee (Anne E.
McGuire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cheryl D. Mills (MILLS_C) Autoforward to: Remote Addressee (Cheryl D.
Mills@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Megan C. Moloney (MOLONEY_M) Autoforward to: Remote Addressee (Megan C.

Moloney@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kevin Moran (MORAN_K1) Autoforward to: Remote Addressee (Kevin
Moran@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan Murchinson (MURCHINSON_J) Autoforward to: Remote Addressee (Jonathan
Murchinson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Steven J. Naplan (NAPLAN_S) Autoforward to: Remote Addressee (steven j.
naplan@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Elizabeth R. Newman (NEWMAN_E) Autoforward to: Remote Addressee (Elizabeth R.
Newman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Neera Tanden (Neera Tanden@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Peter Orszag (ORSZAG_P) Autoforward to: Remote Addressee (Peter R.
Orszag@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Kristen E. Panerali (PANERALI_K) Autoforward to: Remote Addressee (Kristen E.
Panerali@eop@lngtwy@eopmrx) (OPD)
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TO: Carol Parmelee (PARMELEE_C) Autoforward to: Remote Addressee (Carole A.
Parmelee@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sally P. Paxton (PAXTON_S) Autoforward to: Remote Addressee (Sally P.
Paxton@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Payne (PAYNE_J) Autoforward to: Remote Addressee (Julia M.
Payne@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) Autoforward to: Remote Addressee (Jonathan
Prince@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter O'Keefe (Peter O'Keefe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (RABNER_N) Autoforward to: Remote Addressee (Nicole R.
Rabner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Victoria Radd (RADD_V) Autoforward to: Remote Addressee (Victoria

Radd@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Renee C. Riley (RILEY_R) (OA)
READ:NOT READ

TO: Jonathan P. Robell (ROBELL_J) Autoforward to: Remote Addressee (Jonathan P.
Robell@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Charles Ruff (RUFF_C) Autoforward to: Remote Addressee (Charles F.
Ruff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia N. Rustique (RUSTIQUE_V) Autoforward to: Remote Addressee (Virginia N.
Rustique@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Evan Ryan (RYAN_E) Autoforward to: Remote Addressee (Evan
Ryan@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. Timothy Saunders (SAUNDERS_GT) Autoforward to: Remote Addressee (G. Timothy
Saunders@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Stuart Schear (SCHEAR_S) Autoforward to: Remote Addressee (Stuart
Schear@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Jill A. Schuker (SCHUKER_J) Autoforward to: Steven J. Naplan (NAPLAN_S) (NSC)
READ: 1-AUG-1997 15:24:34.50

TO: Ruby Shamir (SHAMIR_R) Autoforward to: Remote Addressee (Ruby
Shamir@eop@lngtwy@eopmrx) (WHO)
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TO: Douglas S. Sheorn (SHEORN_D) Autoforward to: Remote Addressee (Douglas S.
Sheorn@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June Shih (SHIH_J) Autoforward to: Remote Addressee (June
Shih@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: David Shipley (SHIPLEY_D) Autoforward to: Remote Addressee (David
Shipley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robert M. Shireman (SHIREMAN_R) Autoforward to: Remote Addressee (Robert M.
Shireman@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jake Siewert (SIEWERT_J) Autoforward to: Remote Addressee (Jake

Siewert@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) Autoforward to: Remote Addressee (Joshua
Silverman@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_B2) Autoforward to: Remote Addressee (Brian D.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_BD) (OMB)
READ:NOT READ

TO: Craig T. Smith (SMITH_CT) Autoforward to: Remote Addressee (Craig T.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Richard Socarides (SOCARIDES_R) Autoforward to: Remote Addressee (Richard
Socarides@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Douglas B. Sosnik (SOSNIK_D) Autoforward to: Remote Addressee (Douglas B.
Sosnik@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Todd Stern (STERN_T) Autoforward to: Remote Addressee (Todd
Stern@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Diane A. Stumpf (STUMPF_D) (DON)
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TO: Mike Sullivan (SULLIVAN_M) Autoforward to: Remote Addressee (Michael J.
Sullivan@EOP@LNGTWY@EOPMRX) (WHO)
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TO: Jonathan Schnur (Schnur_J) Autoforward to: Remote Addressee (Jonathan H.
Schnur@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Sylvia M. Mathews (Sylvia M. Mathews@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) Autoforward to: Remote Addressee (Lisa
Tamagni@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia M. Terzano (TERZAN_V) Autoforward to: Remote Addressee (Virginia M.
Terzano@ovp@eop@lngtwy@eopm (VPO)
READ:NOT READ

TO: Terri I. Tingen (TINGEN_T) Autoforward to: Remote Addressee (terri
tingen@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Barry J. Toiv (TOIV_B) Autoforward to: Remote Addressee (Barry J.
Toiv@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jodie R. Torkelson (TORKELSON_J) Autoforward to: Remote Addressee (Jodie R.
Torkelson@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Serena C. Torrey (TORREY_S) Autoforward to: Remote Addressee (Serena C.
Torrey@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: June G. Turner (TURNER_J) Autoforward to: Remote Addressee (June G.
Turner@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Dag Vega (VEGA_D) (WHO)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@ovp@eop@lngtwy@eopmrk (VPO)
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TO: Michael Waldman (WALDMAN_M) Autoforward to: Remote Addressee (Michael
Waldman@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Angelina Walker (WALKER_L) Autoforward to: Remote Addressee (Angelina
Walker@ovp@eop@lngtwy@eopmrk) (VPO)
READ:NOT READ

TO: Robert S. Weiner (WEINER_R) (DON)
READ:NOT READ

TO: Lowell Weiss (WEISS_L) Autoforward to: Remote Addressee (Lowell A.
Weiss@eop@lngtwy@eopmrk) (WHO)
READ:NOT READ

TO: Teresa Wildman (WILDMAN_T) Autoforward to: Remote Addressee (Teresa
Wildman@eop@lngtwy@eopmrk)
READ:NOT READ

TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)
READ: 1-AUG-1997 15:29:25.33

TO: Remote Addressee (glynmm@panet.us-state.gov@INET)
READ:NOT READ

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

TO: Remote Addressee (1=US@2=WESTERN

UNION@3=@5=ATT.COM@*ELN\62955104@MRX@EOPMRX)
READ:NOT READ

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

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

TO: Manager Infomgt (INFOMGT) (SYS)
READ:NOT READ

TO: Remote Addressee (newsdesk@usnewswire.com@INET)
READ:NOT READ

TO: Remote Addressee (usnwire@access.digex.com@INET)
READ:NOT READ

TEXT:
PRINTER FONT 10_POINT_COURIER
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PRINTER FONT 12_POINT_COURIER
THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 1, 1997

PRESS BRIEFING
BY MIKE MCCURRY

The Briefing Room

1:35 P.M. EDT

MR. MCCURRY: Let me do two things. I want to say a word about two of my colleagues, since today is the first day at the White House without Don Baer, the President's Assistant for Communications Policy, and Jodie Torkelson, who has been the Assistant to the President for Management and Administration. They are -- both have been not only friends but really good colleagues of mine. Don Baer, through a long period of '95 and '96, I think, was singularly the person who most helped the President stay riveted on a message that the American people found very persuasive in the election last year. I to this day am amused at how often a lot of his good hard work was attributed to others. I think many in this room often saw the hand of Dick Morris in just about everything that happened over the course of two years, but I think very often the pen

was actually in the hand of Don Baer, and, often the case, he was the one who really adjudicated differences and viewpoints between some of the President's senior advisers and some of his political advisers. But he did an extraordinarily good job and the President has gone of out his way to pay a farewell to him and it's richly deserved.

Jodie Torkelson, who worked for Leon Panetta for 15 years managing his office and, I think -- Barry, the budget committee staff, too?

MR. TOIV: And OMB.

MR. MCCURRY: And OMB, is really one of the most talented managers I've ever seen. She kind of ran the White House, set the administrative logistics level and did an extraordinarily good job, and she will be missed. She's been paid tribute to by the President and Erskine Bowles and others as the only person in the White House who consistently says no to the President, the First Lady, the Chief of Staff and every one on down the line; but she always managed to do so very gracefully. And I wanted you to know that the White House is mourning the departure of those two extraordinary colleagues.

Q Are you taking questions now? (Laughter.)

MR. MCCURRY: I was sort of savoring that nice moment.

Q Let me ask you, did you really mean to suggest that some of the ideas that we might have thought were the kind of ideas Dick Morris would generate were actually from the brain of our departing friend here?

MR. MCCURRY: No, it was meant more to suggest -- it's often said of Mr. Morris, and I think he himself would acknowledge it's true, that he has maybe 10 ideas a day, of which five are totally goofy and two or three might actually be of merit. Don Baer BOTTOM EVEN MORE #391/8

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was often the filter that separated the profound from the less than profound.

Let me also announce the President of the United States of America will --

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Q Before you finish Dick Morris -- (laughter) -- while we're on the subject of Dick Morris, as you may or may not know he is now advising one of the political candidates in Honduras on how to get elected. And I wonder if the White House thinks that this revived political consultancy on the part of Dick Morris in Honduras is good or bad.

MR. MCCURRY: I don't have any comment on that. If they start building bridges to the 21st century in Central America, you know where that idea came from -- no. (Laughter.) I will resist that comment. No, I did not know he was doing that, to answer your question.

The President of the United States of America on August 12th will travel to St. Louis, Missouri, where he will meet with local business leaders, talk once again about the importance of creating in the private work force opportunities for mothers who have been welfare

-dependent. He will talk about some commitments that are being made there locally, and that evening will attend -- he will attend a Democratic National Committee fundraiser we're giving. We're working closely with Congressman Gephardt's staff and others in setting that event up. There was a little confusion on that yesterday on, not your part, but my part. Glad to clear that up.

Q This is the President's first chance to line

-item

veto. Speaker Gingrich said today it would violate the spirit of the budget agreement. Are you inclined to accommodate that line of thinking, or is there some thought that you should exercise the prerogative just to show how serious you are about having it.

MR. MCCURRY: I want to be clear. This is the first legislation coming to the President that has -- first tax legislation that has, as required by statute, those items identified which are limited tax benefit items and therefore subject to the line

-item

veto. I don't want to speculate on whether or if the President will exercise a line item

-veto authority. He has the constitutional obligation to look at those provisions that are identified by statute, and, if so, use the statutory authority under the act to excise any spending items or even, in some cases, revenue items that are not warranted. And I have no reason to think one way or another at this point whether he will consider using that authority.

I think, as to the parameters of the agreement and the very difficult negotiation that went to achieving this historic balanced budget agreement, the President will remain faithful to the agreement, just as he knows the Speaker and the Majority Leader will as well, as we go through the appropriations process.

Q Did they speak about the peaceful solution of Armenia --

MR. MCCURRY: Well, the two Presidents are continuing their discussions and they are going quite well, I can report. We expect to issue a joint statement shortly after the conclusion. But, of course, one of the items on the agenda was the situation in the Caucasus and, specifically, the effort by the Minsk group to promote a resolution of conflict in the Nagorno

-Karabakh. But I would prefer to leave it to the conclusion of the meeting and the issuance of the statement. I believe that President Aliyev will be available at the stake

-out at the conclusion of this meeting.

Q Do you have a dollar figure on the oil contracts that were signed today?

MR. MCCURRY: A dollar figure? I don't see that in the fact sheet and I don't have a dollar figure. We might be able to get that from some of the representatives of the companies that were in TOP ODD
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attendance.

Q And how important is resolving the Nagorno

-Karabakh
conflict to allowing the oil production to go --

MR. MCCURRY: It's not necessarily dependent upon; it's certainly an easing of tensions in that region, and the Caucasus generally will help all the countries in the Caspian Basin develop those oil and gas resources and see them move through a variety of transmission routes to acceptable ports. But a diminution of the conflict in Nagorno

-Karabakh will contribute to regional stability and will be very important not only to Azerbaijan, but to Georgia and to adjacent trans

-Caucasus nations.

Q Was Amoco among the signing parties?

MR. MCCURRY: Yes, they were. There were four. They were Chevron, Amoco, Exxon and Mobil.

Q What's the position of American government on Section 907, which prohibits direct military assistance to government Azerbaijan?

MR. MCCURRY: The President has taken the view in our Congress that such carve

-outs are contrary to his constitutional prerogatives when it comes to conducting foreign policy. We have specifically sought the repeal of Section 907. That is not included in any of the recent legislation that has passed our Congress, but we'll continue to work with the Congress to see if we can't eliminate from foreign assistance language something that we think is a barrier to our mutual improved relations not only with Azerbaijan but with all the countries in the region, including Armenia.

Q Then why not do an Executive Order?

MR. MCCURRY: Well, I'm not going to -- we need to work with Congress and seek first a change in the legislative language.

Q Apparently, with regard to the explosives case in New York, the subway plot, there were apparently telephone calls made by some of those --

MR. MCCURRY: I am just not going to comment. There is an ongoing investigation under way by federal authorities, by state authorities. They are pursuing leads. You've heard representatives of the FBI and local law enforcement officials speak to these points. It serves no useful purpose for me to comment on the status of the investigation. The President has been receiving briefings from his National Security Adviser, Mr. Berger. Mr. Berger has been in contact with Mr. Freeh on a regular basis to learn the status of the FBI's efforts. But it's just not profitable or useful for me to comment on the investigation.

Q On the line

-item veto, I'm just curious about how the process is going to work as we go through the appropriations cycle. Will the White House give some sort of advance notice of items that -- in the bills that would be subject to line

-item veto?

Or are you going to wait for the bill to come here before you make any sort of --

MR. MCCURRY: We'll follow the procedure outlined in law. The President is presented a bill. He can -- he signs the bill and then within five days has a period in which he can notify Congress of his choice to elect to excise any spending measure or any revenue measure that is unacceptable. The process we will use to make those determinations is one that the Chief of Staff has delegated to Gene Sperling at the National Economic Council, working with OMB, in some cases with Treasury, with other agencies. And again, I'm going to decline to speculate on how it might come in play. We've never been in this situation before. We don't know

whether there will be items that will be used. But to answer the Speaker's concern, we will not do it in a way that violates the fundamental agreements that were necessary to achieve the --

Q So then the quick question is, is none of the bill then applicable until the five

-day period has expired? Is there a hold on its effectiveness?

MR. MCCURRY: No, the President can just excise from the bill. The law is enacted but he can elect to excise from the legislation anything that is -- he considers objectionable.

Q Yes, but recognizing that there is only a limited number of items on which he can act, do those items go into force?

MR. TOIV: Yes, they do.

MR. MCCURRY: I think that's right. They go --

MR. TOIV: They only go out of force if excised.

Q Okay.

MR. MCCURRY: They are enacted into law and then -- they are enacted into law upon the President's signature, but then he can remove from the enacted legislation anything that he specifically line

-items.

Q As well you know that Russia given to Armenia many heavy military techniques. Did they speak about this?

MR. MCCURRY: I'm not -- I've told you what I can tell you at this point about their conversation. Since it's still ongoing, I can't answer other questions about it.

Q Mike, did we firm up whether that's 75 or 80 items, roughly, that --

MR. MCCURRY: I think that's a total count. I've seen it reported that it's 80 and I haven't heard anyone dispute that number. I think it's in that neighborhood.

Q A few weeks ago, Secretary Rubin had expressed concern about the tax bill containing several special interest provisions. Why wouldn't the President veto special interest provisions if they're so identified?

MR. MCCURRY: Well, if the President finds something that's vetoable under these provisions, I don't think he would hesitate to use his authority. But I'm just not going to speculate at this point about whether or not he might elect to use that authority.

Q On the \$6 billion settlement, will you deduct this amount from the settlement or will you raise the cost of a settlement?

MR. MCCURRY: On the tobacco settlement?

Q Yes.

MR. MCCURRY: The White House at this point can't even begin to speculate about what the total dollar amount in the tobacco settlement might be. We have not completed our review of the proposed settlement. In general, we are taking the position that the industry's liability, or what they would pay into a total settlement, won't be reduced as a practical matter by that provision in the tax bill.

Q Does the President have any reassurances or response to Congresswoman Ileana Ros

-Lehtinen's bill, H.R. 2296, and the letter that was dictated to Caribbean diplomats threatening sanctions if they increased trade with Cuba?

MR. MCCURRY: I would have to learn more about the legislation. I think the President has spoken generally to the issue of our desire to promote good relations and ties with the Caribbean nations. But that specific piece of legislation, I have not seen any analysis of done by the White House.

Q Come in the same day in which NAFTA parity failed. And the President in his summit to the Caribbean leaders promised that he would deliver on that particular bill. Should the U.S. --

MR. MCCURRY: As I've already said, we don't know --

Q be dictating foreign policy to these Caribbean leaders?

MR. MCCURRY: I've already indicated to you we're going to have examine the bill and study it. I can't comment on it until I've done that.

Q Mike, do you have a better idea now as to when the bills coming down, the tax and budget bills, and when the President might sign them?

MR. MCCURRY: Yes. It is going to be Tuesday at 11:00 a.m., and I think it will be done with appropriate fanfare on the South Lawn and a cast of hundreds, thousands -- (laughter) -- of enthusiastic, cheering Americans who celebrate the arrival of a balanced budget and a tax cut for the American people.

Q Mike, you said the President wouldn't hesitate to use the veto authority if he found something that was vetoable. What kind of criteria, what kind of things --

MR. MCCURRY: Sound ones. Sound criteria based on the President's excellent judgment.

Q What does he consider objectionable --

MR. MCCURRY: Look, I'm not going to speculate any more on this.

Q There seems to be a little difference of opinion on the wisdom of a Madeleine Albright trip to the Middle East --

MR. MCCURRY: Only on CNN, Wolf. (Laughter.) Nowhere else have I found that. I think you had kind of a bad story last night and you're trying to invent a reason why it was bad today -- that's my impression.

Q Well, is there a difference of opinion?

MR. MCCURRY: No, there's absolutely no difference of opinion. The President, as I told you earlier, Ambassador Ross is going to go to the region. It may very well be appropriate for the Secretary of State to go, but I think she agrees with the President -- I know she agrees with the President that we should conduct our diplomacy in a way in which we help the parties do what they need to do.

What they need to do right now is to work with Ambassador Ross. I think Ambassador Ross will particularly concentrate on security cooperation, and I imagine he'll have important discussions with Chairman Arafat, as well as with Prime Minister Netanyahu. But that's the only anticipated step at this point.

Q When he says that he's going to send them after the period of mourning, is that in reference to the seven

-day --

MR. MCCURRY: Let me -- you know what? That was not a bum story, because I think all of you guys reported last night was it was under consideration that she might go, and I think that was true. If that's all you reported. I think you've got maybe a lot of other people in the room breathing heavy that you had reported that she was on her way to the region.

Q My colleague did report that she was considering a trip to the Middle East.

Q Well, actually, Mike, on this topic --

MR. MCCURRY: And that's why I want to go back and protect her, not to mention you, Wolf.

Q But, you know, last night they were considering and they decided not to. Can you --

MR. MCCURRY: Look, they considered 12, 13, 14 things to do last night. I mean, that's what kind of session it was, as I had indicated to you.

Q -- answer my second question.

MR. MCCURRY: Say again?

Q As we know that Russia has given to Armenia many heavy military techniques, arms. Did they speak about it?

MR. MCCURRY: I have not had a chance to talk to our President about their conversation. Once I do, I'd be happy to answer the question; but I can't answer a question I don't know the

answer to.

Q On the budget, does the administration have any message in particular to the 20

-somethings, or whatever, the people who don't have children, the people who aren't affected by these tax breaks in any way, people who feel that they're not getting --

Q Gene Sperling. (Laughter.)

MR. MCCURRY: The people who, as we demonstrated yesterday, fall in the Gene Sperling category. Yes. There's a good answer, and the answer is the economic statistics that we saw today. There is a vibrant, growing economy that has lower rates of inflation, lower rates of unemployment, has been performing well for all Americans -- all Americans are getting the opportunities that come from the economic performance that we've seen.

But, you know, some people who maybe are suggesting now that they are not benefitting from this legislation do have some opportunities. Think, for example, of the HOPE Scholarship tax credit. There will be an incentive now for Americans to go back and get an additional year of training, if not even to enroll in a community college or in a university full time. Think of the tax credit provision for those who qualify and a substantial number of Americans will qualify. There will be an incentive to go back and take a college course and get the additional training that will help you earn more money in the growing economy of the 21st century.

I mean, those are important opportunities and they are available to people who might not necessarily directly get a tax credit or be eligible for the reduced capital gains tax rate. But there are substantial benefits available to millions of Americans under this legislation. And, more importantly, the economic performance that this bill will help sustain will benefit all of America.

Q So what school will Sperling be going to?
(Laughter.)

Q You were talking about the HOPE Scholarships and somebody being able to go back to school, but what about the person who has already perhaps exhausted their bank accounts and gone through four years of school, whether it's state or private, and now they're out, they're single and in the "real world" -- you know, 23, 24, 25 -- they have their first job, they're not about to leave that first job to go back to school, yet they're not seeing any of the benefits of this tax bill?

MR. MCCURRY: Well, I don't know that that's correct. I mean, they will presumably be able, if they want to, to borrow money knowing that they're going to get in a typical community college setting the full cost of any tuition they pay refunded to them

through the tax credit when they file their income tax, because they get the \$1,500 back. And my guess is that will open up here opportunities for private sector lenders who know that people are going to be eligible for a tax credit who will probably assist in that transition -- not to mention colleges themselves. Local communities, local educational jurisdictions, I think, will probably want to establish ways they can assist exactly that kind of student to take advantage of the opportunities that are in the bill.

Q So you don't think they're getting the short end of the stick?

MR. MCCURRY: No, I think that they're getting a great opportunity. But the opportunity comes with some responsibility, as the President often suggests. They're going to have to make the arrangements, take the initiative to seek those educational opportunities in order to get those kind of benefits. The philosophy of the bill is, there isn't something for nothing. These are all things that encourage the kind of opportunities that will help people become more productive members of the work force and help those, obviously, who are getting the child tax credit, help them raise children, do those things that are going to help keep them productive in the work place.

Q Can we go back for a second? When the President said that he would send Dennis Ross after the period of mourning, is he referring to the seven

-day period? I mean, is there a reasonably imminent departure here?

MR. MCCURRY: That's correct, although we traditionally and routinely do not pinpoint his itinerary when he travels.

Q But he was referring to seven days?

Q Next week, roughly?

MR. MCCURRY: He was saying that the traditional mourning period in the Jewish faith, yes.

Q Are you satisfied with the way the Palestinian Authority has been cooperating with the Israelis since the bombing on Wednesday?

MR. MCCURRY: There has been cooperation, but as the President has suggested, there needs to be a much more direct, persistent, systematic effort to thwart terror. That's one subject that will be on Ambassador Ross' agenda.

Q Mike, in view of the aborted bombing incident in New York, when Dennis Ross gets to the Middle East will he ask the Palestinians not only for closer security cooperation with Israeli

security forces, but also closer cooperation between Palestinian Authority's and U.S. security agencies?

MR. MCCURRY: I would need to check on that. I think as a practical matter, I believe we have worked out some security cooperation measures between the United States and the Authority that I believe are in effect. But I would need to check that specifically. I don't know directly the answer to that.

As a general practice, yes, we -- the President, from Sharm el

-Sheik forward, has put together a great deal of effort to build a process of international cooperation when it comes to fighting terror. And we have done, I think, a good job of getting governments working together, getting law enforcement agencies working together to share information. I believe that has been true in the case of the Authority, as well, but I can do a little more homework on that.

Q Could you take the question as to, A, whether we do have such an arrangement with the Palestinians and, B, whether we consider it adequate?

MR. MCCURRY: I will and I'll have Anne work on that.

Q Mike, could the administration currently certify that the Palestinians are doing what's needed to deter terrorism in order for them to continue -- the Palestinian Authority to continue to receive U.S. aid?

MR. MCCURRY: That's a presidential

-level determination, so I can't make it here for the President at the podium. But as a practical matter, under the Middle East Peace Facilitation Act, that certification will be a moot point now because the Act will expire next week.

Q Mike, I need some clarification on the tobacco tax that passed yesterday and the actual settlement. It seemed this morning that you were indicating that if they got \$50 billion credit on the \$360 billion settlement, that the President couldn't accept that, actually bringing down the total cost of settlement. And you seemed to go against that just now. Did I misunderstand you?

MR. MCCURRY: No, to the contrary. Our view is that the net liability that the companies will face as a result of the settlement is not likely going to be reduced by this provision. Now, there are aspects of the provision that are still being examined by the administration. There have been indications on Capitol Hill there will be an effort to repeal that particular provision. It was necessary to have that provision there in order to get the children's health program that is in the spending bill.

But we use the figure \$368 billion. We don't know that that is the -- in fact -- the dollar value of the settlement that will eventually be reached. We don't at this point have an adequate review to know whether that is in fact the parameters of the settlement that the President would endorse, since the President hasn't completed the review.

Q You also indicated this morning that you were surprised that this provision made it into the budget. Lott and Gingrich are saying --

MR. MCCURRY: I was personally surprised, but I don't think that -- I think there were negotiators who work for the White House that knew of it.

Q Is that one of the items possibly subject to a line

-item veto?

MR. MCCURRY: I don't know the answer to that because it's in the spending bill.

MR. TOIV: It doesn't reduce revenues, so it probably isn't.

MR. MCCURRY: It doesn't -- it's not a tax expenditure. It's a revenue enhancer. (Laughter.) It's a good question, Mark, but I don't -- I don't believe so. But we'd have to probably look at it more carefully.

Q The National Cancer Institute released a report today saying that radioactive fallout from nuclear testing in the 1950s and '60s, and the report states that every American alive during that time received higher doses. Does the President think the country has an obligation to help those who may have gotten cancer as a result of this testing?

MR. MCCURRY: I believe the Institute's report -- I learned of it and others learned of it here at the White House when it was reported at our staff meeting this morning, and I think that we've got some of -- some of our Cabinet agencies are actually examining the report. I can't guess at an answer to that question until I know more about the report.

Q Mike, if there is a UPS strike, would the President consider intervening in any way?

MR. MCCURRY: The President's -- let's put it this way, the President's authority limiting this strike consists of the provisions in the Taft

-Hartley Act, I believe, which have been used

-- last time when -- for the steel strike in 1952 by Eisenhower? So I think that you can guess the answer at that.

Q The United States courting of the -- Azerbaijan -

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was wondering how does that affect Armenia and Russia per se? How does it affect the relationship between the United States and Russia and Armenia?

MR. MCCURRY: Well, we still will seek through a variety of ways to maintain very close bilateral working relationships with the Russian Federation, with the government of Armenia. Our view is that our enhanced ties and our closer working relationships with governments in that region generally will contribute to stability, and there's nothing about a closer relationship between the United States and Azerbaijan that will impede any of the work we do with other governments in the Caucasus or elsewhere in Central Asia.

Q What does the President --

Q Did you not have these sessions open to TV because you didn't want to make the Armenians mad? I mean, why was it stills only?

MR. MCCURRY: That was not a factor, not a factor.

Q What happened to the Kennard nomination? One of the FCC names has gone up today?

MR. MCCURRY: Barry Toiv, you're on.

MR. TOIV: It has not happened yet.

MR. MCCURRY: It has not happened.

Q Is there a reason why it didn't go up with the other FCC Republican nominee who went up today?

MR. MCCURRY: I'm getting a lot of help from Barry here, as you can see. (Laughter.) Barry, do you want to answer that?

MR. TOIV: It wasn't ready to go.

MR. MCCURRY: It was not ready to go.

Q Do you expect that soon?

MR. MCCURRY: The Senate will be in recess until September.

We will, by the way, have a very large number of -- are these nominations we sent up or intents to nominate?

MR. TOIV: These are all intent to nominate.

MR. MCCURRY: Either nominations or intents to nominate as we kind of clear off things going into August. So be on the lookout for paper on personnel items this afternoon, although I don't anticipate that one being one.

Q Mike, was William Weld back at the White House today?

MR. MCCURRY: Did he come back in today, do you know because Podesta was gone -- not that I know, because he was working up on the Hill, but he was in close contact with Susan Brophy from the Legislative Affairs staff.

Q Has the White House ruled out the possibility of a recess appointment for him?

MR. MCCURRY: That's not under consideration.

Q Mike, on the Weld topic, is there any concern right now about the criticism that he is soft on drugs? Is that an administration concern?

MR. MCCURRY: No. Because it's not true, there's no concern. I mean, he has a very strong -- as a governor -- a very strong anti

-drug record; as a prosecutor, brought numerous cases. He is fully supportive of the administration's anti

-drug strategy, and that would not be an issue in his nomination.

Q What is the President's answer to the possible increase of U.S. involvement into the conflict resolution in Caucasus because it was discussed in meeting with Shevardnadze and I'm sure it's discussed now?

MR. MCCURRY: Well, we have indicated that we see as part of the Minsk process taking of a more engaged role with the governments of Russia and other governments in the region -- government of France too that participate with us in this process. And one thing the President is no doubt reviewing and did review with President Shevardnadze is the need to accelerate our efforts this year to try to bring some resolution to the conflict.

Q How about sending international forces like peacekeepers there?

MR. MCCURRY: The process that has been under way is one that is a diplomatic one and not one that has been an active peacekeeping type mission.

Q What is the protocol significance of billing the Aliyev visit as an official working visit as opposed to a state

visit?

MR. MCCURRY: A state -- well, in diplomatic parlance a state visit involves different types of receptions and processes. This is a very familiar and very proper process for this type of visit. Official working visit implies just what the name says -- a lot of work to be done with a country in which the United States enjoys close relations.

Q Is there a reason why it was not billed as a state visit?

MR. MCCURRY: We have only a few number of state visits any particular year, but it says nothing about the status of our relations with Azerbaijan.

Q Mike, since the -- bill didn't make it in the budget agreement, is there a new proposal by the White House to perhaps use the fast

-track measure or any other new proposals from the White House?

MR. MCCURRY: We're going to continue to work to enhance our relationships with governments in the Caribbean. The Caribbean Basin Initiative will be something we return to in the fall. There will be other opportunities on other pieces of legislation to try to push forward our proposals for enhanced relations in the region.

Q Also, do you have any idea how soon the President is going to be working on that?

MR. MCCURRY: When we return in September and once we have judged what the legislative calendar is going to be in both the Senate and the House, we'll see what opportunities are to advance it. There will be, in the period in the early fall, we believe, some opportunities to move forward on that. The President, of course, was disappointed that we were not able to reach agreement that would have allowed that to be included in the balanced budget legislation that he will sign next Tuesday.

Q What's up for the weekend? What's he doing Monday?

MR. MCCURRY: The President will give the Radio Address tomorrow. Did you --

MR. LOCKHART: We suspect golf.

MR. MCCURRY: We suspect a weekend of summer outings --

Q How about this afternoon?

MR. MCCURRY: -- nearby, that involve 18

-hole recreation

-- (laughter) -- and maybe this afternoon, too. So the President will be nearby, but probably just recreating over the weekend. Beyond the Radio Address, no other schedule that I'm aware of.

Let me do the week

-ahead while we're on it. The President on Monday morning will meet with business leaders to discuss climate change. He's got, again, a desire to consult with a wide range of constituencies and communities as we prepare for our role in the negotiations that will lead up to the conference in Kyoto, Japan, and assessing the attitude of U.S. business leaders will be an important part of that. He will do that Monday. He also speaks Monday afternoon to the National Urban League Convention. Tuesday, he signs the budget agreement; Wednesday, no public schedule; Thursday, no public schedule yet except for some fundraising dinners in the evening. Friday, no public schedule as of yet, and he plans to do the Radio Address, this says, Saturday. Is he -- next Saturday he plans to do the Radio Address here live.

Q Mike, fast

-track authority is supposed to be a high priority of the President when Congress comes back. Does he hope to have congressional action by the time he goes to South America on that?

MR. MCCURRY: Yes. Because he, among other things, would like to be in a position where he could give them better ideas of what the schedule would be for negotiating agreements for any government in the region or any entity that is going to be the subject of free trade discussions.

Q Has he gotten any commitments from Gingrich and Lott that they can accommodate that kind of timetable?

MR. MCCURRY: He has had discussions with them about it, as you know. I don't know if he's had specific conversations about timing. I think that he has pointed out the importance of fast

-track authority and that legislative action on fast

-track authority this year to both the Majority Leader and the Speaker, but it's clear from what we've been doing, such as the very good meeting the President had last night with members of the House, that we are trying to build our support in Congress for that legislation. And I don't think the President needs to remind the Speaker and the Majority Leader of the importance of that legislation. In fact, they have, in some cases, suggested to him that he's going to have to work hard to try to get it. So I think they're fully aware of what the situation in both houses is.

Q In looking ahead, the President today listed five top priorities in the fall, but he didn't include in that list campaign fundraising reform. Is there a reason that that's not one of his top priorities?

MR. MCCURRY: That was an oversight on his part because, of course, as he said in his statement yesterday, he is fully supportive of the efforts of Senators Feingold and McCain to bring that legislation to consideration in September. And that will, in fact, be something that he does consider a priority.

Q Mike, why is former leader Emanuel Kosta (phonetic) not a deportable immigrant -- United States?

MR. MCCURRY: You've got a lot of questions in your area and the NSC staff I think will help you out at the end. Anything else?

Q It's about Iran. Secretary Albright said that we should not read much into the pipeline with Iran as a diplomatic gesture. How does the President feel about this?

MR. MCCURRY: The President agrees with the sentiments expressed by the Secretary, obviously. There is a decision we had to make and, again, it relates to some of the things we were talking about with respect to Azerbaijan about the advisability of helping

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countries in that region benefit from and develop Caspian oil and gas resources. As a practical matter, this is a decision that does not -- is not aimed at benefitting the government of Iran; it benefits the government of Turkmenistan, which is going to ultimately be the beneficiary of the pipeline route. There will be some transmission costs that Iran can try to recover, but there's nothing about this that would allow independent investment in their oil and gas sector that would directly benefit the government of Iran.

Q Any change then toward Iran as the new president will assume office?

MR. MCCURRY: The President has suggested that, while intriguing, the election of Mr. Khatami is -- and now the inauguration of Mr. Khatami, which is this weekend, is an important moment, because the people of Iran in an election have spoken in an interesting manner, and what the President now desires to see are the changes in the behavior of the government of Iran, which would indicate whether or not this new government is one that can moderate the behavior of a regime that we have found highly objectionable in the past.

Q I have a follow

-up. Next week is the anniversary
of the Iran

-Libya Sanctions Act the legislation that is -- brought
this whole issue of the Iran pipeline, and under the legislation, I
believe the President has to report to Congress on the progress of
our allies, and if they're not cooperating, the threshold for
investment falls to \$20 million. Do you know if and when he plans to
do that?

MR. MCCURRY: I'd have to check on that. I don't know
the answer to that. Okay, thank you.

THE PRESS: Thank you.
END 2:13 P.M. EDT

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TO: James A. Dorskind (DORSKIND_J) (WHO)
READ:NOT READ

TO: Jennifer D. Dudley (DUDLEY_J) Autoforward to: Remote Addressee (Jennifer D.
Dudley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dorinda A. Salcido (Dorinda A. Salcido@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: James T. Edmonds (EDMONDS_J) Autoforward to: Remote Addressee (James T.
Edmonds@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) Autoforward to: Remote Addressee (Anne M.
Edwards@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) Autoforward to: Remote Addressee (Rahm
Emanuel@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Karen E. Finney (FINNEY_K) Autoforward to: Remote Addressee (Karen E.
Finney@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Ben Freeland (FREELAND_B) Autoforward to: Remote Addressee (Ben A.
Freeland@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) Autoforward to: Remote Addressee (Jeremy M.
Gaines@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Chris Gillespie (GILLESPIE_C) Autoforward to: Remote Addressee (Christopher J.
Gillespie@eop@lngtwy@eop (WHO)
READ:NOT READ

TO: Michael A. Gill (GILL_M) Autoforward to: Remote Addressee (Michael A.
Gill@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Adam W. Goldberg (GOLDBERG_A) Autoforward to: Remote Addressee (Adam W.
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) Autoforward to: Remote Addressee (Jason S.
Goldberg@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Ricardo M. Gonzales (GONZALES_R) Autoforward to: Remote Addressee (Ricardo M.
Gonzales@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Wendy E. Gray (GRAY_W) (NSC)
READ:NOT READ

TO: John Gribben (GRIBBEN_J) (OMB)
READ: 4-AUG-1997 08:42:03.82

TO: Donald Goldberg (Goldberg_D) Autoforward to: Remote Addressee (Donald
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:12-AUG-1997 15:31:43.72

TO: Richard Hayes (HAYES_R) Autoforward to: Remote Addressee (Richard
Hayes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Russell W. Horwitz (HORWITZ_R) Autoforward to: Remote Addressee (Russell W.
Horwitz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thomas D. Janenda (JANENDA_T) Autoforward to: Remote Addressee (Thomas D.
Janenda@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian J. Johnson (JOHNSON_BJ) Autoforward to: Remote Addressee (Brian J.
Johnson@eop@lngtwy@eopmrx)
READ:NOT READ

TO: David T. Johnson (JOHNSON_DT) Autoforward to: Remote Addressee (david t.
johnson@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Wayne C. Johnson (JOHNSON_WC) (OA)
READ: 6-AUG-1997 13:06:28.20

TO: Michele Jolin (JOLIN_M) Autoforward to: Remote Addressee (Michele
Jolin@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James M. Teague (James M. Teague@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Julia R. Green (Julia R. Green@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: David E. Kalbaugh (KALBAUGH_D) Autoforward to: Remote Addressee (David E.
Kalbaugh@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: William R. Kincaid (KINCAID_W) Autoforward to: Remote Addressee (William R.
Kincaid@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angus S. King (KING_A) Autoforward to: Remote Addressee (Angus S.
King@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Joshua A. King (KING_J) Autoforward to: Remote Addressee (Joshua A.
King@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nick B. Kirkhorn (KIRKHORN_N) Autoforward to: Remote Addressee (Nicholas B.
Kirkhorn@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Catherine T. Kitchen (KITCHEN_C) Autoforward to: Remote Addressee (Catherine T.
Kitchen@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: James Kohlenberger (KOHLEN_J) Autoforward to: Remote Addressee (Jim
Kohlenberger@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Heidi Kukis (KUKIS_H) Autoforward to: Remote Addressee (Heidi
Kukis@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Sara Latham (LATHAM_S) Autoforward to: Remote Addressee (Sara M.
Latham@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) Autoforward to: Remote Addressee (G N.
Lattimore@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher J. Lavery (LAVERY_C) Autoforward to: Remote Addressee (Christopher J.
Lavery@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Anne H. Lewis (LEWIS_AH) Autoforward to: Remote Addressee (Anne H.
Lewis@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Cynthia J. Lizik (LIZIK_C) (OA)
READ:14-AUG-1997 09:30:52.30

TO: Joseph P. Lockhart (LOCKHART_J) Autoforward to: Remote Addressee (Joseph P.
Lockhart@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (Laura D. Schwartz@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Michael D. Malone (MALONE_M) Autoforward to: Remote Addressee (Michael D.
Malone@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura S. Marcus (MARCUS_LS) Autoforward to: Remote Addressee (Laura S.
Marcus@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Doris O. Matsui (MATSUI_D) Autoforward to: Remote Addressee (Doris O.
Matsui@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Andrew Mayock (MAYOCK_A) Autoforward to: Remote Addressee (Andrew J.
Mayock@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) Autoforward to: Remote Addressee (Anne E.
McGuire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cheryl D. Mills (MILLS_C) Autoforward to: Remote Addressee (Cheryl D.
Mills@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Megan C. Moloney (MOLONEY_M) Autoforward to: Remote Addressee (Megan C.
Moloney@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kevin Moran (MORAN_K1) Autoforward to: Remote Addressee (Kevin
Moran@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan Murchinson (MURCHINSON_J) Autoforward to: Remote Addressee (Jonathan
Murchinson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Steven J. Naplan (NAPLAN_S) Autoforward to: Remote Addressee (steven j.
naplan@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Elizabeth R. Newman (NEWMAN_E) Autoforward to: Remote Addressee (Elizabeth R.
Newman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Neera Tanden (Neera Tanden@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Peter Orszag (ORSZAG_P) Autoforward to: Remote Addressee (Peter R.
Orszag@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Kristen E. Panerali (PANERALI_K) Autoforward to: Remote Addressee (Kristen E.
Panerali@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Carol Parmelee (PARMELEE_C) Autoforward to: Remote Addressee (Carole A.
Parmelee@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sally P. Paxton (PAXTON_S) Autoforward to: Remote Addressee (Sally P.
Paxton@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Payne (PAYNE_J) Autoforward to: Remote Addressee (Julia M.
Payne@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) Autoforward to: Remote Addressee (Jonathan
Prince@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter O'Keefe (Peter O'Keefe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (RABNER_N) Autoforward to: Remote Addressee (Nicole R.
Rabner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Victoria Radd (RADD_V) Autoforward to: Remote Addressee (Victoria
Radd@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Renee C. Riley (RILEY_R) (OA)
READ:NOT READ

TO: Jonathan P. Robell (ROBELL_J) Autoforward to: Remote Addressee (Jonathan P.
Robell@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Charles Ruff (RUFF_C) Autoforward to: Remote Addressee (Charles F.
Ruff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia N. Rustique (RUSTIQUE_V) Autoforward to: Remote Addressee (Virginia N.
Rustique@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Evan Ryan (RYAN_E) Autoforward to: Remote Addressee (Evan
Ryan@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. Timothy Saunders (SAUNDERS_GT) Autoforward to: Remote Addressee (G. Timothy
Saunders@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Stuart Schear (SCHEAR_S) Autoforward to: Remote Addressee (Stuart
Schear@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Jill A. Schuker (SCHUKER_J) Autoforward to: Steven J. Naplan (NAPLAN_S) (NSC)
READ: 3-AUG-1997 14:02:08.72

TO: Brooks E. Scoville (SCOVILLE_B) Autoforward to: Remote Addressee (Brooks
Scoville@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Ruby Shamir (SHAMIR_R) Autoforward to: Remote Addressee (Ruby
Shamir@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Douglas S. Sheorn (SHEORN_D) Autoforward to: Remote Addressee (Douglas S.
Sheorn@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June Shih (SHIH_J) Autoforward to: Remote Addressee (June
Shih@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: David Shipley (SHIPLEY_D) Autoforward to: Remote Addressee (David
Shipley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robert M. Shireman (SHIREMAN_R) Autoforward to: Remote Addressee (Robert M.
Shireman@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jake Siewert (SIEWERT_J) Autoforward to: Remote Addressee (Jake
Siewert@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) Autoforward to: Remote Addressee (Joshua
Silverman@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_B2) Autoforward to: Remote Addressee (Brian D.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_BD) (OMB)
READ:NOT READ

TO: Craig T. Smith (SMITH_CT) Autoforward to: Remote Addressee (Craig T.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Richard Socarides (SOCARIDES_R) Autoforward to: Remote Addressee (Richard
Socarides@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Douglas B. Sosnik (SOSNIK_D) Autoforward to: Remote Addressee (Douglas B.
Sosnik@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Todd Stern (STERN_T) Autoforward to: Remote Addressee (Todd
Stern@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Diane A. Stumpf (STUMPF_D) (DON)
READ: 4-AUG-1997 15:38:11.41

TO: Mike Sullivan (SULLIVAN_M) Autoforward to: Remote Addressee (Michael J.
Sullivan@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jonathan Schnur (Schnur_J) Autoforward to: Remote Addressee (Jonathan H.
Schnur@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Sylvia M. Mathews (Sylvia M. Mathews@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) Autoforward to: Remote Addressee (Lisa
Tamagni@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia M. Terzano (TERZAN_V) Autoforward to: Remote Addressee (Virginia M.
Terzano@ovp@eop@lngtwy@eopm (VPO)
READ:NOT READ

TO: Terri I. Tingen (TINGEN_T) Autoforward to: Remote Addressee (terri
tingen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Barry J. Toiv (TOIV_B) Autoforward to: Remote Addressee (Barry J.
Toiv@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jodie R. Torkelson (TORKELOSON_J) Autoforward to: Remote Addressee (Jodie R.
Torkelson@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Serena C. Torrey (TORREY_S) Autoforward to: Remote Addressee (Serena C.
Torrey@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June G. Turner (TURNER_J) Autoforward to: Remote Addressee (June G.
Turner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dag Vega (VEGA_D) (WHO)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@ovp@eop@lngtwy@eopmrx (VPO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) Autoforward to: Remote Addressee (Michael
Waldman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angelina Walker (WALKER_L) Autoforward to: Remote Addressee (Angelina
Walker@ovp@eop@lngtwy@eopmrx) (VPO)
READ:NOT READ

TO: Robert S. Weiner (WEINER_R) (DON)
READ:NOT READ

TO: Lowell Weiss (WEISS_L) Autoforward to: Remote Addressee (Lowell A.
Weiss@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Teresa Wildman (WILDMAN_T) Autoforward to: Remote Addressee (Teresa
Wildman@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)
READ: 4-AUG-1997 09:13:12.66

TO: Remote Addressee (glynmm@panet.us-state.gov@INET)
READ:NOT READ

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

TO: Remote Addressee (1=US@2=WESTERN
UNION@3=@5=ATT.COM@*ELN\62955104@MRX@EOPMRX)
READ:NOT READ

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

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

TO: Manager Infomgt (INFOMGT) (SYS)
READ:NOT READ

TO: Remote Addressee (newsdesk@usnewswire.com@INET)
READ:NOT READ

TO: Remote Addressee (usnwire@access.digex.com@INET)
READ:NOT READ

TEXT:
PRINTER FONT 10_POINT_COURIER
BOTTOM ODD
MORE

PRINTER FONT 12_POINT_COURIER
THE WHITE HOUSE

For Immediate Release

August 2, 1997

REMARKS BY THE PRESIDENT
IN WEEKLY RADIO ADDRESS TO THE NATION

10:06 A.M. EDT

THE PRESIDENT: Good morning. This week we reached agreement on a bipartisan balanced budget that honors our values, invests in our people, and gives middle class families a well

-deserved tax cut. With overwhelming bipartisan support in both houses, the Congress has sent me this measure, and next week I will sign it into law. This is an historic achievement -- a plan that will strengthen our economy and prepare our people for the challenges of the 21st century.

There has been a lot of cheering here in Washington, but there has been cheering on Main Street as well. For the real impact of this budget will be in the lives, the dreams, and the futures of families all across America.

Today I want to talk to you about how this balanced budget will affect millions of American families. I have asked some of them to join me here in the Oval Office today.

For four and a half years, our goal has been to keep the American dream alive, and to expand opportunity for all Americans who would work for it. In 1993, when I took office, our economy was not creating that opportunity, and I vowed to change our nation's course. We put in place a new economic approach -- cutting the deficit to create the conditions for growth; investing in the education and health of our people, so that all Americans could reap the rewards of that growth; and opening foreign markets to American goods and services through tough trade agreements.

That strategy relied on tough cuts and hard choices. It produced four straight years of deficit cuts and slashed our deficit by 80 percent. We had well begun the work of putting our fiscal house in order before this budget agreement. And in a real sense, what was done back in 1993 made it possible. The low interest rates we've enjoyed have produced economic expansion, as well as real benefits for the middle class in the form of lower car payments, mortgages, and credit card rates. Now, we learned yesterday that unemployment is at its lowest in 24 years. The economy created 316,000 new jobs last month alone. Investment is up, and inflation is low. And family incomes finally have begun to rise.

Our new balanced budget law gives us a chance to make sure all Americans have the tools to prosper in the hopeful new century ahead. For parents who work at home, there is an increase in the home office deduction. For family farmers who buy their own health insurance, there is a provision allowing them to deduct their health costs, just like other small businesspeople. For parents

whose children go to schools that are crumbling, this budget helps them and their communities to repair their schools or build new ones.

BOTTOM EVEN MORE

Most important, in its core provisions, this balanced budget will help working families live up to their responsibilities -- to their children, their parents, and their communities.

TOP EVEN - \p -

BOTTOM ALL

One family has three children. He's a carpenter; she cares for his mother, who lives at home with them. The \$1500 a year they will receive from the child tax credit will be the biggest increase in take

-home pay they have seen for some time. In another family, the mother wants to go back to school, but can't afford to until her own children finish college. The new Hope Scholarship tax credit would make it possible for her to live out her dreams and return to school. Another mother works full time, but has no health insurance for her two children, one of whom has a heart ailment. She was told she works too many hours to receive Medicaid. This budget invests \$24 billion in children's health care, so that parents like her can have greater peace of mind, knowing their children can get health insurance.

This balanced budget is a victory for every parent who wants a good education for his or her children, for every child in our hardest

-pressed households who needs health care, for every family working to build a secure future. After years in which wages did not rise as fast as they should, this tax cut will clearly provide a direct increase in take

-home pay for millions of families. It is the best investment we can make in America's future. It is the achievement of a generation, and all Americans should be proud.

This is a moment of profound hope for our country. As the new century approaches, we have come together to conquer one of our most persistent problems -- and we've done it in a way that benefits all our people and our future. I hope that's how we'll meet all our challenges in the years to come, because when Congress and the President put aside partisanship and find common ground, when they act together for the common good, America can meet any goal and master any challenge. Thanks for listening.

END 10:12 A.M. EDT

**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: Default

Creation Date: 1997-08-03

Subject: Grad student taxes

Creator: HARTLINE@CEBAF.GOV
HARTLINE@CEBAF.GOV [OSTP]

**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: 2017-1076-F

Bucket: Default

Creation Date: 1997-08-03

Subject: Update -- ED Initiatives July 18, 1997

Creator: Kirk_Winters@ed.gov Kirk_Winters@ed.gov [UNKNOWN]

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

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

CREATION DATE/TIME: 4-AUG-1997 16:18:17.63

SUBJECT: 1997-08/04 remarks by President to Nat'l Urban League

TO: Julie E. Mason (MASON_J) Autoforward to: Remote Addressee (Julie E.
Mason@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) Autoforward to: Remote Addressee (April
Mellody@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Darby Stott (STOTT_D) Autoforward to: Remote Addressee (Darby E.
Stott@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Margaret M. Suntum (SUNTUM_M) (WHO)
READ: 4-AUG-1997 16:18:27.03

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ:NOT READ

TO: Julia R. Green (GREEN_J) Autoforward to: Remote Addressee (Julia R.
Green@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) Autoforward to: Remote Addressee (Lorraine L.
Wytkind@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) Autoforward to: Remote Addressee (Laura D.
Schwartz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Remote Addressee (backup@wilson.ai.mit.edu@INET)
READ:NOT READ

TO: Remote Addressee (wh-outbox-distr@clinton.ai.mit.edu@INET)
READ:NOT READ

TO: Lori E. Abrams (ABRAMS_L) Autoforward to: Remote Addressee (Lori E.
Abrams@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lori L. Anderson (ANDERSON_L) Autoforward to: Remote Addressee (Lori
Anderson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brenda M. Anders (ANDERS_B) Autoforward to: Remote Addressee (Brenda M.

Anders@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Eli G. Attie (ATTIE_E) Autoforward to: Remote Addressee (Eli G.
Attie@eop@lngtwy@eopmrx) (VPO)
READ:NOT READ

TO: Robin J. Bachman (BACHMAN_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kris Balderston (BALDERSTON_K) (WHO)
READ:NOT READ

TO: Karen L. Barbuschak (BARBUSCHAK_K) (OA)
READ: 5-AUG-1997 07:47:05.69

TO: Beverly J. Barnes (BARNES_BJ) Autoforward to: Remote Addressee (Beverly J.
Barnes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Mark H. Bartholomew (BARTHOLOME_M) (OA)
READ: 5-AUG-1997 09:31:19.27

TO: Todd A. Bartholow (BARTHOLOW_T) (OA)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) Autoforward to: Remote Addressee (David S.
Beaubaire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marsha E. Berry (BERRY_ME) Autoforward to: Remote Addressee (Marsha E.
Berry@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Antony J. Blinken (BLINKEN_A) Autoforward to: Remote Addressee (antony j.
blinken@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Lanny A. Breuer (BREUER_L) Autoforward to: Remote Addressee (Lanny A.
Breuer@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robin Bachman (Bachman_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Phillip M. Caplan (CAPLAN_P) (WHO)
READ: 4-AUG-1997 16:36:18.02

TO: Laura Capps (CAPPS_L) Autoforward to: Remote Addressee (Laura
Capps@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W.
Cerrell@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

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

TO: Michelle Crisci (CRISCI_M) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) Autoforward to: Remote Addressee (Carolyn
Curiel@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cutler, Lynn (CUTLER_L) ()
READ:NOT READ

TO: Suzanne E. Dale (DALE_S) Autoforward to: Remote Addressee (Suzanne
Dale@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lanny Davis (DAVIS_L) Autoforward to: Remote Addressee (Lanny J.
Davis@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marilyn DiGiacobbe (DIGIACOBBE_M) Autoforward to: Remote Addressee (Marilyn
DiGiacobbe@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James A. Dorskind (DORSKIND_J) (WHO)
READ:NOT READ

TO: Jennifer D. Dudley (DUDLEY_J) Autoforward to: Remote Addressee (Jennifer D.
Dudley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dorinda A. Salcido (Dorinda A. Salcido@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: James T. Edmonds (EDMONDS_J) Autoforward to: Remote Addressee (James T.
Edmonds@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) Autoforward to: Remote Addressee (Anne M.
Edwards@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) Autoforward to: Remote Addressee (Rahm
Emanuel@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Karen E. Finney (FINNEY_K) Autoforward to: Remote Addressee (Karen E.
Finney@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Ben Freeland (FREELAND_B) Autoforward to: Remote Addressee (Ben A.
Freeland@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) Autoforward to: Remote Addressee (Jeremy M.
Gaines@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Chris Gillespie (GILLESPIE_C) Autoforward to: Remote Addressee (Christopher J.
Gillespie@eop@lngtwy@eop (WHO)
READ:NOT READ

TO: Michael A. Gill (GILL_M) Autoforward to: Remote Addressee (Michael A.
Gill@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Adam W. Goldberg (GOLDBERG_A) Autoforward to: Remote Addressee (Adam W.
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) Autoforward to: Remote Addressee (Jason S.
Goldberg@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Ricardo M. Gonzales (GONZALES_R) Autoforward to: Remote Addressee (Ricardo M.
Gonzales@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Wendy E. Gray (GRAY_W) (NSC)
READ:NOT READ

TO: John Gribben (GRIBBEN_J) (OMB)
READ: 4-AUG-1997 16:20:31.85

TO: Donald Goldberg (Goldberg_D) Autoforward to: Remote Addressee (Donald
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ: 7-AUG-1997 18:18:18.79

TO: Richard Hayes (HAYES_R) Autoforward to: Remote Addressee (Richard
Hayes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Russell W. Horwitz (HORWITZ_R) Autoforward to: Remote Addressee (Russell W.
Horwitz@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thomas D. Janenda (JANENDA_T) Autoforward to: Remote Addressee (Thomas D.
Janenda@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian J. Johnson (JOHNSON_BJ) Autoforward to: Remote Addressee (Brian J.
Johnson@eop@lngtwy@eopmrx)
READ:NOT READ

TO: David T. Johnson (JOHNSON_DT) Autoforward to: Remote Addressee (david t.
johnson@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Wayne C. Johnson (JOHNSON_WC) (OA)
READ: 6-AUG-1997 13:06:45.97

TO: Michele Jolin (JOLIN_M) Autoforward to: Remote Addressee (Michele
Jolin@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James M. Teague (James M. Teague@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Julia R. Green (Julia R. Green@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: David E. Kalbaugh (KALBAUGH_D) Autoforward to: Remote Addressee (David E.
Kalbaugh@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: William R. Kincaid (KINCAID_W) Autoforward to: Remote Addressee (William R.
Kincaid@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angus S. King (KING_A) Autoforward to: Remote Addressee (Angus S.
King@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Joshua A. King (KING_J) Autoforward to: Remote Addressee (Joshua A.
King@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nick B. Kirkhorn (KIRKHORN_N) Autoforward to: Remote Addressee (Nicholas B.
Kirkhorn@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Catherine T. Kitchen (KITCHEN_C) Autoforward to: Remote Addressee (Catherine T.
Kitchen@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: James Kohlenberger (KOHLEN_J) Autoforward to: Remote Addressee (Jim
Kohlenberger@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Heidi Kukis (KUKIS_H) Autoforward to: Remote Addressee (Heidi
Kukis@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Sara Latham (LATHAM_S) Autoforward to: Remote Addressee (Sara M.
Latham@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) Autoforward to: Remote Addressee (G N.
Lattimore@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher J. Lavery (LAVERY_C) Autoforward to: Remote Addressee (Christopher J.
Lavery@eop@lngtwy@eopmrx (WHO)
READ:NOT READ

TO: Anne H. Lewis (LEWIS_AH) Autoforward to: Remote Addressee (Anne H.
Lewis@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Cynthia J. Lizik (LIZIK_C) (OA)
READ:14-AUG-1997 09:33:47.03

TO: Joseph P. Lockhart (LOCKHART_J) Autoforward to: Remote Addressee (Joseph P.
Lockhart@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (Laura D. Schwartz@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Michael D. Malone (MALONE_M) Autoforward to: Remote Addressee (Michael D.
Malone@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura S. Marcus (MARCUS_LS) Autoforward to: Remote Addressee (Laura S.
Marcus@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Doris O. Matsui (MATSUI_D) Autoforward to: Remote Addressee (Doris O.
Matsui@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Andrew Mayock (MAYOCK_A) Autoforward to: Remote Addressee (Andrew J.
Mayock@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) Autoforward to: Remote Addressee (Anne E.
McGuire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cheryl D. Mills (MILLS_C) Autoforward to: Remote Addressee (Cheryl D.
Mills@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Megan C. Moloney (MOLONEY_M) Autoforward to: Remote Addressee (Megan C.

Moloney@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kevin Moran (MORAN_KI) Autoforward to: Remote Addressee (Kevin
Moran@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan Murchinson (MURCHINSON_J) Autoforward to: Remote Addressee (Jonathan
Murchinson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Steven J. Naplan (NAPLAN_S) Autoforward to: Remote Addressee (steven j.
naplan@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Elizabeth R. Newman (NEWMAN_E) Autoforward to: Remote Addressee (Elizabeth R.
Newman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Neera Tanden (Neera Tanden@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Peter Orszag (ORSZAG_P) Autoforward to: Remote Addressee (Peter R.
Orszag@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Kristen E. Panerali (PANERALI_K) Autoforward to: Remote Addressee (Kristen E.
Panerali@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Carol Parmelee (PARMELEE_C) Autoforward to: Remote Addressee (Carole A.
Parmelee@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sally P. Paxton (PAXTON_S) Autoforward to: Remote Addressee (Sally P.
Paxton@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Payne (PAYNE_J) Autoforward to: Remote Addressee (Julia M.
Payne@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) Autoforward to: Remote Addressee (Jonathan
Prince@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter O'Keefe (Peter O'Keefe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (RABNER_N) Autoforward to: Remote Addressee (Nicole R.
Rabner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Victoria Radd (RADD_V) Autoforward to: Remote Addressee (Victoria

Radd@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Renee C. Riley (RILEY_R) (OA)
READ:NOT READ

TO: Jonathan P. Robell (ROBELL_J) Autoforward to: Remote Addressee (Jonathan P.
Robell@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Charles Ruff (RUFF_C) Autoforward to: Remote Addressee (Charles F.
Ruff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia N. Rustique (RUSTIQUE_V) Autoforward to: Remote Addressee (Virginia N.
Rustique@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Evan Ryan (RYAN_E) Autoforward to: Remote Addressee (Evan
Ryan@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: G. Timothy Saunders (SAUNDERS_GT) Autoforward to: Remote Addressee (G. Timothy
Saunders@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Stuart Schear (SCHEAR_S) Autoforward to: Remote Addressee (Stuart
Schear@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Jill A. Schuker (SCHUKER_J) Autoforward to: Steven J. Naplan (NAPLAN_S) (NSC)
READ: 5-AUG-1997 09:20:44.47

TO: Brooks E. Scoville (SCOVILLE_B) Autoforward to: Remote Addressee (Brooks
Scoville@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Ruby Shamir (SHAMIR_R) Autoforward to: Remote Addressee (Ruby
Shamir@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Douglas S. Sheorn (SHEORN_D) Autoforward to: Remote Addressee (Douglas S.
Sheorn@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June Shih (SHIH_J) Autoforward to: Remote Addressee (June
Shih@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: David Shipley (SHIPLEY_D) Autoforward to: Remote Addressee (David
Shipley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robert M. Shireman (SHIREMAN_R) Autoforward to: Remote Addressee (Robert M.

Shireman@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jake Siewert (SIEWERT_J) Autoforward to: Remote Addressee (Jake
Siewert@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) Autoforward to: Remote Addressee (Joshua
Silverman@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_B2) Autoforward to: Remote Addressee (Brian D.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_BD) (OMB)
READ:NOT READ

TO: Craig T. Smith (SMITH_CT) Autoforward to: Remote Addressee (Craig T.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Richard Socarides (SOCARIDES_R) Autoforward to: Remote Addressee (Richard
Socarides@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Douglas B. Sosnik (SOSNIK_D) Autoforward to: Remote Addressee (Douglas B.
Sosnik@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Todd Stern (STERN_T) Autoforward to: Remote Addressee (Todd
Stern@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Diane A. Stumpf (STUMPF_D) (DON)
READ: 5-AUG-1997 14:35:59.61

TO: Mike Sullivan (SULLIVAN_M) Autoforward to: Remote Addressee (Michael J.
Sullivan@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jonathan Schnur (Schnur_J) Autoforward to: Remote Addressee (Jonathan H.
Schnur@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TO: Sylvia M. Mathews (Sylvia M. Mathews@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) Autoforward to: Remote Addressee (Lisa
Tamagni@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia M. Terzano (TERZAN_V) Autoforward to: Remote Addressee (Virginia M.
Terzano@ovp@eop@lngtwy@eopm (VPO)

READ:NOT READ

TO: Terri I. Tingen (TINGEN_T) Autoforward to: Remote Addressee (terri
tingen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Barry J. Toiv (TOIV_B) Autoforward to: Remote Addressee (Barry J.
Toiv@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jodie R. Torkelson (TORKELSON_J) Autoforward to: Remote Addressee (Jodie R.
Torkelson@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Serena C. Torrey (TORREY_S) Autoforward to: Remote Addressee (Serena C.
Torrey@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June G. Turner (TURNER_J) Autoforward to: Remote Addressee (June G.
Turner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dag Vega (VEGA_D) (WHO)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A.
Voles@ovp@eop@lngtwy@eopmrx) (VPO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) Autoforward to: Remote Addressee (Michael
Waldman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Angelina Walker (WALKER_L) Autoforward to: Remote Addressee (Angelina
Walker@ovp@eop@lngtwy@eopmrx) (VPO)
READ:NOT READ

TO: Robert S. Weiner (WEINER_R) (DON)
READ:NOT READ

TO: Lowell Weiss (WEISS_L) Autoforward to: Remote Addressee (Lowell A.
Weiss@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Teresa Wildman (WILDMAN_T) Autoforward to: Remote Addressee (Teresa
Wildman@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)
READ: 4-AUG-1997 16:37:22.93

TO: Remote Addressee (glynnm@panet.us-state.gov@INET)
READ:NOT READ

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

TO: Remote Addressee (1=US@2=WESTERN
UNION@3=@5=ATT.COM@*ELN\62955104@MRX@EOPMRX)
READ:NOT READ

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

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

TO: Manager Infomgt (INFOMGT) (SYS)
READ:NOT READ

TO: Remote Addressee (newsdesk@usnewswire.com@INET)
READ:NOT READ

TO: Remote Addressee (usnwire@access.digex.com@INET)
READ:NOT READ

TEXT:

PRINTER FONT 12_POINT_COURIER
THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 4, 1997

REMARKS BY THE PRESIDENT
TO THE NATIONAL URBAN LEAGUE

Washington Convention Center
Washington, D.C.

3:40 P.M. EDT

THE PRESIDENT: Thank you very much. Chairman Linen, and members of the board, Hugh Price. Hugh, I want to thank you for that introduction. I hope somebody got that on tape. (Laughter.) was embarrassed there for a while it was so nice. (Laughter.)

Let me say to all of you what you already know, which is that Hugh Price has been a breath of fresh air on the Washington scene. He has been a brilliant leader for the Urban League, and I look forward to his leadership for many years to come. He's not as

term

-limited as I am, I don't think. So we ought to keep him around for a while. I think he's been great. (Applause.)

Congressman Payne and ladies and gentlemen, I have many things for which to be grateful to the Urban League. The two that come most immediately to mind are Vernon Jordan and Ron Brown. And I thank you for that. (Applause.) And I'm delighted to see Alma here -- thank you. She's already heard her quota of speeches by me, so this is great forbearance I think.

When I was governor of Arkansas, I had the privilege of working with your local chapters. I saw firsthand how the Urban League changed the lives and the minds of people. And I want to say a special word of thanks for the support that you have given the work that we are now engaged in here for at least a year with regard to our initiative on racial reconciliation. It means a lot to me, but it also sends a strong signal to Americans that we can no longer afford to ignore the continuing racial divisions that undermine our greatness. (Applause.)

I might just say parenthetically what many of you already know, that this year we're spending -- and with a distinguished advisory board headed by Dr. John Hope Franklin -- is a year that will deal with the unfinished business of the work of reconciling and moving forward on an equal basis African Americans and white Americans. But it also must look forward to what America is becoming.

Today we have only one state, Hawaii, which has no racial majority. But in just a few years, within a decade, California will have no racial majority. That's over 13 percent of our population. And within 30 to 40 years, unless there is a dramatic change in our population, there will be no single race in the majority in America. We have always said our country is about ideas and ideals and principles. We're about to find out. (Laughter.) We're about to find out. And we had best be ready for it.

TOP EVEN

- \p -

BOTTOM EVEN

MORE

In this global society of ours, it is an incredible advantage if we can not only get along and tolerate each other, but actually celebrate our differences and be united as one America. And I would say in that regard, I would like to thank all the business people and others who are supporters and members of and active in the Urban League who have reached across racial lines to try to build that one America. I am grateful to you as well, and I thank you very much. (Applause.)

Whitney Young once said, "It's better to be prepared for an opportunity and not have one than to have an opportunity and not

be prepared." Unfortunately, a lot of Americans for too long knew about being prepared for an opportunity and not having one. I come here today to say we have an opportunity and we must be prepared.

Tomorrow I will sign the balanced budget legislation into law. We have already reduced the size of the government's deficit by 80 percent from the time I took office, but we have done it while investing more, not less, in the education of our children and in the revitalization of our urban areas and in our preparation for tomorrow through research and development.

Tomorrow's budget I want to talk about a minute because it represents unprecedented opportunities and the means for all Americans to seize them. Already, unemployment and inflation are at their lowest points in a generation. Our neighborhoods are freeing themselves from the fearful grasp of crime and violence, more than in years. Last year the drop in violent crime in the United States was the largest in 35 years. The African American unemployment rate is the lowest in more than 20 years. We've had a historic drop in the number of people dependent upon public assistance for their livelihoods. But now we are going to try to finish the job.

Our historic balanced budget is an empowerment budget, preparing Americans for the 21st century. I saw what Hugh Price said here yesterday about economic power being the last frontier, and I have seen Mr. Brach's new magazine cover, which I understand is sold out already, but I agree. We have to be about the business of giving people the power to make the most of their own lives and their families and their neighborhoods and their communities. That is the last frontier.

This budget will give every American willing to work hard and take responsibility that kind of opportunity. It honors our values by strengthening our families, investing in the education and health care of our children, moving more people from welfare to work, continuing to make our communities more livable. It is the strongest budget for our cities in over a generation. It keeps America firmly on the course of bringing new businesses, good jobs and hopes back to our most distressed urban areas. It will help us to ensure that the blighted downtowns of the late 20th century do not follow us into the 21st.

It will instead give them the chance to buzz again with energy and optimism, generated by Americans working hard, teaching children, raising families, and preparing for the future.

Beyond the right kinds of investments in this budget, we've fought for and won the kinds of tax cuts and credits that will truly benefit working families and communities. This balanced budget will keep interest rates down and investment up. Already, what we have been able to do has produced 13 million jobs in four and a half years. And I am proud of that, but we have more to do.

In this budget, we fought for and won \$24 billion to bring health care to as many as 5 million children who don't have health insurance today. (Applause.) This is the single, largest

investment by the national government in health care since the passage of the Medicaid program in 1965. (Applause.)

TOP ODD

- \p -

BOTTOM ODD

MORE

Today, there are about 10 million children who don't have health insurance. Interestingly enough, if the 3 million kids who are out there today who are eligible for Medicaid could simply be identified and enrolled, and then we could use this money to reach 5 million more, the children of working parents who don't have health insurance on the job, we would be almost 80 percent of the way home to providing health insurance for all American children. I hope you will help us to identify those children. And we'll do our best to make sure that the programs work. They'll be administered state by state. And the Urban League is organized state by state -- we need you out there working state by state to make sure this program reaches children.

But we can make a profound difference in the lives not only of these children, but their families, by simply guaranteeing that they will have the health insurance that they ought to have for the hearing test, the vision test, to go to the dentist, to see the doctor, and if, God forbid, they needed to go to the hospital. It's a big deal, as my daughter used to say.

We fought for and won a \$500

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-child tax credit to help families -- millions of them -- and especially those struggling to lift themselves beyond poverty and raise their children well on modest salaries. That includes firefighters, police officers, nurses, teachers, technicians, people who deserve all the help they can get to raise their children as they work hard to serve us and make America a better place.

We fought for and won the most significant new investment in education in over 30 years and the largest increase in investment in helping people to on to college since the G.I. Bill passed 50 years ago. (Applause.) Through expanded Pell Grants, the biggest in two decades, tuition tax deductions for the cost of all four years of college and graduate school, and going back to school for adults, education IRAs and our HOPE Scholarship which will open the doors of college to all Americans for at least two years after high school, we are establishing a system in which every American who is willing to study hard will be able to go on to college and to thrive in our new economy. It is very important. (Applause.)

And I might emphasize that this will be especially important as we try to bring America together in this new

knowledge

-based economy. The African American high school graduation rate is now, thankfully, almost as high as the high school graduation rate for white Americans. But the rate of college graduation still shows a great differential, and you can see it in the unemployment rates, you can see it in the income rates. We owe it to the young people coming up to make sure that everybody, including people already out there in the work force, who is willing to go back to school and able to go back to school should not be barred from going back to school for financial means. This budget will make sure that they will not be. (Applause.)

We have fought to more than triple the number of empowerment zones from nine to 31 across America, to bring businesses and jobs back to downtown areas with a combination of tax credits that will leverage billions of dollars in new private investment over the next five years.

I have seen this working in communities all across America. I have seen what happened in Detroit. I have watched the unemployment rate be cut in half in four years when the private sector works with vigorous community leaders and takes maximum advantage of the incentives in the empowerment zones. And we have to keep going until that kind of investment is present everywhere. And I might say, there are even more generous incentives to invest in the Nation's Capital to bring it back and bring it back to where it ought to be -- (applause) -- where people want to live here, want to go to school here, and feel safe on the streets, and we know we've got a functioning economy. And I want to assure you that I'm going to keep working until Washington, D.C. is what the people of Washington and the people of the United States deserve for it to be. (Applause.)

We worked to provide tax incentives to businesses who agree to clean up and redevelop some 14,000 brownfields. Now, that's a term of art. Those are environmentally

-contaminated, but otherwise attractive business sites in urban areas. Most business people simply cannot afford the risk or the costs on their own. This budget will give them the incentives necessary to do it. Our cities are full of places which would be good for new investments were it not for the environmental liability staring investors in the face. This will help to lift that burden and bring investment back to our inner cities. (Applause.)

Finally, we're working to more than double our investments in this budget in community development financial institutions, the community banks that make loans to individual entrepreneurs to start businesses in areas where they wouldn't be started otherwise -- often the loans being made to people who couldn't get the loans otherwise.

When I became President, I found that our country through our foreign aid programs had been setting up these banks for small entrepreneurs in poor countries for years, but we weren't doing

the same things for the American people who had something to contribute to their own economies in the neighborhoods of America. We're going to keep going until we've got a vigorous community development bank in every neighborhood in America. (Applause.)

I might say in deference to one of your board members, I especially appreciate the support we have received from Nations Bank in the community bank effort. They have made a huge difference to the acceptability and the viability in this country. (Applause.)

This budget will continue our efforts to fund 100,000 community police officers walking the beat, making our communities safe, helping our kids to stay out of trouble. Crime has dropped for five years in a row. And mayor after mayor after mayor tells me the more people want to live in our cities and feel good about living in our cities, the more they will invest in our cities and put people to work there.

Finally, let me say that last summer when I signed the welfare bill into law, I promised to work to fix the severe shortcomings of the bill -- to eliminate aspects of the law that had nothing whatever to do with welfare reform, and to find ways to encourage more employers to hire people from welfare rolls. This budget makes good on those promises. It restores both Medicaid and SSI benefits to the legal immigrants who work hard and pay taxes in our country. They should not be punished if they get hurt through no fault of their own. They ought to be entitled to benefits they pay taxes for like everybody else. (Applause.) It makes sure that disabled children who are now no longer defined as disabled under the Supplemental Security Income law will not lose their Medicaid coverage. And it expands food stamp benefits for unemployed citizens trying as hard as they can to keep jobs and find jobs.

And let me say why this is important. It's easy in the welfare debate, it's easy in the poverty debate, to forget about the younger, single men, because they do not get welfare. But we need them very badly -- to be educated, to be trained, to be in the work force, to be in strong families, to be a constructive role in our future. Sometimes, the only public benefits they get are from food stamps. That may be the only incentive we have to involve them in education, in training, in job placement programs. So restoring these benefits is very important.

And for all of you who care a lot about the condition of poor people and helping them to become more independent and go to work, I say, yes, by all means, we have to move every able

-bodied off

welfare; but let's not forget about all those young, single men out there who need to be a part of America's positive future who cannot be on welfare, but can be standing on the street, and ought to be at school or at work and building good families and contributing to our future. (Applause.)

This budget also provides \$3 billion to the cities to help welfare recipients find and keep good

-paying jobs -- even more money to go with child care and job training and job placement -- \$3 billion more -- and it will help. And finally, it offers tax credits for employers that hire people from the welfare rolls. We also made sure that these welfare recipients will be paid an honest wage, nothing less than the federal minimum wage for the jobs that they do. And I think that is the right thing to do. (Applause.)

Finally, let me say that we know the best thing we can do to empower our children to succeed in this new global economy is to make sure they have a world

-class education. You have often said education is the great equalizer. And I read in the newspaper today, so I know it's so -- (laughter) -- that you said yesterday that we had to make sure our young people discarded their second

-class expectations, that none of us should impose second

-class expectations on young people. I say amen to that.

One of the things that we know now, folks, is that all of our children can learn. (Applause.) Many years ago, almost 15 years ago now, when I started in earnest the work in my state on national education reforms and national standards of what children should take and what courses should be offered, it was really commonplace to hear people say, well, you cannot expect America to measure up to the highest international standards from kindergarten through high school. Oh, yes, we've got the best college system in the world, but you just can't expect us to measure up. And I'd always ask, why? And they said, well, because we have too many children whose first language is not English; we have too many children who live in poor and difficult circumstances. We have too many children who live in violent circumstances. We have too much difference in the level of funding in our schools. Our school year is not as long as it is some other places. I heard all these reasons. You know, I remember the first time I left my home state; some people thought I was dumb just because I talked the way I did. (Laughter.) Might have been right for all I know. (Laughter.)

But I've heard all this, you know, and I must say it was frustrating. Year in and year out, you'd see these international test scores and America would always be below the international average. And we'd say, yes, but their populations are more homogenous than ours, their education systems are more homogenous. There was always some reason that sounded pretty good.

Well, this sure, for the first time, on the International Math and Science Test scores -- several thousand American students representative by race, by region, by income take that test every year. This year our 4th graders scored way above the international average for the first time. (Applause.) So we don't have to listen to that anymore. We don't have to listen to that

anymore.

Now, the bad news is our 8th graders did not score above the international average, but we do know there are some reasons for that. We know that all the social problems that our kids live with get more intense around the time of adolescence. We know that a lot of our middle schools or our junior high schools are organized for

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the Ozzie and Harriet days of the '50s and the '60s when the world was different than it is now, and they're often too big and not as functional as they need to be. (Applause.) And we need to rethink that. We know there are a lot of reasons, but I'll tell you something -- one thing we know is that we can't blame on the kids anymore, because the 4th grade test proves that the children can do it. (Applause.) The 4th grade test proves that the children can do it. (Applause.)

And that's why I'm trying so hard to get America, finally, on the eve of the 21st century, to establish national standards, and to test all of our kids at the fourth grade in reading and all of our kids at the 8th grade in math, because I know we can meet those standards. And I know you don't do any child a favor in the world we're going to send them into by holding them to lower expectations. If they're poor, if they have a difficult neighborhood, if they have a difficult home environment -- you know what? They need good education even more than the rest of the kids. They need it even more. (Applause.) They need it even more. (Applause.) And they deserve it even more. (Applause.) They deserve it. (Applause.)

So I ask you to help me. And if we implement this budget -- children's health care, child and education tax credits, new businesses and jobs for our cities, welfare to work, high academic standards -- these things will help our people to make the most of their own lives. But empowerment is a concept which, by definition, implies a response from every individual. Empowerment means, here are the tools, what are you going to do with it. And, believe me, we still have not done everything we should for all of our cities, for our Nation's Capital, for all of our people. There will still be more work to be done. You will be doing a lot of it one on one, as mentors helping people. But at least the tools will be there.

Now, our people must do what Whitney Young said, and every one of them has to be prepared to take advantage of these opportunities. So I hope you'll go back to your communities and enlist more people in the Urban League's mission, more people who will make sure that this budget will come alive -- hiring someone off welfare, helping a child find his or her way, building partnerships with business to strengthen schools and create jobs, and reaching out across the lines of race and class and gender to find common ground,

and build our common bridges to that bright new century.

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

END

4:04 P.M. EDT