

Remarks on the Balanced Budget Agreement

July 29, 1997

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.

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.

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 a 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 GI bill 50 years ago. It will give every American who needs it a HOPE scholarship to pay for the first 2 years of college. It gives tax relief for all 4 years of college and for education throughout a 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.

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. All across America, I have challenged our people to make sure that every 8-year-old can read, every 12-year-old can log on to 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 a balanced budget that strengthens our families by extending health insurance coverage to up to 5 million children. By investing fully \$24 billion, we will be able to provide quality medical care for these children, everything from regular checkups to major surgery. I want to thank all of the people in the 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. 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.

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 IRA's, 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.

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.

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 Spratt, and Congressman Rangel for their leadership.

This agreement is a monument to the efforts that people of 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.

[At this point, the Vice President and congressional leaders made brief remarks.]

The President. 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.

NOTE: The President spoke at 2:50 p.m. on the South Lawn at the White House.

Message to the Congress Transmitting the United States Arctic Research Plan

July 29, 1997

To the Congress of the United States:

Pursuant to the provisions of the Arctic Research and Policy Act of 1984, as amended (15

U.S.C. 4108(a)), I transmit herewith the fifth