

Week Ending Friday, June 6, 1997

The President's Radio Address

May 31, 1997

Good morning. I've just returned from Europe where I commemorated the 50th anniversary of the Marshall plan, which joined America's investment to Europe's commitment to rebuild and, in so doing, helped to spark 50 years of prosperity, not only for Europe but for America as well.

I also had the opportunity to discuss with leaders of Europe the present success of our economy and what we can do together to promote prosperity in the new democracies of Central and Eastern Europe in ways that will ensure their prosperity and ours for the next 50 years.

This morning I want to talk with you about the new economic policy we brought to America for the last 4½ years and how our balanced budget and tax cut plans can help in creating jobs, raising incomes, strengthening business, and moving America forward in the years to come.

Recall for a moment what America's economy looked like 4 years ago: high unemployment, few new jobs, stagnant wages, exploding budget deficits. I took office determined to replace trickle-down economics with invest-and-grow economics. There were three principal elements to our strategy: reduce the budget deficit and invest in the education, training, and security of working men and women and our children, and open new markets for American-made goods and services through tough trade agreements.

I believe all three were necessary to create the conditions for private sector prosperity and to ensure that all our people have the opportunity to reap the rewards of growth. We made tough, often controversial, decisions in 1993 and afterward to implement our new invest-and-grow economic policy. Some fine Members of Congress lost their seats because they had the courage to change course and vote for the future.

But just look at the results. Today our confidence has returned and our economy leads the world. In 1992, the deficit was \$290 billion. Today, we expect it to drop to \$67 billion, a 77 percent reduction. In 1992, unemployment averaged 7.5 percent. Today, it's 4.9 percent, the lowest in 24 years.

In 1992 there were few new jobs. Since then, the economy has produced 12.1 million of them, including the most ever in a single Presidential term. And while the years before our plan took effect saw sluggish growth, yesterday we learned that in the first quarter of this year, the economy grew at a 5.8 percent rate, the highest in a decade. Inflation is at a 30-year low; business investment, a 30-year high. Each year we've had a record number of new businesses started. Wages are rising. In the last 2 years, over half the new jobs have paid higher than average wages and inequality among working people has seen the biggest drop since the 1960's. Our economy is the healthiest in a generation.

All this didn't just happen. We've had better managed, more competitive businesses, more productive working people; the entrepreneurial spirit of small business; a Federal Reserve committed both to low inflation and to economic growth; and continued advances in technology. Americans' hard work and high energy, smart decisions and tough choices, and our invest-and-grow strategy, all these have worked together to produce this success.

Now, in the coming months, America will have to decide whether to stick with this strategy. Will we continue to engage the world economy by continuing to give normal trading status to China? Will Congress give the President the tools necessary to open new markets abroad for American products through tough new trade agreements? And above all, will we finish the job of balancing the budget while protecting our values?

Earlier this month, I reached agreement with the leaders of Congress on a bipartisan

balanced budget plan that will continue our economic strategy into the next century. This is a balanced budget plan that also is in balance with our values. It will eliminate the budget deficit by 2002, honor our parents by securing the Medicare Trust Fund for a decade, preserve our environment through strong enforcement in the cleanup of 500 toxic waste sites, and protect the next generation by extending health insurance coverage to as many as 5 million uninsured children. And most important of all, it will invest in the skills of our people through the most significant increase in higher education since the GI bill half a century ago, the expansion of Head Start, and an investment in higher national academic standards for our children.

Both Houses of Congress moved forward on this budget before they left town for the Memorial Day recess. I was pleased that a strong majority of both parties supported this bipartisan plan. When Congress gets back to work, it's time to finish the job of enacting the broad outlines of the budget plan. Then in the weeks to come, Congress will fill in the details and begin writing this budget and its tax cut into law. I want a tax cut that helps families raise their children and send them to college and keeps the economy growing. That's my goal.

I look forward to continuing to work together with the Republican and Democratic Members of the tax writing committees in Congress to meet this goal as we write the details of the tax cut into law. As that process begins, I want to tell you three of the things this final tax cut plan should include.

First, with education our most important goal, our tax cut must help open the doors of college to every American. Our bipartisan budget plan includes \$35 billion in tax relief, targeted to help families pay for higher education. Our HOPE scholarship is a \$1,500 per year tax cut to help pay for the first 2 years of college and open them to all Americans. I will also recommend that students who already receive Pell grant scholarships can still receive the HOPE scholarship for education costs beyond those covered by their Pell grant. With this step, we'll make sure that our tax cut reaches all those who

want to take responsibility for their own lives and go on to college. Beyond that, I favor a tax deduction for the cost of any education after high school for people of any age.

Second, as many families as possible should have a chance to receive the dividend created by economic growth. Our plan will give families a \$500 child tax credit. This is the kind of tax relief we need, targeted to helping families raise their children and meeting the competing demands of work and family. As we craft this tax cut, I believe it's especially important that we make sure that the child tax credit is fair to working families, especially those with lower incomes.

Third, the tax cuts must be consistent with a balanced budget and must not be written in such a way that they reopen the deficit and bust the budget in years to come. This was absolutely key when we reached a budget agreement, and I will continue to insist on it as we write the agreement into law. Fiscal responsibility helped to produce a strong economy. Fiscal irresponsibility will surely undo it. We cannot put our prosperity at risk through time-bomb tax cuts that explode the deficit in 5 or 10 or 20 years. We must continue with discipline. We tried it the other way before, and it failed.

We are now nearly 5 years into our economic strategy of invest and grow, and it is working, well beyond our most optimistic expectations. We have now an historic chance to continue this growth and give the American people the dividends of expansion through a tax cut. We can protect our values as we expand our economy. The American people deserve a tax cut, and they need a balanced budget. We can give them both. If we make sure that this tax cut helps all working families, that it opens wide the doors of college, and that it never, never throws the budget out of balance, we can propel our country into the 21st century even stronger than it is today.

Thanks for listening.

NOTE: The address was recorded at 7:30 p.m. on May 30 in the Map Room at the White House for broadcast at 10:06 a.m. on May 31.

**Remarks at the United States
Military Academy Commencement
Ceremony in West Point, New York
May 31, 1997**

Thank you very much. Please be seated; relax. Thank you, General Christman, for those kind introductory remarks and for your truly extraordinary service to your Nation throughout your military career. Here at West Point and before, when we had more opportunities to work together on a daily basis, I have constantly admired your dedication and your ability.

General Reimer, Secretary West, Senator Reed, Chairman Gilman, Congressman Shimkus, Congresswoman Kelly, Congressman Sessions, former Congressman Bilbray, parents and families and friends of the cadets and especially to the class of 1997, I extend my heartfelt congratulations.

This has been a truly remarkable class. As General Christman said, you wrote an unparalleled record of academic achievement in the classroom. I congratulate you all and particularly your number one honor graduate and valedictorian, David Ake. Congratulations to all of you on your accomplishments.

Now, General Christman also outlined the extraordinary accomplishments of your athletic teams, and he mentioned that I had the privilege of seeing Army win its first 10-win season in football and reclaim the Commander in Chief's Trophy in Philadelphia. And he thanked me for that. But actually, as a lifelong football fan, I deserve no thanks. It was a terrific game, and I'm quite sure it was the first time in the field of any endeavor of conflict where the Army defeated the Navy not on land but on water. [Laughter]

I know that in spite of all of your achievements as a class and in teams, a few of you also upheld West Point's enduring tradition of independence. It began in 1796 when President Adams' War Department ordered the first classes in fortification. And the troops here thought they already knew all about that, so they burned the classroom to the ground, postponing the start of instruction by 5 years. [Laughter]

Today I am reliably informed that though your spirits are equally high, your infractions are more modest. Therefore, I hereby exer-

cise my prerogative to grant amnesty for minor offenses to the Corps of Cadets. [Applause] The cheering was a little disconcerting—now, the operative word there was "minor." [Laughter]

Men and women of the class of '97, today you join the Long Gray Line, the Long Gray Line that stretches across two centuries of unstinting devotion to America and the freedom that is our greatest treasure. From the defense of Fort Erie in the War of 1812 to the fury of Antietam, from the trenches of Argonne to the Anzio and Okinawa, to Heartbreak Ridge, the Mekong Delta, the fiery desert of the Gulf war, the officers of West Point have served and sacrificed for our Nation.

In just the 4 years since I last spoke here, your graduates have helped to restore democracy to Haiti, to save hundreds of thousands of lives from genocide and famine in Rwanda, to end the bloodshed in Bosnia. Throughout our history, whenever duty called, the men and women of West Point have never failed us. And I speak for all Americans when I say, I know you never will.

I'd like to say a special word of appreciation to West Point and a special word of congratulations to the students in this class from other countries. We welcome you here, we are proud to have you as a part of our military service tradition, and we wish you well as you go back home. We hope you, too, can advance freedom's cause, for in the 21st century, that is something we must do together.

Two days ago, I returned from Europe on a mission to look back to one of the proudest chapters in America's history and to look forward to the history we all will seek to shape for our children and grandchildren. This week is the 50th anniversary of the Marshall plan, what Winston Churchill described as the most unsordid act in all history.

In 1947, Americans, exhausted by war and anxious to get on with their lives at home, were summoned to embrace another leadership role by a generation of remarkable leaders, General George Marshall, Senator Arthur Vandenberg, President Harry Truman, leaders who knew there could be no lasting peace and security for an America that withdrew behind its borders and withdrew from the world and its responsibilities. They pro-