

at in the near future, or do you think that there is a real peace process underway?

President Clinton. I think there is a real peace process underway, but it has no chance of reaching a satisfactory conclusion unless we maintain Allied unity and firmness. I don't think the process is long, but I don't think we can afford to be discouraged or be impatient. We need to stay with the strategy we have and continue to aggressively support our air campaign and to aggressively support any diplomatic initiative that will secure the conditions necessary for a lasting peace in Kosovo.

Group of Eight Statement on Kosovo

Q. Mr. President, and Chancellor, do you think that the agreement, the statement that was issued today by the G-8 and Russia, will do anything to hasten the end to the conflict?

Chancellor Schroeder. I can only repeat and emphasize what the President of the United States of America has just said. I consider it as truly substantial progress which has been made there. There has been open talk about the presence and the necessity for the presence of international troops there, and I think things will continue along that way.

I would also very much like to emphasize the fact that I agree that there is no reason

whatsoever to now think about a change in the NATO strategy now that the strategy does seem to work, and I'm talking about military as well as political initiatives undertaken therein.

President Clinton. Let me just say very briefly, I agree with what the Chancellor has said. I do believe it's an advance because you have to see the G-8 resolution here, the statement, in the context of Mr. Chernomyrdin's efforts. I mean, here is a man that served as Premier of Russia twice; very highly regarded, I think, by all of us who have ever dealt with him on all sides of this issue. And this statement, plus his ongoing effort, I think you have to read this as a move forward and increasing the likelihood that there will ultimately be a resolution of this that will actually work.

Thank you.

NOTE: The remarks began at 5:45 p.m. in the Office of the Chancellor at the Chancellory. In his remarks, the President referred to Special Envoy and former Prime Minister Viktor Chernomyrdin of Russia. The President also referred to the European Union (EU). Chancellor Schroeder referred to Prime Minister Ljubco Georgievski of Macedonia. A tape was not available for verification of the content of these remarks.

Memorandum on Assistance for Federal Employees Affected by the Tornadoes in Oklahoma and Kansas May 6, 1999

Memorandum for the Heads of Executive Departments and Agencies

Subject: Assistance for Federal Employees Affected by the Tornadoes in Oklahoma and Kansas

I am deeply concerned about the devastating losses suffered by many as a result of the tornadoes in Oklahoma and Kansas. Multiple parts of the Federal Government have been mobilized to respond to this disaster.

As part of this effort, I ask the heads of executive departments and agencies who have Federal civilian employees in designated disaster areas resulting from the tornadoes in Oklahoma and Kansas and their aftermath to use discretion to excuse from duty, without charge to leave

or loss of pay, any such employee who is prevented from reporting for work or faced with a personal emergency because of this disaster and who can be spared from his or her usual responsibilities. This policy also should be applied to any employee who is needed for emergency law enforcement, relief, or clean-up efforts authorized by Federal, State, or other officials having jurisdiction.

I am also directing the Office of Personnel Management (OPM) to establish an emergency leave transfer program, which would permit employees in an executive agency to donate their unused annual leave for transfer to employees of the same or other agencies who were adversely affected by the tornadoes and who need

additional time off for recovery. In addition, I am directing OPM to provide additional information and assistance to agencies on the program's administration.

WILLIAM J. CLINTON

Message to the Congress Reporting on the State of Small Business May 6, 1999

To the Congress of the United States:

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employers opened their doors and new incorporations hit a record high for the third straight year. Corporate profits, employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

An Unprecedented Record of Success

Looking back to the 1986 White House Conference on Small Business, one of the top priorities on the small business agenda was deficit reduction. Small business capital formation efforts had been undermined by interest rates driven sky-high by the demand for funds to service the growing national debt. Today I'm proud to say we've done what was thought nearly impossible then. This year we have converted the deficit to a surplus—and the budget deficit is no longer the issue it once was.

And my Administration is committed to continuing the dramatic growth of the small business sector. We continue to pay close attention to the perspectives and recommendations of

America's small business owners. The 1995 White House Conference on Small Business sent a list of 60 recommendations to my Administration and the Congress—the result of a year-long series of conferences and a national meeting on the concerns of small firms. In their 1995 recommendations, the small business delegates told us they need less onerous regulation, estate tax relief for family-owned businesses, and still more access to capital to start and expand their businesses.

On each of these fronts, and on many others, impressive steps have been taken. I have signed 11 new laws that address many of the delegates' concerns. In fact, meaningful action has been taken on fully 86 percent of the 1995 White House Conference on Small Business recommendations.

Easing the Tax Burden

The Taxpayer Relief Act, which I signed in 1997, includes wins for small businesses and the American economy in the form of landmark tax reform legislation. The law will provide an estimated \$20 billion in tax relief to small business over the next 10 years. It extends for three years the exclusion from taxable income of money spent by an employer on education for an employee. The unified gift and estate tax credit will increase the amount excluded from taxation on a transferred estate to \$1.3 million for small family-owned businesses.

The new law expands the definition of a home office for the purpose of deducting expenses to include any home office that is the business' sole office and used regularly for essential administrative or management activities.

And capital gains taxes are reduced from 28 percent to 20 percent. This will help small businesses by encouraging investments in businesses that reinvest for growth rather than investments in companies that pay heavy dividends. The law