

unaffordable for many families, consuming 25 percent of income for many low-income families; that quality is uneven and often poor; and that inadequate care can have a dramatic impact on children's development.

This report provides further evidence of the urgency for Congress to act on child care legislation. Too many American families are struggling to find and afford child care to meet their obligations as workers and their more important

responsibility as parents. My child care initiative will help working families pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early learning. Today I again call on Congress to act, and I look forward to working with Members in both parties to enact comprehensive bipartisan child care legislation that meets the needs of children and families.

Statement on Senate Action on Job Training Reform Legislation

May 5, 1998

More than 3 years ago, I proposed my "GI bill" for America's workers to reform our employment and training system for the 21st-century economy. Today I am very pleased that the Senate passed—with overwhelming bipartisan support—legislation that incorporates the principles articulated in my original proposal. This legislation reforms our job training system so that it works better for America's workers and is more responsive to today's rapidly changing economy. I particularly thank Senators Jeffords, Kennedy, DeWine, and Wellstone for their hard work at getting this legislation passed.

This legislation will fundamentally reform our workforce development system by empowering Americans to gain new skills with a simple skill grant. It also consolidates the tangle of training programs; creates a network of One-Stop Career Centers; increases accountability to ensure results; allows States and communities to tailor programs to locally determined needs; and en-

sures that business, labor, and community organizations are full partners in system design and quality assurance. It targets vocational and adult education funds to educational agencies and institutions with the greatest need and to activities that promote program quality. It improves the vocational rehabilitation program by streamlining eligibility determination, improving State planning, and strengthening program accountability. And it includes the Youth Opportunity Areas initiative—which was funded in last year's appropriations process—that will create jobs and opportunity for out-of-school youth in high-poverty areas.

While I have outstanding concerns with both the Senate- and House-passed versions of this legislation, I am confident our differences can be resolved quickly in conference. I urge Congress to continue to work in a bipartisan manner and finish the job of reforming our job training system by early this summer.

Message to the Congress Transmitting a Report on the Pemigewasset River

May 5, 1998

To the Congress of the United States:

I take pleasure in transmitting the enclosed report for the Pemigewasset River in New Hampshire. The report and my recommendations are in response to the provisions of the Wild and Scenic Rivers Act, Public Law 90-542, as amended. The Pemigewasset River study was authorized by Public Law 101-357.

The study was conducted by the National Park Service with assistance from a local study committee. The National Park Service determined that the 32.5-mile study segment is eligible for designation based upon its free-flowing character and outstanding scenic, recreational, geologic, fishery, and botanic values. However, in deference to the wishes of local adjoining

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communities, six of seven of whom voted against designation, and the State of New Hampshire, I am recommending that the Congress not consider designation at this time. If the local communities and/or the State should change their

position in the future, the question of designation could be reevaluated.

WILLIAM J. CLINTON

The White House,
May 5, 1998.

Message to the Congress Transmitting a Report on the State of Small Business

May 5, 1998

To the Congress of the United States:

I am pleased to present my fourth annual report on the state of small business. In short, the small business community continues to perform exceptionally well. For the fourth year in a row, new business formation reached a record high: 842,357 new firms were formed in 1996.

The entrepreneurial spirit continues to burn brightly as the creativity and sheer productivity of America's small businesses make our Nation's business community the envy of the world. My Administration has worked hard to keep that spirit strong by implementing policies and programs designed to help small businesses develop and expand. We have focused our economic strategy on three pillars: reducing the deficit, opening up markets overseas, and investing in our people through education and technology. Our efforts with respect to small business have been concentrated in a number of specific areas, including directing tax relief to more small businesses, expanding access to capital, supporting innovation, providing regulatory relief, opening overseas markets to entrepreneurs, and strengthening America's work force.

A Balanced Budget and Taxpayer Relief

When I took office, the Federal budget deficit was a record \$290 billion. I determined that one of the best things we could do for the American people, including small business, would be to balance the budget. Because of our hard choices, the deficit has been reduced for 5 years in a row. By October 1997, the deficit had fallen to just \$22.6 billion—a reduction of \$267 billion or 90 percent. These lower deficits have helped to reduce interest rates, an important matter for all small businesses.

Small business owners have long recognized the importance of this issue. At each of the White House Conferences on Small Business—in 1980, 1986, and 1995—small businesses included on their agenda a recommendation to balance the Federal budget. With passage of the Balanced Budget Act of 1997, I signed into law the first balanced budget in a generation. The new budget will spur growth and spread opportunity by providing the biggest investment in higher education since the GI bill more than 50 years ago. Even after we pay for tax cuts, line by line and dime by dime, there will still be \$900 billion in savings over the next 10 years.

And at the same time we are easing the tax burden on small firms. My Administration and the Congress took the White House Conference tax recommendations seriously during deliberations that led to the Taxpayer Relief Act of 1997. The new law will direct billions of dollars in tax relief to small firms over the next 10 years. Small businesses will see a decrease in the estate tax, an increase to 100 percent over the next 10 years in the percentage of health insurance payments a self-employed person can deduct, an updated definition of "home office" for tax purposes, and a reduction in paperwork associated with the alternative minimum tax.

Significant new capital gains provisions in the law should provide new infusions of capital to new small businesses. By reducing the capital gains tax rate and giving small business investors new options, the law encourages economic growth through investment in small businesses.

Access to Capital

For so many small business owners, gaining access to capital continues to be a very difficult