

I am particularly pleased that our balanced budget passed with the overwhelming support of both parties in both Houses of Congress. It reflects the common values and common sense of the vital center of American politics.

This balanced budget also will strengthen America by continuing our economic strategy. Beginning in 1993, our new economic approach of cutting deficits, investing in our people, and expanding exports through tough trade agreements has created the conditions for sustained prosperity. Today we have learned that the economy grew over the first 6 months of this year at a 3.5% rate, with low inflation and rising incomes. Today's passage of the balanced budget will continue that strategy and help keep America's economy growing.

I look forward to the swift passage of the tax cuts in separate legislation to complete our balanced budget plan.

### **Statement on Congressional Action on Tax Cut Legislation**

*July 31, 1997*

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

This tax cut honors our values by helping middle class families raise their children, send them to college, save for retirement, and buy and sell a home. I am particularly pleased that it includes \$35 billion to give every American who needs it a Hope scholarship tax cut for the first 2 years of college, to provide further tax relief for all 4 years of college, and to help to pay for education and training throughout a lifetime. The first balanced budget in a generation is also the best education budget in a generation.

By giving working families direct tax relief, we are continuing our economic strategy of balancing the budget while investing in people. That strategy has helped create prosperity, with steady growth, low inflation, strong investment, and rising middle class incomes.

Now, this tax cut will boost the standard of living for middle class families even more. Working families deserve the dividend from a growing economy and a balanced budget, and with this tax cut, they will receive it.

### **Statement on Renewable Fuels Tax Incentives**

*July 31, 1997*

I am very disappointed that the tax incentives for renewable fuels were not extended in this budget agreement. By now, all Americans should be aware of the important role ethanol plays in cleaning our air and in providing economic development for rural America.

In the last two decades, ethanol has grown from a fledgling industry to make a real contribution to our environment, our national economy, and our efforts to wean ourselves from foreign sources of energy. As the Nation moves toward cleaner reformulated gasoline in 2000, it will be crucial to have a number of options for making this fuel. Specifically, Americans will need a choice of oxygenated fuels to meet their clean air needs, including ethanol and its ether, ETBE, which has properties that make it particularly beneficial to the environment. Having a broad range of oxygenated fuels from which to choose will help increase competition in that market, lowering prices for consumers.

To continue the progress made so far, and to provide Americans with a choice of oxygenated fuels, it is critical that we extend these tax incentives beyond 2000. Only by extending these incentives until 2007 will farmers and renewable fuels producers have the certainty they need to invest in new ethanol plants and thus to further expand our domestic renewable fuels industry.

I have included a 7-year extension of the renewable fuels tax incentives in the NEXTEA legislation I sent to Congress earlier this year, and I urge Congress to enact this proposal as part of the reauthorization of the transportation bill.

**Statement on the Nomination of  
General Michael E. Ryan To Be  
Chief of Staff of the Air Force**

*July 31, 1997*

I am pleased to nominate General Michael E. Ryan to be Chief of Staff of the U.S. Air Force.

General Ryan currently serves as Commander, U.S. Air Forces Europe, and Commander, Allied Air Forces Central Europe. He brings to the job of Chief of Staff broad operational and joint experience as well as proven leadership ability and a deep concern for the men and women of the U.S. Air Force.

During his distinguished career, General Ryan served a combat tour in the Vietnam war and commanded a fighter squadron and fighter wing. As Commander, Allied Air Forces Southern Europe, he directed the highly successful air strikes in Bosnia that convinced the warring factions they could not achieve their aims through military means, which contributed to our efforts to convene the negotiations that resulted in the Dayton accords.

General Ryan assumes the post of Chief of Staff as the U.S. Air Force proudly celebrates 50 years of dedicated service to our Nation in war and peace. With General Ryan as Chief of Staff, I am confident that the Air Force will continue its tradition of excellence as it enters the 21st century.

**Notice—Continuation of Iraqi  
Emergency**

*July 31, 1997*

On August 2, 1990, by Executive Order 12722, President Bush declared a national emergency to deal with the unusual and extraordinary threat to national security and foreign policy of the United States constituted by the actions and policies of the Government of Iraq. By Executive Orders 12722 of August 2, 1990, and 12724 of August 9, 1990, the President imposed trade sanctions on Iraq and blocked Iraqi government assets. Because the Government of Iraq has continued its activities hostile to United States interests in the Middle East,

the national emergency declared on August 2, 1990, and the measures adopted on August 2 and August 9, 1990, to deal with that emergency must continue in effect beyond August 2, 1997. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iraq.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

**William J. Clinton**

The White House,  
July 31, 1997.

[Filed with the Office of the Federal Register,  
11:45 a.m., July 31, 1997]

NOTE: This notice was published in the *Federal Register* on August 1.

**Message to the Congress  
Transmitting the Notice on Iraq**  
*July 31, 1997*

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1997, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to the stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad