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Opening statement - 2:00

GDP not partisan
Continue w/ strategy that brought

- Sto IC
- IMF

end w/ off on NATO - bipartisan bill

"Don't let the NSC write this - we've promise to
Take most recent NSC

Strong at home,
Strong abroad
If we continue w/ strategy,
1) Market particularly sensitive,
   though don't back away at all from good news

2) probably push for a little IMF
   'some dangers...'

Have draft quickly.

One framework
- econ great, etc.
  get latest good #s
- steady course
  beware pitfalls
  - Asia - need IMF more quickly
  - budget cutting
  - tax cuts
  - before Soc Sec reform

- Fisc: rep has prosperity
  - created this
  - spurred this growth (he will talk specifically of IMF next day in CA)

ch - plans - cong (always)
under - tax cuts
mike - balance the critical invest.
PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE WHITE HOUSE
April 30, 1998

Good afternoon. I am looking forward to taking your questions, but first I'd like to talk to you about the ways we are making America stronger, both at home and abroad, as we approach the 21st century.

Five years ago, my administration charted a new course for a new economy—a strategy of fiscal discipline, expanded trade, and investment in our people. Today we received more good news that this strategy is working, that our nation's economy is growing steadily and strong. We have just learned that in the first quarter of 1998, our economy grew at a rate of 3.2 percent. This expansion is fueled not by growing government deficits but by booming business investment. Wages are now rising at twice the rate of inflation. In the first quarter of 1998, unemployment has been the lowest in 28 years; core inflation is the lowest in 30 years; and consumer confidence is the highest in 30 years.

We are living in an American economic renaissance. Opportunities are abundant. Communities are stronger. Families are more secure. These are good times—prosperous and productive times—for the American people.

Still, we cannot allow the hum of our economy to lull us into complacency. The coming months will test our commitment to fiscal responsibility. As estimates of the possible budget surplus expand, so do the temptation to squander it on excessive tax cuts or spending. But members of both parties have worked too hard for too long to abandon our fiscal discipline; and so I will resist the use of a single penny of the surplus before we have saved Social Security.

I am encouraged by a report earlier this week that the strength of our economy will extend the solvency of the Social Security trust fund by another three years, until 2032. And because of our bipartisan commitment to balance the budget, the long-term prognosis for Medicare is stronger than it has been in a decade. A bipartisan commission is studying ways to strengthen it further.

But let us not forget: Social Security is not merely for our parents and ourselves, it is for our children and our grandchildren. We will fulfill our obligation to them only when Social Security is sound for the long term.

We also must move forward to seize the opportunity of the international economy. As America prospers, we must make certain that others do not falter. In this new era, the health of our economy is deeply affected by the health of the global economy. We must therefore renew our commitment to the International Monetary Fund, which stabilizes the international system. Instability abroad risks our prosperity at home, and I think we can all agree that is too great a risk to run.

Now is not the time to turn our backs on open markets and our strategy in

financial

Now is not the time to turn our backs on fiscal discipline and open markets. The reality of America's economy

so let's call on Congress and the Congress: America's economy...
I am confident we can make this commitment this in a bipartisan fashion. That's how we balanced the budget, and that's how we're strengthening American leadership in the post-Cold War era. The debate over NATO enlargement has been a model of bipartisan dialogue and action, and I look forward to a strongly positive vote in the Senate today. A stronger NATO means a safer Europe and a safer America. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation—a Europe united, democratic and free. Action, and I feel a strongly positive vote in the Senate today. A stronger NATO means a safer Europe and a safer America. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation—a Europe united, democratic and free.

At the threshold of the 21st century, but America is on the rise— at home and overseas, in our economic strength and our national security. We are poised to conquer the challenges of the next century. If we put aside our differences and work together as one nation, then our children, too, will enjoy these blessings of security and prosperity. Thank you.

[Now, as I said at the White House Correspondents' Dinner the other night, by long tradition Helen gets the first question.]
THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release
April 30, 1998

PRESS CONFERENCE BY THE PRESIDENT

East Room

2:00 P.M. EDT

THE PRESIDENT: Good afternoon. Before I take your questions, I'd like to make a few comments on a couple of matters that I believe are essential to the strength of America in the 21st century.

Five years ago we started a new economic course for a new economy, a combined strategy of fiscal discipline, expanded trade, increased investment in education, science, technology and our people. Today we received more good news that that strategy is working. The latest economic report shows that in the first quarter of 1998, our economy grew at 4.2 percent. Wages are rising while inflation remains low. This expansion is not fueled by big government deficits, but by booming business investment.

In the first quarter, unemployment was the lowest in 28 years, inflation the lowest in 30 years, consumer confidence at its highest level in 30 years. For five years in a row now, our economy has been rated the most competitive in the world.

We are living in an American economic renaissance in which opportunity is abundant, communities are getting stronger, families are more secure and more prosperous. But we cannot allow
the hum of our growing prosperity to lull us into complacency.

As estimates of the possible budget surplus expand, so, too, the suggestions that we immediately commit to spending that surplus on tax cuts or new spending. But Americans have worked too hard for too long to put our economic house in order. So I will strongly resist the use of a single penny of the surplus until we have first saved Social Security for the new century.

Nor can we turn our backs on America’s responsibility to lead in the world. We see that, by the way, in the commitment today of the Vice President and Mrs. Gore as they represent our nation on the occasion of the 50th anniversary of the birth of the state of Israel.

Today, the health of our economy is also deeply affected by what goes on in global affairs and by the health of the global economy. Therefore, I call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund and to pay our United Nation’s dues. I am confident we can do this in a bipartisan fashion.

The debate over NATO enlargement has been a model of bipartisan action. I want to thank Senators Lott and Daschle, Senators Helms and Biden for their leadership on this issue. I hope for a strongly positive vote in the Senate later today, because by admitting Poland, Hungary and the Czech Republic we come even closer than ever to realizing a dream of a generation -- a Europe that is united, democratic and secure for the first time since the rise of nation states on the European continent.

At the threshold of the 21st century we are on the rise at home and abroad. But we have to continue this progress. We have to continue to work if we want economic advances and strong national security. We have to continue to work if we hope to overcome our divisions at home and work together as one nation.

We can be everything that all of you want us to be and all Americans want us to be. But I want to emphasize, the fact that we are doing well today should not be a source of complacency. It should not be a pretext to drift off into politics as usual or small matters. We need to bear down and deal with the long-term challenges of the country.

Now, to honor my pledge at the White House Correspondents Dinner the other night, Helen, you get the first question.

Q You may not like it. (Laughter.)

THE PRESIDENT: I never expected to. (Laughter.)
Q Mr. President, in view of a new court ruling, Monica Lewinsky may have to appear before a grand jury. Under the circumstances, do you stand by your previous denials of any relationship with her or that anyone encouraged her to lie?

And while I have the floor, do you think that the special prosecutor has gone beyond the call and is out to get you?

THE PRESIDENT: Well, I think modestly observant people are fully capable of drawing their own conclusions to the latter question. And as to the former question, I have answered it repeatedly and have nothing to add to my former answer. I have repeatedly said what the answer to that question is.

Terry.

Q Mr. President, Wall Street is back above 9100 and the Dow was up 165 points at 1:00 pm. A lot of Americans are pouring money into the stock market. Now, do you think that this stock market bubble is going to burst? Do you think people should be nervous about that?

THE PRESIDENT: Now, I didn't comment on it when it dropped a lot. (Laughter.) And I don't think I should now.

Let me say, there is a lot of speculation about that, as you know. The London Economist ran a whole series on it, I think either this last edition or the one before that. We have a very productive economy with high growth and low interest rates. Also, the fact that there is a downturn in many Asian economies I think has created some investment capital that normally might have gone somewhere else that may be coming back into our country. And that would tend to drive the stock market up.

I think that what's important here is for all informed people -- the stock market analysts, the people on Wall Street, Mr. Greenspan, whom I think has done quite a fine job over the last five years in managing his part of our economy -- all of us need to just sort of talk about what the fundamentals are, what the facts are, and if there are any reasons for caution, they ought to put them out there. But I think that to date you would have to say that most of what has happened has been spurred by the hard work and the productivity of American workers and American businesses and other developments around the world over which we Americans had no control.

But I'm encouraged by the underlying fundamentals and what I hope will happen is that we can avoid any kind of big swings in the market one way or the other by just steady, slow -- maybe not so slow, but at least steady growth. And I think if we all just get all the facts out there to the investors it's likely to come out all right.

Q You're not nervous about where it's going?
THE PRESIDENT: Well, I'd rather it be going up than down -- (laughter) -- in any big sense. But I think that you have to -- I mean, even when it dropped a lot -- you remember a couple years ago when we had that big drop -- I wasn't terribly worried because I thought it was a correction based on the judgment of the people in the market because our underlying economy was healthy and our financial system was honest and secure and had integrity, and we had strategies for continuing long-term growth.

So I think that's what I'd like to say. It's impossible for me to predict the market, impossible for anyone to, or to characterize it. I'd just say the economists have a word called "transparency" that they use all the time that I think is the appropriate thing here. I think it's in the national interest for all actual and potential investors to have as much information as possible about how we're doing, where we're going and what their investment options are. And then I think the markets will go up and down, they'll change.

But I'm pleased with the success of the market. I do understand the bubble theory. I think the best way to avoid having a big bubble that some day pops is to make sure that we have open information about where we are right now and the progress of the market is pretty well tied to the real progress of the economy.

Steve.

Q Thank you, Mr. President, the Pentagon said this week you're expected to decide whether to reduce U.S. forces in the Gulf soon. Has Baghdad made sufficient progress on allowing weapons inspections to permit a reduction in force? And if so, will we see an ending of the sanctions against Iraq?

THE PRESIDENT: Well, those are two very different questions. Let me say, first of all, we are encouraged by the level of compliance so far with the U.N. inspections and by the evidence that has been adduced on the nuclear side that more progress has been made. And I believe we've already issued a statement that we believe that if Baghdad will continue to work with us, that by October the U.N. may well be able to certify that they are actually in compliance on the nuclear side, and they can go from the inspection to the monitoring phase.

Keep in mind, even under the agreements, the U.N. resolutions, no matter what is found out in any of these areas, there will still be a monitoring regime there.

Our position on lifting the sanctions is that the U.N. resolutions have to be complied with completely, and then we vote to lift the sanctions. So this is just a nuclear peace. But I am encouraged by that.

Now, on the question of reducing our military presence in the Gulf, I would wait for a recommendation from the Pentagon with
involvement from the State Department and the NSC on that. That is, we have a certain number of carrier groups and a certain number of assets to deploy at sea. They have to be trained; they also need to be deployed in different places for different reasons. So, inevitably, unless we believe there is some reason for it to be there at some point in the future, I would anticipate some reallocation of our resources. But I have not received a recommendation on that yet by the Defense Department.

Sam.

Q Mr. President, quite a few Americans seem to believe it doesn't matter if you've done in private moments, that's between you and your wife. And some are saying it doesn't even matter if you've broken the law, obstructed justice or committed perjury. Now, you deny wrongdoing, I understand. But as a standard for Presidents, what do you think -- does it matter what you do in private moments, as alleged? And particularly, does it matter if you have committed perjury or in other sense broken the law?

THE PRESIDENT: Well, since I have answered the underlying questions, I really believe it's important for me not to say any more about this. I think that I'm, in some ways, the last person who needs to be having a national conversation about this. What I'm trying to --

Q But you're the leader.

THE PRESIDENT: I may be the leader, but my job as leader is to lead the country and to deal with the great public issues facing the country, and to prove Justice Scalia right when he said that nothing that could be done to me in a legal way would in any way affect my job as President, it would just be one of those things, and I could right on and do my job. And I'm going to do my best to prove him correct by doing the public's business --

Q -- can say whether Presidents ought to obey the law?

Q Mr. President, I hate to beat a dead horse, but let me just follow that up --

THE PRESIDENT: No, you don't. (Laughter.)

Q Ken Starr supporters make the case that he could be wrapping up his investigation except for the delaying tactics put forward by your lawyers, your aides -- specifically, the privilege assertions, denying the Secret Service the right to testify, denying some of your aides the right to testify, denying the First Lady the right to answer certain questions because of these privileged questions. And a lot of Americans are having a hard time understanding -- why assert privilege if there's nothing to hide?
THE PRESIDENT: First of all, you’ve asked three questions; let me deal with them.

On the First Lady’s testimony, Mr. Kendall’s response blows what they said out of the water better than anything I could say, and amounts to a "shame on them" for saying that.

Secondly, with regard to the Secret Service, I literally have had no involvement in that decision whatever. That is a decision that they have made based on what they believe -- the position they’ve taken is a position they’ve taken based on what they believe is best for the institution of the presidency. And the court will just have to evaluate their arguments and make a judgement.

Now, thirdly, on the claims of executive privilege, I cannot comment on those matters because they are under seal. However, as you know, we have suggested to the court that the pleadings and the briefs be made public, be open to public inspection, so that you and the American people could evaluate the specific executive privilege issues and whether you believe they’re valid or not. But I can’t talk about them -- our side has tried to honor all these court orders and I want to continue to honor it. We’ve asked -- it’s under seal, I can’t discuss it.

But I will do my best to deal with this in an appropriate way. And if the court changes the rules, I hope that we’ll be able to release the pleadings and the briefs so that all of you can see what this is about and draw your own conclusions and then ask questions about it.

Trudy.

Q What do you think is the strategy in the Russian strategy to work with the Middle East at this point? And what are you expecting from the London talks next week -- is there a Russian strategy?

THE PRESIDENT: I believe there is. I believe that basically what the Russians would like to do is to have an influence in a critical region of the world. And they have been, after all, co-sponsors of the peace process with the United States since a period before I became President. It goes back to the first Madrid Conference in '92.

Will we always agree with every position they take? No, we won’t. But the Russians have pledged to cooperate with us to minimize and, hopefully, eliminate weapons transfers and component part transfers and things like that that should not go into explosive environments in the Middle East, and we are going to keep working with them to see that we achieve that goal.

Now, in terms of the London conference, I hope that after Secretary Albright meets with Mr. Netanyahu and Mr. Arafat that we will have the elements of an agreement which will get the parties
into final status talks. You all pretty well know what the parameters are. There is still no agreement on how much of a redeployment should be undertaken by the Israelis from the West Bank in this next phase. But they are much closer than they were just a couple of weeks ago -- much, much closer. And there are some other issues that may be able to be worked about around that that might still enable us to make an agreement.

I think what both of them are going to have to decide is whether or not they believe that they’re better off waiting or each side giving a little more to get to a final status talks.

Now, keep in mind, this is not a final peace agreement. We are arguing over the dimensions of a step which is part of the Oslo agreement designed to get the parties in the final status talks which are supposed to be over a year from now -- I think May of ’99 is when they’re supposed to end. So what the parties have got to make up their mind about is do they want to role the dice -- because, believe me, in the nature of all these agreements, the most principled compromise will leave both sides dissatisfied. By definition. That’s the way -- if peace agreements were easy they’d all be done already.

So the most principled compromise will leave both sides dissatisfied. What they have to decide is, do they want to role the dice -- do they really want to gamble on six more months of basically everything in suspended animation? Do they really believe it will be better then? Do they really believe it will be better in another year? What happens when the timetable runs out on the Oslo Accord? Will we be closer to peace?

I think the answer is manifestly no. And so I’m hoping and praying that we’ll be able to get something positive out of the London accords.

Yes, ma’am. Go ahead.

Q Mr. President, I’m Evelyn Y. Davis, editor of Highlights and Lowlights. About the stock market -- and this is the middle of the stockholder meeting season -- with the market being dangerously high, and the FCC favoring institutional investors, and mutual funds are not required to have adequate cash reserves, and these recent circuit breakers instituted by the New York Stock Exchange are mostly for the benefit of institutional investors -- what is the administration going to do to protect small investors, people who have maybe like 100 or 200 or 500 shares of stocks in the markets, from the forthcoming bear markets? And we all know what has to go up has to go down.

THE PRESIDENT: That’s true, but it’s also true that over time the trend has been up. And over any long-term period, the market has out-performed government securities. I do believe that
the SEC has a responsibility to enforce the laws that are on the books, but the SEC cannot repeal the rules of the market, going up or down, for any single class of investors. And I am unaware of any specific thing that they've been asked to do over and above this.

Claire.

Q Mr. President, whatever you may think about all of these ongoing investigations of your administration, they certainly have pulled in a lot of your friends and employees and acquaintances, people who have had to appear before the grand jury. A number of times, a lot of people -- like Betty Currie, for example, who built up large legal fees. And I wonder, do you feel in any way personally responsible? And do you still intend, as you mentioned in 1996 in an interview, once you're out of office to help out with those legal fees?

THE PRESIDENT: Yes, if I can figure out a way to do it, I will. I feel terrible about -- there are all these people who have been hauled through this, who under the governing statute, can never get their legal bills reimbursed -- so that you have -- the independent council not only has an unlimited budget and can go on forever -- 10, 20, 30, 40, 50 years, spend $40 million dollars today, $100 million dollars tomorrow -- they can take -- your laughing -- but we still have one from the mid-'80s in effect and -- although it's not active. But in this case, we had this Resolution Trust Corporation report two years ago, which exhaustively reviewed every issue relevant to Whitewater. And it didn't have any effect -- the thing just went on and on and on.

So more and more people get called in and they spend money they don't have for legal fees that they can't afford. And they're never targets of investigation; therefore, they're not subject to any reimbursement. And I feel terrible about it. If I can think of something to do about it, I will.

Q Are you responsible for that at all, yourself? I mean, is that a personal --

THE PRESIDENT: No, if there's one person in the world I'm not responsible for, it's Mr. Starr. I think all of you would admit that -- and his behavior and what he and Mr. Ewing and the others have decided to do. I don't think there's any American who believes I'm responsible for them.

Q Mr. President, turning to tobacco for a moment, the House Republican leadership apparently has rejected Congressman Billey's presentation of a compromised tobacco deal. What state do you think the tobacco compromise is in now? Are the Republicans in the pocket of big tobacco, and will this have to be fought out in the November elections?
THE PRESIDENT: I certainly hope not. For one thing, Mr. Bliley is a conservative Republican from Virginia, a tobacco-growing state. Mr. Waxman is a liberal Democrat who's got a great reputation for protecting the public health. The fact that they reached an agreement should have been some basis of going forward. And all I can tell you is I'm heartened by what's happening in the Senate, where we got an almost unanimous vote -- just missed it by one vote -- out of the committee in the Senate for the bill sponsored by Senator McCain and others. And we are going to work ahead.

I just don't think we can afford to let politics get in the way of this. I mean, the news report was that some people who were going to go along with this don't think they have to now because they think they found some political way to avoid it. I think that's a terrible way to look at this. The only thing that matters is 3,000 kids a day start smoking, even though it's illegal to sell cigarettes to kids; 1,000 of them a day will die sooner because of it. That is the only thing that matters. And we know that there are strategies which will save their lives.

I do not want this to be an issue in the November election. Let me say this again: I do not want this to be an issue in the November election. If it is an issue in the November election it will only be because those people who have a political or a financial interest in seeing that this matter is not resolved between now and November prevent it from being resolved. The worst thing in the world would be to play politics with our children's health. I'm not going to do it, and I hope no one else will.

Peter.

Q Mr. President, aside from the legal questions that you face both here and in the courts, Republicans have been notching up questions about your moral authority. How important is moral authority to you as you deal with questions like tobacco and drugs? What effect do you think this whole wave of controversies has had on your moral authority? And what kind of moral authority do you think the Republican critics have? (Laughter.)

THE PRESIDENT: Well, let me say, if I were to answer them in kind, I might be able to damage their reputation, which they might be able to do to me, but I could have no effect on their character, just as they can none on mine. And, therefore, I think if I were to answer them in kind, it would be a more a reflection on my character than on their reputation.

I believe that's it's very important for the President to be able to stand up for the values of the American people collectively, and for communities, and for families, and for individuals. And I think this administration has a good record, and I believe I have a good record of standing up for the things that will help up to raise our children stronger, and keep our families stronger, and make our country strong. At least I have done my best.
These things are distracting and we live in a time where they are more prominent than they have been at most times in our country's history, although, not at all times. And I deal with them the very best I can. But I do not think the right thing for me to do is to respond in kind. The right thing for me to do is to let others defend me as best they can and to go on and worry about the American people.

Go ahead.

Q I have a question about tobacco.

THE PRESIDENT: Jackie, you can go next.

Q I'm sorry.

THE PRESIDENT: No, go ahead, Mara.

Q I've got the floor, I don't want to give it up.

(Laughter.)

THE PRESIDENT: Good for you.

Q I'm wondering if you are ready to tell the DNC and the two Democratic congressional campaign committees to stop taking campaign contributions from the tobacco companies.

THE PRESIDENT: Well, it was my understanding that the DNC did not.

Q Well, that's not exactly correct. There is still some tobacco money --

THE PRESIDENT: It was my understanding that the DNC was not taking tobacco money --

Q -- the congressional committee.

THE PRESIDENT: Well, I don't tell them what to do. Congress is an independent body, as we see, and the House and the Senate committees will have to do whatever they're going to do. I have had a chance to set the policy for the Democratic National Committee. If it's being violated, I will check on it. But I think we're doing the right thing. It's legal for those people to contribute if they want. But I think until we get this matter resolved of the teen smoking, I think it would be better if none of us did. But it's up to them to decide what to do.

Kathy.

Q Mr. President, there are some questions that have
arisen because of Mr. Starr’s investigation that both you and your staff have admitted are legitimate questions, but that you don’t feel you’re able to answer while his investigation is ongoing. Now that he’s said that the end is not near, are you willing to live with these questions hanging over you for the rest of your administration?

THE PRESIDENT: Absolutely.

Q Does that mean, sir, that you would leave these waiting, that you’re not prepared to sit down and --

THE PRESIDENT: It means that I think every American who has observed the conduct of the independent counsel would expect me to follow the advice of my counsel. And that’s what I intend to do.

Q Secondly, sir, if you believe that Ken Starr is running, as you’ve indicated, a partisan vendetta, and especially if you think he’s wasting taxpayer money, as you’ve suggested here, why not ask Attorney General Reno to remove him?

THE PRESIDENT: That would not be an appropriate thing for me to do.

Q Mr. President, you and your aides have been insisting for quite some time now that you’re able to remain focused on the business of the country and do your work despite what’s going on. But House Speaker Gingrich is making it increasingly clear that unless there’s some more cooperation, some more forthcoming on your administration’s part, that your agenda on the Hill is going to be stalled. I wonder if there comes a point where you feel it’s your responsibility to provide some more cooperation so that some work can get done for the American people.

THE PRESIDENT: Oh, I don’t think anyone really seriously believes that’s what the last three or four days have been about. They’ve been about politics. And I’m not going to let -- I can be responsible for a lot of things, but I’m not responsible for the Speaker’s behavior. Neither, however, will I respond to it. Nothing he says about me personally -- nothing -- will keep me from working with him and with other Republicans in the Congress to do everything I possibly can on every issue before us.

There is nothing that he can say about me for whatever reason that will affect my willingness to sit down with him and others and work for the benefit of this country. So it’s not going to get in my way. It is simply not. I am not going to permit it to happen.

Now, I will tell you this -- the only think he said recently that really bothered me was when he said that he thought that tobacco advertising basically had no impact on whether children decide to smoke or not. I simply disagree with that. I think there are other reasons, but I think that was wrong. And that’s something that affects other people’s lives. That’s not Washington politics.
But, you know, whatever people say, let them go. I've got to do my job. And I will still welcome them to the White House, and we will do our job for the American people because that's what I'm supposed to do.

Bill. And Jackie.

Q. Mr. President, speaking of issues, is there any reason to take seriously a promise from any politician of either party for campaign finance reform to regard it as anything other than lip service when, by actually voting for campaign finance reform in a way that would cause the bill to pass, they'd be facilitating challenges to themselves? Do you believe that this is really possible?

THE PRESIDENT: Oh, yes.

Q. And why would anybody do it?

THE PRESIDENT: Well, I believe it's really possible because I think a lot of politicians know that the cost of campaigns and advertising, particularly -- and particularly television advertising -- has gotten so expensive that they're spending all their time raising money. And it's wearing them out and it makes them -- some of them, at least -- I think very few people really are terribly compromised and wind up voting in ways different than they would otherwise vote, but I think they know it raises all kinds of questions they wish it didn't raise. And I think most people in public life would love to do it.

But as I have said before, since the Republicans now have a majority in Congress it is more difficult for them because they raise more large money, more total money, more foreign money -- they raise more money in all these categories that people have raised objections to, so it is harder for them. But even among the Republican ranks, a lot of people I think genuinely want to do it. And I think that we're just going to keep working and try to get it done.

You never got your question. Go ahead, I'm sorry.

Q. Mr. President, given the questions about your moral authority this week, together with the trouble for the tobacco bill and IMF funding, is this going to be looked on back as the week where the era of bipartisanship between you and congressional leaders ended? And, if not, what are you going to do to revive things so you can get something done?

THE PRESIDENT: Well, I don't think so. We're having some problems over the tobacco issue, but keep in mind -- because of the stuff that's coming out of the House, which I don't really know how to assess -- but keep in mind, we have a bill slated to go to the floor of the Senate that passed, I believe, 19 to 1. And therefore,
the Senate is moving forward.

Look at the funding for the International Monetary fund, which is very critical to our long-term economic stability. It passed the Senate 86 to 14, total bipartisan support. So -- they’re voting on NATO today; I expect it to be a bipartisan vote. And they’ll be -- and by the way, the opposition will be bipartisan, too. So I don’t think a few days of high-level static in the House of Representatives -- which may have more to do with their affairs than with the rest of us -- I don’t pretend to understand it all -- I don’t think that should make us believe the air of bipartisan government is over.

If they -- if the American people will send them a clear signal, and they conclude it’s in their interest to work with me and work with the Republicans and the Democrats in the Senate and all of us that are working together to do it, then I think that’s what will happen. It’s a question of what they conclude is in their interest. And I don’t understand it entirely, but I’m going to keep working to get it done.

Q -- how do you pay for all your initiatives, and if the Republicans instead used the money for a tax cut, would you veto the tax cut?

THE PRESIDENT: Well, let me back up and say most of my initiatives, the federal part of most of my initiatives are paid for by non-tobacco sources. I believe -- I believe -- and I think they disagree with me, and we can argue that out in the future; that could be a subject for the coming election -- that if we give them back a whole lot of money that they have already spent on Medicare -- Medicaid -- if they get money back from the federal government as a result of this settlement, and especially if they get more than they anticipated getting under the original Attorney General’s agreement, I think, it is appropriate for us to say you ought to spend this on children. And the best way to spend it on children is on child care and education -- early childhood education -- getting down to small classes in the early grades, because we had the biggest increase in child health in 35 years in the balanced budget agreement last year.

So I think that’s an appropriate thing to do. If they disagree with me, then we can argue about that. But I would never stand in the way of a tobacco bill that actually reduced childhood smoking because they disagreed with me about how to invest the money. But I would expect a bill to actually help our kids.

Q You have just returned from Santiago where you attended the Second Summit of the Americas. Many of the hemispheric leaders told you, or made public their belief that the U.S. embargo is not working against Cuba, it has brought about no democratic changes. Prime Minister Jean Chretien has just visited Cuba. President Castro used the opportunity welcoming him to say that the U.S. had committed war crimes against the Cuban people and should be judged in an international court for that embargo.
My question is, sir, do you believe the embargo is working? And number two, you promised the leaders in Santiago you would work to get fast track. With economies is doing so well, isn't this a good time to start pushing in Congress? Thank you.

THE PRESIDENT: Well, the answer to the second question is it's probably not the best time because it is even closer to the election, and for reasons that I disagree with, a lot of members of Congress -- and most of them in my own party -- think that it's not a good thing to do politically. I think it is imperative for our future and I will continue to try to pass it. But I don't think this is a good time right now.

What was the other question?

Q Castro -- the Cuban embargo.

THE PRESIDENT: Oh, the Cuban embargo. On the Cuban embargo, I think that it has been useful, but I also believe that we should do more to minimize the damage to the Cuban people. Which is why, after the Pope's visit, I relaxed a lot of the restrictions on the transfer of food and medicine and on travel there in an attempt not only to help and strengthen the Cuban people, but also to strengthen the church and other institutions of society, in the hope that there can be a transition to a more open, freer place. And I'm still hoping for that.

Go ahead, Mark.

Q Mr. President, back on the Secret Service, if I can. It argues that if its agents and officers were to cooperate with independent counsel Ken Starr, that it would cause you to keep them at a distance. Is that true, sir? Would it change the nature of your relationship with the Secret Service detail if they were to cooperate with the independent counsel?

THE PRESIDENT: I think what it argues is -- what the Secret Service argues is that the institution of the presidency would be affected because the President, for example, would feel that conversations in the limousine going to and from places and other things that he might do in the future that have every right to be kept confidential would be subject to questioning. And even if there was nothing unlawful about them, they would then be leaked, even if leaking is illegal. And certainly, they have lots of evidence to support that worry.

I mean, as I understand it, that's their argument. However, I have had no conversations with them about it. And I think, again, I should not comment on it. They are making a case about the institution of the presidency. President Bush has said that he agrees with them, and you might ask other former Presidents what they think. But it's the -- the Secret Service has made this decision on its own; I am not involved with it. And I think that
that's the way it ought to stay.

Mr. Cannon.

Q Mr. President, earlier you spoke about the hardship of people who had to get lawyers and spend money who have done nothing wrong and are not even being targeted with an investigation. My question is about people who have been targeted. I'm asking how far along are you in your thinking about possible pardons for people who you think have been wrapped up in an investigation that they never would have even been -- they never even would have come across any prosecutor's radar screen if you --

THE PRESIDENT: No one has asked me for one and there's been no discussion about it.

Q President Clinton, I wanted to talk to you about politics and the tobacco legislation. Specifically, one way you could take the politics out of the tobacco legislation is by embracing the tobacco industry and inviting them back into the process. Do you have any intention of doing that, and are there any plans for some sort of tobacco summit?

THE PRESIDENT: Well, first of all, they walked away. We didn't drive them out. I was -- the first I knew about them leaving was when they called a press conference and said they were leaving. I thought they were negotiating with the Congress. We were trying to negotiate with the Congress. We had -- the only vehicle you have is when the leader, in this case the leader of the Senate, signed -- Senator McCain's committee, the jurisdiction over the committee -- he got together with Democrats and Republicans on the committee; they put together a bill, and it was voted out. They said they didn't like the bill, thought it was going to get worse, and they were walking away. And then they started running their television ads. And that's all I know.

So I would hope that before this is over they would come back and rejoin the negotiations. I think it would be better if they were at the table. And as you know, at least at the edges there's some questions about the government's ability to impose certain restrictions on advertising unless it is done in a consent agreement with their participation. So I would like to see them a part of this.

Scott, go ahead.

Q Mr. President --

THE PRESIDENT: I'm working, Sarah, I'll get there. Be patient.

Q Thank you, Mr. President. You suggested at the beginning of this news conference, sir, that you've answered the questions about Monica Lewinsky. But, respectfully, there has been
no explanation for her dozens of visits to the White House after her employment here ended; no explanation for the Secret Service concern about her behavior in the West Wing; no explanation about the extraordinary effort by your secretary and your closest friends to find her a job. Sir, could you now give us some better sense of what appears to be an extraordinary relationship that you had with this woman, and fulfill your promise to the American people of more, rather than less, sooner rather than later?

THE PRESIDENT: Well, first of all, you have more information than you did when I said that. And, secondly, I have nothing else to say. I have been advised -- and I think it's good advice under the circumstances -- but I just don't have anything else to say about that.

Q Are you in legal jeopardy, sir?

Q Mr. President, your advisor, Sidney Blumenthal, last week called Ken Starr’s deputy, Hickman Ewing, a religious fanatic who has proclaimed that he operates from a presumption of guilt. Sir, I want to ask you if that's an appropriate comment, if you agree with it, and if you agree with Mr. Blumenthal's assertion that Starr is abusing, not just using, his office in an effort to destroy your presidency?

THE PRESIDENT: I don't have any comment about that. I believe there was an article on Mr. Ewing in The New Yorker in which he made some comment about his presumption of guilt, and you can just -- his words ought to stand or fall. Nobody else should be able to characterize them.

Go ahead, Mr. Bennett. And then Sarah. And then John.

Q In light of your comments before about character, Mr. President, I'd like to ask you about a divergence we've seen in the polls recently. Public polls have suggested that the strong majority still approves of the job you're doing as President. The majority no longer feels that you share their moral values, and they say that they no longer respect you as a person. I wonder if you find that distressing and how you account for it?

THE PRESIDENT: Well, I don't think it's hard to account for. It's been part of a strategy that's -- it goes all the way back to 1991. And -- but it used to distress me greatly; it doesn't anymore.

You know, I will say again, all these people that have been working hard on this for seven years now, they can affect my reputation, they can do nothing, for good or ill, to affect my character. Unfortunately, they can't make it any better either. They can't make it any better, they can't make it any worse. They can't have an impact on it.
And it's obvious, I think, to the American people that this has been a hard, well-financed, vigorous effort over a long period of time by people who could not contest the ideas that I brought to the table; couldn't even contest the values behind the ideas that I brought to the table, and certainly can't quarrel with the consequences and the results of my service, and, therefore, personal attack seems legitimate. I have never done that in my public life. I don't believe in it, and I'm not going to participate in it. But all I can do -- I can't say -- I can't get in an argument with the American people about this. All I can do is show up for work every day and do the very best I can. That's what I did today and that's what I intend to do tomorrow.

Q Mr. President, it looks as if you're getting ready to sign an agreement with China which will give them help and some of our secrets, and not just be a friendly thing. Would you sign this without the American people having had wide discussion over this and debate -- don't you need approval of Congress? Would you just go ahead and sign this? Because after all, that's one of our greatest enemies is China.

THE PRESIDENT: Well, Sarah, I'm not sure I know the specific issue you're referring to, but I would not make any agreements with China in secret, and they would be subject to the knowledge of the Congress and the debate of the American people. We are trying to get to a point where we can work more closely with them where they cooperate more closely with us. So we're trying to build the same kind of world in the future and not a very different kind of world. And I hope we'll get there.

Q Mr. President, there have been reports -- news reports that the independent counsel has invited you to voluntarily answer questions about the Lewinsky matter, but so far you haven't committed to an interview. Are those reports true, and would you commit to answering questions that he has, or do you believe that he's simply too biased in his investigation and, therefore, you don't have an obligation?

THE PRESIDENT: I don't have anything to say about that. All my interactions with him, Mr. Kendall speaks for me, and I just have nothing to say.

Q Recently, some conservatives who you met with at the White House in December said that they feel that your race initiative has not been inclusive and they're embarking on their own race initiative. Do you agree with their assessment? And, also, the year for your initiative is drawing to a close rapidly. Do you foresee extending that period?

THE PRESIDENT: Well, first of all, I guess you're referring to Mr. Connerly and Ms. Thernstrom, and I'm glad if they want to spark a debate. But I did invite them here to be part of our discussion, and I invited other conservatives who were not able to
come. And I’ve done what I could to broaden this debate in many ways, and not just to those who claim a special stake in it. What we did on ESPN I thought was in some ways one of the more interesting things that has occurred in the last year.

So I welcome any kind of organized discussion. Today we’ve got 40 governors and the YWCA announcing that all over the country they’re going to be engaging in these kinds of discussions. I think all of this is to the good, not bad. So I would encourage people who disagree with me about all these issues to seek out people who are different from them and get into the debate and the dialogue and talk it through.

Now, as we come down to this year, to be perfectly candid, I have not made a decision about how best to carry forward this. But in some form or fashion we have to carry this forward, because what I’m trying to do is to get people to think about our racial diversity as an enormous asset for America in the 21st century if we become more of one nation as a result of it.

So we have -- for example, I’ve got a lot of legislative proposals on the table which are critical to this, our whole empowerment zone, more community development banks -- all the things we’re doing to try to close the opportunity gaps in our inner cities and our rural areas. The EEOC budget, which, to go back to one former question, I believe the Speaker is committed to support, which will be very good, to clear out this huge backlog in discrimination cases before the federal government. There are lots of specific things we still have to do, as well as other avenues of dialogue that I think need to be explored.

April.

Q Mr. President, General Barry McCaffrey is in the midst of controversy over the needle exchange program, as well as a personality conflict. Mr. President, what are your words to General McCaffrey’s detractors, especially those in your Cabinet, your administration, and those Democrats in the CBC that are joining Newt Gingrich to get McCaffrey out of the Drug Czar’s Office?

THE PRESIDENT: Well, first of all, I think we ought to look at his record. I think he’s got quite a commendable record. We have more than double -- we’ve had a strategy that was as follows with the drug issue: One, to try to help parents teach their children that drugs are wrong and illegal and can kill you. Two, to try to support local law enforcement efforts and local community efforts at not only punishment, but prevention. Three, to try to increase our capacity to stop drugs from coming in at the border.

We more than doubled border guards, for example, from 3,000 to 6,000. We’ve got another 1,000 coming in this budget. We’ve got a fund set aside in the highway bill to increase the technological capacity of the government to stop drugs coming in at the border.
And General McCaffrey has been behind a lot of that. He’s also done enormous work with the supply countries and Latin America, trying to get them to work with us. And he’s made some real headway. He’s one of the reasons we’ve got this alliance against drugs at the last Summit of the Americas. He supported huge increases in funding for treatment and for testing and treatment for inmates not only in federal, but in state and local penitentiaries. So I think he’s got a good record.

Now, he believes that the benefits of needle exchange are uncertain and that the message you send out is not good, that somehow the government is empowering drug use. There are people all over the country who agree with that. Now, the weight of medical research and the American Medical Association has a different view. Their view is that it may help to lower the transmission of HIV, and there is no evidence that it increases drug use.

I think -- if I might, I mean, that’s the next logical question, why did we make the decision we did -- because the weight of scientific evidence was what I just said. But if you look at it, it’s clear -- if you go all across the American cities or go to Vancouver, Canada, anywhere where they’ve had a needle exchange program where there has been serious testing, the only place it really works to reduce HIV transmission and to reduce drug use is when the people who come in to exchange needles get pulled into treatment programs.

So the real issue is, will there be more funds for treatment. And that’s, obviously -- I’m getting as much money out there as I can, but that’s why I think it should remain a local decision and why I made the decision I did, and why I’d like to see this controversy put behind us, because I think in a way, in terms of impact on people, it has been -- there has been more heat than light on it.

Q  Thank you, Mr. President. This is for Hungarian national television. What is your message, sir, to those nations, particularly to Hungarians, millions of them living below the poverty line, I mean the Hungarian poverty line? Will they be better off by joining a military alliance? Some critics here say that this like putting the cart before the horse. Military comes first; economic integration just second. What’s your take on that? Thank you.

THE PRESIDENT: Well, first, I think it’s a very legitimate question. It is a legitimate question. It’s a question that bothered me, for example, when some other countries not nearly as prosperous as Hungary, were asking to be considered for NATO membership. For the United States and for other NATO members, we have to trust the elected representatives of the countries involved -- in this case, Hungary, Poland, and the Czech Republic -- to make the right decision on that.

My view is, if it can be afforded -- for Hungary,
Poland, and the Czech Republic -- if it can be afforded consistent with a commitment to economic growth and benefits, preserving the social contract for the people, it will be good economically over the long run for Hungary, because it will tie Hungary more closely to the emerging global economy of democracies, it will identify Hungary even more clearly as a responsible nation capable of helping NATO solve other peacekeeping problems, and it will remove any lingering questions, however rational or not, about Hungary's security. So I think it will be good for the economy over the long run if it could be managed now.

George.

Q Following up on Peter's earlier question, to what degree do you believe that a President, any President, is a role model in his private behavior? And does that not justify questions about private behavior that might otherwise be considered intrusive?

THE PRESIDENT: Well, those are questions that you need to ask and answer without my involvement for the simple reason that our consensus about that over time has been -- it's changed dramatically, first of all. Secondly, there is a difference between the question you asked and the exact nature of what's happened here over the last five and a half years, which I am sure you appreciate.

Q Mr. President, as President of the United States, the country leader to defend democracy in the world, are you ready to accept a democratic vote by the majority of the members of the OAS to reinstate Cuba as an active member of the Inter-American system. If not, why not?

THE PRESIDENT: No, because just last year, the OAS voted to kick anybody out who abandoned democracy. So we would look completely hypocritical if we said, here's a set of rules we have for all of our members -- if you abandon democracy you're out of here; but we feel so terrible that Cuba has been under this dictatorship for 40 years and has been outside the OAS that we think we'll bring them in here.

First of all, I think it's hypocritical. Secondly, I don't believe that democracy has been in effect and is secure enough from the enormous pressures that are on a lot of countries to guarantee that we can preserve it if we were to make that sort of mistake.

Now, other countries in OAS in the Americas are perfectly free to disagree with our position on Cuba. For example, the Canadian Prime Minister -- one of you just asked a question -- just went to Cuba. But I think when he was there, he was also pressing for democracy and human rights. We can have differences in our approach to the same goal, and I wouldn't criticize that. But I think to open up the OAS or the Summit of the Americas to a non-democratic nation, in my view, would be a big mistake.
This country stands for freedom and democracy. We’re fighting like crazy to preserve it in countries where it is very difficult to do so, where people literally put their lives on the line every day for freedom. And when people are out there risking their lives, we ought not to send the wrong signal about how important that is to us.

Thank you.

END 2:57 P.M. EDT

Message Sent To:
PRESIDENT WILLIAM J. CLINTON

REMARKS ON THE ECONOMY

THE WHITE HOUSE

April 30, 1998
Good afternoon. I am looking forward to taking your questions, but first I’d like to talk to you about the ways we are making America stronger as we approach the 21st century.

Five years ago, we charted a new course for a new economy--a strategy of fiscal discipline, expanded trade, and investment in our people. Today we received more good news that this strategy is working. The latest economic report shows that in the first quarter of 1998, our economy grew at a rate of 4.2 percent. Wages are rising while inflation remains low. This expansion is fueled not by growing government deficits but by booming business investment.
In the first quarter, unemployment was the lowest in 28 years; inflation was the lowest in more than 30 years; and consumer confidence reached its highest level in 30 years. For five years in a row, America’s economy has been rated the most competitive in the world.

We are living in an American economic renaissance. Opportunity is abundant. Communities are getting stronger. Families are more secure. These are prosperous and productive times for the American people.

Still, we cannot allow the hum of our growing economy to lull us into complacency.
As estimates of the possible budget surplus expand, so do suggestions we squander it on tax cuts or spending. But Americans have worked too hard for too long to put our fiscal house in order, so I will strongly resist the use of a single penny of the surplus before we have saved Social Security.

Nor can we turn our backs on America’s responsibility to lead the world. We see that commitment today, as the Vice President and Mrs. Gore represent our nation at the 50th anniversary of the state of Israel. We have more to do to exercise this leadership here at home. The health of our economy is deeply affected by the health of the global economy.
I therefore call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund. I am confident we can do this in a bipartisan fashion. The debate over NATO enlargement has been a model of bipartisan action. I thank Senators Lott, Daschle, Helms and Biden for their leadership on this issue, and I hope for a strongly positive vote in the Senate today. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation--a Europe united, democratic and secure.

At the threshold of the 21st century, America is on the rise--at home and abroad.
We must continue this progress. At stake is nothing less than our economic strength and our national security. If we overcome our divisions here at home and work together as one nation, then America will truly be a beacon of hope into the next century. Thank you.

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Nor can we turn our backs on this reality: In the Information Age, the health of our economy is deeply affected by the health of the global economy. I therefore call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund. The future strength of our economy is at stake. I am confident we can make this commitment this in a bipartisan fashion. That’s how we balanced the budget, that’s how we’re repairing America’s social fabric, and that’s how we’re affirming American leadership in the post Cold War era. The debate over NATO enlargement has been a model of bipartisan action, and I hope for a strongly positive vote in the Senate today. A stronger NATO means a safer Europe and a safer America. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation--a Europe united, democratic and secure.
At the threshold of the 21st century, America is on the rise—at home and around the world, in our economic strength and our national security. As I have traveled to other nations, I have seen how many people turn to America as a beacon of hope. If we overcome our divisions here at home and work together as one nation, then we will be that beacon of hope for the world into the next century. Thank you.

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Nor can we turn our backs on this reality: In the Information Age, the health of our economy is deeply affected by the health of the global economy. I therefore call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund. The future strength of our economy is at stake. I am confident we can make this commitment this in a bipartisan fashion. That's how we balanced the budget, that's how we're repairing America's social fabric, and that's how we're affirming American leadership in the post-Cold War era. The debate over NATO enlargement has been a model of bipartisan action, and I hope for a strongly positive vote in the Senate today. A stronger NATO means a safer Europe and a safer America. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation--a Europe united, democratic and secure.
At the threshold of the 21st century, America is on the rise— at home and around the world, in our economic strength and our national security. As I have traveled to other nations, I have seen how many people turn to America as a beacon of hope. If we overcome our divisions here at home and work together as one nation, then we will be that beacon of hope for the world into the next century. Thank you.

Now, as I said at the White House Correspondents’ Dinner the other night, by long tradition Helen gets the first question.
Good afternoon. I am looking forward to taking your questions, but first I’d like to talk to you about the ways we are making America stronger, both at home and around the world, as we approach the 21st century.

Five years ago, my administration charted a new course for a new economy—a strategy of fiscal discipline, expanded trade, and investment in our people. Today we received more good news that this strategy is working, that our nation’s economy is growing steady and strong. The latest economic report shows that in the first quarter of 1998, our economy grew at a rate of 4.2 percent. Wages are growing at more than twice the rate of inflation. And, most important, this expansion is fueled not by growing government deficits but by booming business investment.

Unemployment is the lowest in 28 years; inflation is the lowest in more than 30 years; and consumer confidence is the highest in 30 years. For five years in a row, America’s economy has been rated the most competitive in the world.

We are living in an American economic renaissance. Opportunity is abundant. Communities are getting stronger. Families are more secure. These are prosperous and productive times for the American people.

Still, we cannot allow the hum of our growing economy to lull us into complacency. The coming months will test our commitment to the new economic strategy that has helped produce prosperity. As estimates of the possible budget surplus expand, so do suggestions we squander it on tax cuts or spending. But Americans have worked too hard for too long to put our fiscal house in order, so I will strongly resist the use of a single penny of the surplus before we have saved Social Security. [Social Security is not merely for our parents and ourselves; it is for our children and our grandchildren] We fulfill our obligation to them only when Social Security is sound for the long term.

Nor can we turn our backs on this reality: In the Information Age, the health of our economy is deeply affected by the health of the global economy. I therefore call on Congress to step up to its responsibility and renew our commitment to the International Monetary Fund. The future strength of our economy is at stake. I am confident we can make this commitment this in a bipartisan fashion. That’s how we balanced the budget, that’s how we’re repairing America’s social fabric, and that’s how we’re affirming American leadership in the post-Cold War era. The debate over NATO enlargement has been a model of bipartisan action, and I hope for a strongly positive vote in the Senate today. A stronger NATO means a safer Europe and a safer America. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer
than ever to realizing the dream of a generation--a Europe united, democratic and secure.

At the threshold of the 21st century, America is on the rise--at home and overseas, in our economic strength and our national security. As I have traveled around the world, I have seen how many people turn to America as a beacon of hope. This is a time of progress in America, and a time to prepare for the challenges of a new era. If we overcome our divisions here at home and work together as one nation, then our children, too, will enjoy these blessings of peace and prosperity. Thank you.

[Now, as I said at the White House Correspondents’ Dinner the other night, by long tradition Helen gets the first question.]
Good afternoon. I am looking forward to taking your questions, but first I'd like to talk to you about the ways we are making America stronger, both at home and abroad, as we approach the 21st century.

Five years ago, my administration charted a new course for a new economy—a strategy of fiscal discipline, expanded trade, and investment in our people. Today we received more good news that this strategy is working, that our nation's economy is growing steady and strong. We have just learned that in the first quarter of 1998, our economy grew at a rate of 3.5 percent. This expansion is fueled not by growing government deficits but by booming business investment. Wages are now rising at twice the rate of inflation. In the first quarter of 1998, unemployment has been the lowest in 28 years; core inflation is the lowest in 30 years; and consumer confidence is the highest in 30 years.

We are living in an American economic renaissance. Opportunities are abundant. Communities are stronger. Families are more secure. These are good times—prosperous and productive times—for the American people.

Still, we cannot allow the hum of our economy to lull us into complacency. The coming months will test our commitment to fiscal responsibility. As estimates of the possible budget surplus expand, so does the temptation to squander it on excessive tax cuts or spending. But members of both parties have worked too hard for too long to abandon our fiscal discipline; and so I will resist the use of a single penny of the surplus before we have saved Social Security.

I am encouraged by a report earlier this week that the strength of our economy will extend the solvency of the Social Security trust fund by another three years, until 2032. And because of our bipartisan commitment to balance the budget, the long-term prognosis for Medicare is stronger than it has been in a decade. A bipartisan commission is studying ways to strengthen it further. But let us not forget: Social Security is not merely for our parents and ourselves, it is for our children and our grandchildren. We will fulfill our obligation to them only when Social Security is sound for the long term.

As America prospers, we must make certain that others do not falter. In this new era, the health of our economy is deeply affected by the health of the global economy. We must therefore renew our commitment to the
International Monetary Fund, which stabilizes the international system. Instability abroad risks our prosperity at home, and I think we can all agree that is too great a risk to run.

I am confident we can make this commitment this in a bipartisan fashion. That's how we balanced the budget, and that's how we're strengthening American leadership in the post-Cold War era. The debate over NATO enlargement has been a model of bipartisan dialogue and action, and I look forward to a strongly positive vote in the Senate today. By admitting Poland, Hungary and the Czech Republic to this great alliance, we come closer than ever to realizing the dream of a generation—a Europe united, democratic and free. A stronger NATO means a safer Europe and a safer America.

The sun is setting on the 20th century, but America is on the rise—at home and overseas, in our economic strength and our national security. We are poised to conquer the challenges of the next century. If we put aside our differences and work together as one nation, then we will extend to our children these blessings of security and prosperity. Thank you.

[Now, as I said at the White House Correspondents' Dinner the other night, by long tradition Helen gets the first question.]
PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE WHITE HOUSE
April 30, 1998

Today we received some more good news about our nation’s economy. It continues to
grow steadily and strongly. [new numbers] We have the strongest economy, the lowest
unemployment, the lowest inflation, the greatest consumer confidence and the highest rates of
home ownership in a generation. And for the first time in thirty years, we have balanced the
budget. These are good times-- prosperous and productive times--for the American people.

Our economic progress is the product of the hard work, the ingenuity, and the innovation
of American workers and businesses. It is also the result of a new strategy for a new economy
Five and a half years ago, my administration charted this course of fiscal discipline, foreign
trade, and investment in our people. Economic reports like the one we just received tell us our
strategy is working, and working well.

If it is to continue working, we must not become complacent. If our economy is to
continue growing, we must not stumble in the pitfalls of our own success. The coming months
will test our commitment to fiscal discipline. As estimates of the possible budget surplus
expand, so does the temptation to squander it on excessive tax cuts or spending. But we have
worked too hard for too long to abandon our common sense; and so I will resist the use of a
single penny of the surplus before we have saved Social Security.

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extend the solvency of the Social Security trust fund by another three years, until 2032. And
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Medicare is stronger than it has been in a decade. A bipartisan commission is studying ways to
strengthen it further. But we must not forget: Social Security is not merely for our parents and
ourselves, it is for our children and our grandchildren. We fulfill our obligation to them only
when Social Security is sound for the long term.
Strong Growth, Strong Investment, Rising Wages, And Low Inflation: The Economy Under President Clinton

April 30, 1998

TODAY’S GDP AND EMPLOYMENT COST INDEX (ECI) DATA SHOW THAT THE AMERICAN ECONOMY CONTINUES TO ENJOY STRONG GROWTH, RISING WAGES, AND LOW INFLATION. IN THE FIRST QUARTER, GDP GREW AT AN ANNUAL RATE OF 4.2 PERCENT -- FUELED BY STRONG INVESTMENT GROWTH -- AND INFLATION ROSE AT ITS SLOWEST PACE IN MORE THAN THREE DECADES.

• **4.2 Percent Growth In The First Quarter.** In the first quarter of 1998, the economy grew at a strong annual rate of 4.2 percent -- that’s the sixth consecutive quarter in which growth exceeded 3 percent. Since President Clinton took office, growth has averaged 3.1 percent per year -- relative to 1.3 percent per year under President Bush and 2.4 percent per year during the Reagan-Bush years.

• **First Investment-Led Expansion In Three Decades.** In the first quarter, investment in business equipment rose a strong 28.8 percent at an annual rate. For the first time on record, business investment has grown at double-digit rates for five years in a row. And since President Clinton has taken office, business investment has faster (12.2 percent per year) than under any President since John F. Kennedy.

• **Private-Sector Growth is Strong.** In the first quarter, the private sector grew an impressive 5.6 percent at an annual rate. This means that since President Clinton took office, the private sector of the economy has grown by 3.7 percent per year, compared to 3.0 percent under President Reagan and 1.3 percent under President Bush.

• **Real Wages Are Rising.** Today’s ECI report shows that over the past year, private-sector hourly compensation rose 3.5 percent -- an increase over the previous year. This growth in compensation was led by strong wage growth: wages are now 4.0 percent higher than a year ago. With the CPI up 1.4 percent over this same period, wages are growing more than twice the rate of inflation.

• **Inflation Is Lowest Since 1964.** In the first quarter, the GDP price index rose 0.9 percent at an annual rate. Over the past year, inflation rose just 1.4% -- the smallest increase in 34 years.

THE DATA FROM THE FIRST QUARTER SHOW THAT THE ECONOMY IS THE STRONGEST IN A GENERATION:
• **Unemployment Was 4.7 Percent -- Lowest Quarterly Level in 28 Years.** In 1992, the unemployment rate was 7.5 percent. In the first quarter of 1998, the unemployment rate was 4.7 percent -- its lowest level since 1970. For the first time in 28 years, the unemployment rate has been below 5 percent for 9 months in a row.

• **Consumer Confidence Was Highest In Nearly 30 Years.** Consumer confidence rose to 133.2 in the first quarter of 1998 -- that’s the highest quarterly level since 1969.

• **Strongest Housing Sector in Years.** In the first quarter of 1998, homeownership increased, housing starts rose to their highest level in a decade, new home sales hit their highest level in 20 years, and existing home sales reached an all-time high.
REMARKS BY THE PRESIDENT
AT WINTER OLYMPICS/PARALYMPICS RECEPTION

The South Lawn

3:10 P.M. EDT

THE PRESIDENT: Thank you and welcome to the White House. I am delighted to have all of you here. I thank the members of the Cabinet for coming, and I thank Congressman Ryun from Kansas, a former Olympian, for being here. To the president of the Olympic Committee, Bill Hybl, to the executive director, Dick Schultz, and to all the other officials, and to the members of our Olympic team.

Let me say -- before I get into my remarks, I need to make two preliminary comments. First of all, I want to thank Tipper Gore for representing our administration at the 1998 Winter Olympics. I wish she could be here with us today. I know she would like to be. I'd also like to thank my good friend Mack McLarty for working so hard with the Vice President as the co-chair of our White House Task Force on the Olympic Games.

The second thing I'd like to do before I get into my remarks is to just say, for the benefit -- because this is my only chance to talk to the press today -- I just finished a very good meeting with the Senate Republican and Democratic leaders, Trent Lott and Tom Daschle, about one of the most important votes that our Senate will face this year, and that is to expand the alliance of NATO to include Poland, Hungary, and the Czech Republic.

I want to thank them both for their support. This is coming at a very important time for America -- four years after I first proposed that we expand our European security alliance to make us more secure and Europe safer and more united. And I am very grateful for Senator Lott and Senator Daschle, Senator Helms and Senator Biden, and all the others. We are seeing a very impressive, high-level debate in the Senate, and even among those who don't agree with my position, I must say I've been very impressed by the debate. And I'm looking forward to a positive vote by the end of this week.

Now let me say I have looked forward to this day for a long time, ever since the Olympics concluded. To see these fine people, and those who are not here who are part of their
teams, I think makes all Americans very proud. In the mountains, the ice rinks, the race courses of Japan, we saw America at its best. The young Olympians who are here did more than carry our flag. In a fundamental way, they carried with them the spirit of America.

I'd like to say a special word, too, of appreciation to the Paralympians who brought home 34 medals in the largest Winter Paralympics ever. Thank you.

It's also a great source of pride for us that the Winter Olympics in 2002 will be in Salt Lake City. When the Olympic flag was lowered and passed from the Mayor of Nagano to Mayor Corradini, it really marked the opening events of the 2002 Games. So we're very glad that Mayor Corradini has joined us today, along with the Chairman of the Salt Lake Olympic Committee, Robert Garff, and other members of the Utah Olympic Committee. We want to help them succeed. And I'd like to ask them to stand and receive our support. Mayor Corradini and the members of the Utah Committee -- there's Mr. Garff. Thank you all for being here. Thank you -- there they are right there.

I'd also like to say one more word to America's Olympic teams in 1998. In a fundamental way, you have become a part of America's team for the rest of your lives. If you choose, for the rest of your lives, because you were an Olympian, you can have a profound, positive impact on all the people with whom you come in contact, but especially on young people.

Even though for many of you the Olympic triumphs you had, just being a member of the team, must have marked the most magic moment in your lives, I hope that the future will be even richer for you. And I think it can be if you use the fact that you are an Olympian to have a positive impact on the lives of young people.

The lessons of setting your sights high, working hard, being persistent, believing in yourselves, playing by the rules, supporting your team, those are lessons that every child in America needs to learn; lessons that every child can see in your eyes and in the power of your example. Some of you earlier today participated in the Champions in Life program. You can reach out, in telling your stories, working in communities, approaching future endeavors with this kind of drive and commitment, and I hope you'll do that, because you can really have a positive impact on 21st century America.

In this century, through all its highs and lows, we have seen throughout the 20th century a renaissance in the Olympic games. Everybody now knows about the remarkable triumph of Jesse Owens in the 1936 Berlin Games, what it said about prejudice and hatred, what it said about the difference between America and the Nazi regime that then governed in Germany.

Jesse Owens said this in 1936: "Only an Olympian can fully realize the grip the Games have on the youth of the world." It was true in 1936; it is true today. Then it was true and people saw a profound good in the midst of a dark time. This is a sunlit moment of peace and prosperity. But the Olympic spirit -- the spirit of goodwill, friendship, understanding and unity across all the lines that divide us -- that can propel us into an even brighter era of respect and
success.

Now I would like to introduce the athlete that has been chosen by her teammates to represent the Olympians here today, a person whose grace and excellence on the ice -- and I must say even more after the competition -- must have been a source of enormous joy and pride, not only to her teammates, but to all Americans.

Ladies and gentlemen, Ms. Michelle Kwan.

END 3:17 P.M. EDT
THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release
March 20, 1998

REMARKS BY THE PRESIDENT
ON THE NATIONAL INTEREST FOR ENLARGING NATO

The East Room

12:46 P.M. EST

THE PRESIDENT: Thank you. Thank you very much, Secretary Albright, General Shelton, General Sandler, Mr. Berger, Senator Roth, to the members and representatives of the Joint Chiefs, members of the diplomatic corps, and other interested citizens, many of whom have held high positions in the national security apparatus of this country and the military of our country. We're grateful for everyone's presence here today.

I especially want to thank the members of the Senate who are here. I thank Senator Roth, the chairman of the NATO observer group, Senator Moynihan, Senator Smith, Senator Levin, Senator Lugar, Senator Robb, and Senator Thurmond. Your leadership and that of Senators Lott, Daschle, Helms and Biden and others in this chamber has truly, as the Secretary of State said, made this debate a model of bipartisan dialogue and action.

The Senate has held more than a dozen hearings on this matter. We have worked very closely with the Senate NATO observer group. And I must say, I was essentially gratified when the Senate Foreign Relations Committee voted 16 to 2 in support of enlargement.

Now, in the coming days the full Senate will act on this matter of critical importance to our national security. The admission of Poland, Hungary, and the Czech Republic to NATO will be a very important milestone in building the kind of world we want in the 21st century.

As has been said, I first proposed NATO enlargement four years ago, when General Joulwan was our commander in Brussels. Many times since, I've had the opportunity to speak on this issue. Now a final decision is at hand, and now it is important that all the American people focus on this matter closely. For this is one of those rare moments when we have within our grasp the opportunity to actually shape the future, to make the new century safer and more secure and less unstable than the one we are leaving.

We can truly be present at a new creation. When President Truman signed the North Atlantic Treaty 49 years ago next month, he expressed the goal of its founders in typically simple
and straightforward language: to preserve their present peaceful situation and to protect it in the future. The dream of the generation that founded NATO was of a Europe whole and free. But the Europe of their time was lamentably divided by the Iron Curtain. Our generation can realize their dream. It is our opportunity and responsibility to do so, to create a new Europe undivided, democratic, and at peace for the very first time in all history.

Forging a new NATO in the 21st century will help to fulfill the commitment and the struggle that many of you in this room engaged in over the last 50 years. NATO can do for Europe’s east what it did for Europe’s west -- protect new democracies against aggression, prevent a return to local rivalries, create the conditions in which prosperity can flourish.

In January of 1994, on my first trip to Europe for the NATO summit, we did take the lead in proposing a new NATO for a new era. First, by strengthening our Alliance to preserve its core mission of self-defense, while preparing it to take on the new challenges to our security and to Europe’s stability. Second, by reaching out to new partners and taking in new members from among Europe’s emerging democracies. And third, by forging a strong and cooperative relationship between NATO and Russia.

Over the past four years, persistently and pragmatically, we have put this strategy into place. NATO has shifted to smaller, more flexible forces better prepared to provide for our defense in this new era, but also trained and equipped for other contingencies. Its military power remains so unquestioned that it was the only force capable of stopping the fighting in Bosnia. NATO signed the Founding Act with Moscow, joining Russia and history’s most successful alliance in common cause for a peaceful, democratic, undivided Europe. We signed a charter to build cooperation between NATO and Ukraine. We created the Partnership for Peace as a path to full NATO membership for some, and a strong and lasting link to the Alliance for others.

Today, the Partnership for Peace has exceeded its mission beyond the wildest dreams of those of us who started it. It has more than three dozen members.

Now we’re on the threshold of bringing new members into NATO. The Alliance’s enlargement will make America safer by making NATO stronger, adding new forces and new allies that can share our security burdens. Let me be very clear: NATO’s core mission will remain the same -- the defense of the territory of its members. The addition of new members will strengthen and enhance that mission. In pursuing enlargement, we have made sure not to alter NATO’s core function or its ability to defend America and Europe’s security.

Now I urge this Senate to do the same, and in particular to impose new constraints on NATO’s freedom of action, its military decision-making, or its ability to respond quickly and effectively to whatever challenges may arise. NATO’s existing treaty and the way it makes defense and security decisions have served our nation’s security well for half a century.

In the same way, the addition of these new members will help NATO meet new challenges to our security. In Bosnia, for example, Polish, Czech, and Hungarian soldiers serve alongside our own with skill and professionalism. Remember, this was one of the largest, single
operational deployments of American troops in Europe since World War II. It was staged from a base in Taszar, Hungary. It simply would not have happened as swiftly, smoothly, or safely without the active help and support of Hungary.

As we look toward the 21st century, we're looking at other new security challenges as well -- the spread of weapons of mass destruction and ballistic missile technology, terrorism and the potential for hi-tech attacks on our information systems. NATO must be prepared to meet and defeat this new generation of threats, to act flexibly and decisively under American leadership. With three new members in our ranks, NATO will be better able to meet those goals as well.

Enlargement also will help to make Europe more stable. Already, the very prospect of membership has encouraged nations throughout the region to accelerate reforms, resolve disputes, and improve cooperation.

Now, let me emphasize what I've said many times before and what all NATO allies have committed to: NATO's first new members should not be its last. Keeping the doors open to all of Europe's new democracies will help to ensure that enlargement benefits the security of the entire region, not just the first three new members.

At last summer's summit in Madrid, NATO agreed to examine the process of enlargement at our next summit in 1999. Neither NATO nor my administration has made any decisions or any commitments about when the next invitations for membership should be extended, or to whom. I have consulted broadly with Congress on decisions about the admissions of the first three members. I pledge to do the same before any future decisions are made. And of course any new members would also require the advice and the consent of the United States Senate.

For these reasons, I urge in the strongest terms the Senate to reject any effort to impose an artificial pause on the process of enlargement. Such a mandate is unnecessary and, I believe, unwise. If NATO is to remain strong, America's freedom to lead it must be unfettered and our freedom to cooperate with our other partners in NATO must remain unfettered. A unilateral freeze on enlargement would reduce our own country's flexibility and, perhaps even more important, our leverage, our ability to influence our partners. It would fracture NATO's open-door consensus, it would undermine further reforms in Europe's democracies, it would draw a new and potentially destabilizing line, at least temporarily, in Europe.

There are other steps we must take to prevent that division from re-emerging. We must continue to strengthen the partnership for peace with our many friends in Europe. We need to give even more practical expression to the agreements between NATO and Russia, and NATO and Ukraine, turning words into deeds. With Russia and other countries, we must continue to reduce our nuclear stockpiles -- and we thank you, Senator Lugar, for your leadership on that -- to combat the dangers of proliferation, to lower conventional arms ceilings all across Europe. And all of us together must help the Bosnian people to finish the job of bringing a lasting peace to their country. If you think about where we were just a year ago in Bosnia, not to mention two
years ago, not to mention 1995, no one could have believed we would be here today.

It would not have happened had it not been for NATO, the Partnership for Peace allies, the Russians, all of those who have come together and joined hands to end the bloodiest conflict in Europe since the second world war.

Now we have to finish what America started four years ago, welcoming Hungary, Poland and the Czech Republic into our Alliance. If you look around at who is in the room today, you can see that they are more than willing to be a good partner. They will make NATO stronger; they will make Europe safer; and in so doing, they will make America and our young people more secure. They will make it less likely that the men and women in uniform who serve under General Shelton and the other generals here, and their successors in the 21st century, will have to fight and die because of problems in Europe.

A new NATO can extend the blessings of freedom and security in a new century. With the help of our allies, the support of the Senate, the strength of our continued commitment, we can bring Europe together -- not by force of arms, but by possibilities of peace. That is the promise of this moment. And we must seize it.

Thank you very much.

END 12:58 P.M. EST
REMARKS BY THE PRESIDENT
AT CEREMONY TRANSMITTING TO THE UNITED STATES SENATE
THE PROTOCOL OF ACCESS TO NATO FOR
POLAND, HUNGARY, AND THE CZECH REPUBLIC

THE PRESIDENT: Thank you very much, Mr. Vice President, Madam Secretary, Senator Roth, Senator Biden, Senator Lieberman, Senator Mikulski, Senator DeWine, Congressman Solomon, Congressman Gejdenson, Deputy Secretary of Defense Hamre, NSA Adviser Berger, and the other distinguished military and diplomatic and citizen guests who are here. I especially thank the retired members of the Joint Chiefs who have endorsed NATO expansion. And thank you, Secretary Haig and Mr. Brzezinski and Mr. Sweeney for being here. To all the diplomatic corps and especially to Minister Kovacs, Minister Geremek, and Minister Sedivy, we are pleased that all of you are here today.

This building has seen many negotiations and the signing of many pacts to end bloodshed. Now we come together not to sign another agreement to end a war, but instead to begin a new era of security and stability for America and for Europe. In just a moment I will transmit to the Senate for its advice and consent the documents that will add Poland, Hungary, and the Czech Republic to NATO. Their addition to the alliance is not only a pivotal event in the quest for freedom and security by their own people; it is also a major stride forward for America, for the alliance, and for the stability and unity of all Europe -- a big part of our dream that we can in the 21st century create for the first time in all history a Europe that is free, at peace, and undivided.

As the Senate takes up consideration of these agreements, the question the members of the Senate must answer is, how does adding these states to NATO advance America's national security. I believe there are three compelling reasons. First, the alliance will make NATO stronger. The Cold War has passed, but dangers remain. Conflicts like the one in Bosnia, weapons of mass destruction, threats we cannot even predict today, require a NATO that is strong. A NATO that embraces Europe's new democracies will be more capable of
carrying out the core mission of defending the territory of its members, as well as addressing new kinds of conflicts that threaten our common peace.

These three states will add some 200,000 troops to the alliance. A larger NATO will be a better deterrent against aggressors of the future. It will deepen the ranks of those who stand with us should deterrents fail. I am pleased that just last week 60 of America's top retired military leaders, including five former Chairmen of the Joint Chiefs of Staff, underscored that message when they said these three states will make NATO stronger. They are right and we have already seen the proof.

As we speak, Czech, Hungarian, and Polish troops are participating in NATO's peacekeeping effort in Bosnia. They served beside us in the Gulf War, where they made a significant contribution to our success. And they recognize the threat to the world posed today by Saddam Hussein and by his efforts to develop weapons of mass destruction. I am pleased that all three countries have announced that they are prepared to serve and support with us as appropriate should military action prove necessary.

We all hope we can avoid the use of force. But let's face it, in the end that is up to Saddam Hussein. He must let the weapons inspectors back with full and free access to all suspect sites. If he will not act, we must be prepared to do so.

The second reason NATO must grow is that it will make Europe more stable. NATO can do for Europe's east what it did for Europe's west after the Second World War: provide a secure climate in which democracy and prosperity can grow. Enlarging NATO will encourage prospective members to resolve their difference peacefully. We already see evidence of that. Already, the prospect of NATO membership has helped to convince countries in central Europe to improve ties with their neighbors, to settle border and ethnic disputes, any one of which could have led to a conflict. Enlargement, therefore, will make all of Europe more stable.

Finally, NATO's growth will erase the artificial line in Europe drawn by Joseph Stalin. Behind me is a picture of the wall that for so long represented the false and forced division of the European continent. It has been nearly 10 years since that wall was torn down by brave people on both sides. Countries once confined by it now are truly free, with strong democracies, vibrant market economies, a proven track record of standing up for peace and security beyond their own borders. NATO cannot maintain the old Iron Curtain as its permanent eastern frontier. It must and can bring Europe together in security, not keep it apart in instability.

In the 20th Century, we have learned the hard way here in America just how vital Europe's security is to our own. Enlarging NATO will make us safer.

Our goal is and remains the creation of an undivided democratic and peaceful Europe for the first time in history. Bringing the three nations into the alliance will advance it; so will NATO's new Founding Act with Russia and the broad new relationship we are building with Moscow, helping us to move forward on arms control, building the peace in Bosnia, achieving progress on a wide range of issues; so will the Partnership for Peace, the Euro-Atlantic
Partnership Council, the Charter with Ukraine and the Charter of Partnership I signed just last month with the presidents of the three Baltic states, and our Southeast Europe Action Plan, which I announced yesterday with President Stoyanov of Bulgaria.

Our effort to build a new Europe also depends upon keeping NATO's door open to other qualified European democracies. History teaches us that the realm of freedom in Europe has no fixed boundaries. The United States is determined that the visions of the past not circumscribe the boundaries of the future.

As the Senate begins its deliberations, I want to salute the indispensable role that leading members of both parties and both houses of Congress have already played in bringing us to this day. The two Senators from Delaware have already been acknowledged; and, Mr. Vice President, I'm prepared to vote to move NATO headquarters to Wilmington. I thank the senators and the members of the House who are here today. And there are others, who know who they are -- and we know who they are -- who have played a very constructive role in this process.

I was especially pleased that a bipartisan group of members joined me last summer at the NATO Summit in Madrid. The wide-ranging debate on this issue within Congress and across our nation is indeed a model of the kind of thoughtful, nonpartisan discussion we must have, and I commend Congress for helping to lead it.

Now the decision rests in the hands of the Senate, and I believe it's in good hands.

This room is named for Benjamin Franklin, one of America's first envoys to Europe after independence. I'm reminded of the comment he made at the close of our Constitutional Convention. He noted that on the chair of the convention's president, George Washington, was a painted figure of the sun, a symbol he thought of our new republic. Mr. Franklin said, I have the happiness to know it is a rising and not a setting sun. In the wake of the Cold War, some wondered whether our alliance faced a rising or a setting sun, whether it had just a brilliant past, or perhaps an even brighter future. With the step we take today, and the decision I am confident the Senate will take in the near future, I know that our historic partnership of nations is a rising sun, and that its ascendance will bring a more stable, more democratic, more peaceful, more unified future for all of us who live on both sides of the Atlantic.

Thank you very much.

END 1:15 P.M. EST
THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release April 28, 1998

REMARKS BY THE PRESIDENT
ON THE REPORT OF THE SOCIAL SECURITY AND MEDICARE TRUSTEES

The Rose Garden

1:55 P.M. EDT

THE PRESIDENT: Five and a half years ago, America chose a new course of fiscal discipline and economic growth, balancing our budget and investing in our people. Holding fast to that course, our people have built the strongest economy in a generation.

The success of this strategy cannot be cause for complacency, however. Instead, it offers us an opportunity and an
obligation to act boldly to strengthen our nation for the new century. Above all, we can harness our unsurpassed prosperity to uphold our duty to our parents, to our children and to each other through Social Security and Medicare.

I've just been briefed by the four Social Security and Medicare trustees for the administration: Secretaries Rubin, Shalala, Herman and Social Security Commissioner Ken Apfel. The trustees have issued their annual report on the future financial health of these vital programs.

The trustees have told us today that the Balanced Budget Act I signed into law last year has significantly improved the financial future for Medicare. The unprecedented reforms included in that law have cut the so-called 75-year deficit of Medicare in half -- even as we have extended new preventive benefits, provided more health choices for Medicare beneficiaries, and instituted other reforms that extended the life of the Medicare trust fund for a decade.

In fact, because of the bipartisan steps taken last year, the long-term prognosis for Medicare is stronger than it has been in over a decade. A bipartisan commission is now at work to craft further steps to strengthen the complex program into the 21st century. I look forward to their recommendations.

The trustees also report that the strength of our economy has led to modest improvements in the outlook for Social Security. They project that economic growth today will extend the solvency of the Social Security trust fund by three more years, now to 2032.

Today's report is encouraging. It shows we can honor our values and meet our most fundamental obligations, even as we balance the budget. However, these modest improvements only underscore the fundamental challenge we face. We must act to make certain that Social Security is as strong for our children as it has been for our parents.

Above all, let me say again, we must save every penny of any budget surplus of any size until we have strengthened Social Security. I've been heartened by the support this approach has received from lawmakers from both parties. But as estimates of the possible surplus have grown, the demand for new tax and spending initiatives that could upend our fiscal discipline have grown as well. Fiscal responsibility created our prosperity. Fiscal irresponsibility could undercut it. So I will resist any proposals that would squander the budget surplus, whether on new spending programs or new tax cuts, until Social Security is strengthened for the long-term. Once more I will insist that we save Social Security first.
In the coming months we will work to build public awareness of the nature and scope of the challenge, and to build public consensus for solutions. We must proceed with care, remembering that Social Security offers our people not only a guarantee of retirement security, but also a life insurance and a disability insurance policy as well.

Any changes we make now will be far easier than if we wait until the problems of Social Security are at hand. We will strengthen Social Security only if we reach across lines of party philosophy and generation, as we did when we drafted last year’s balanced budget. And if we make this year a year of education on Social Security, I’m confident we will come together to take the necessary steps next year.

Finally, let me say that as we continue to take the necessary steps to sustain the growth of our economy, we must look ahead to the challenges that remain. Today, once again, I have asked Congress to strengthen America’s commitment to the International Monetary Fund and the U.N. In this new era, the health of our economy will be deeply affected by the health of the world economy, and the security of the United States is clearly affected by the security of the rest of the world. Failure to act on these matters will put at risk both global economic stability, which will affect our own, and the prosperity that has widened the opportunity that we have enjoyed in this country – the very prosperity which has made possible the progress on Social Security and Medicare that I announced today.

We’ve got a real opportunity here, and a rare one, to act today to provide for our children’s tomorrows. We should seize the moment, and I’m confident that we will.

Thank you.

Q Mr. President, Newt Gingrich says your administration postures more and achieves less than any administration in America history. How do you respond?

THE PRESIDENT: Well, I think the achievements speak for themselves. And he said a lot of things last night that I don’t think it would serve any useful purpose for me to respond to. There is enough negative political talk in Washington every single day without the President adding to it. I want to focus on the challenges facing our country, and that’s what I intend to do.

Q Mr. President, he also said that you should tell your supporters to stop attacking the independent counsel, Ken Starr.

THE PRESIDENT: I don’t have -- I’ve already told you, Mr. Gingrich said a lot of things last night that I don’t think deserve a response, and I think it would not serve the American public well for me to waste my time doing it. I think I need to be focused on the public issues that affect them, and that’s what I
intend to do.

Q Do you have any thought of firing Ken Starr? I mean, he made that suggestion.

THE PRESIDENT: Of hiring him?

Q Firing him, sir. (Laughter.) He said, if you want, you could do it in the morning. I mean, have you ever thought of that?

THE PRESIDENT: First of all, that's not what the statute says.

Q I'm just quoting him, sir.

THE PRESIDENT: I know, but I don't want to respond to what he said.

Q Are you concerned that the Canadian Prime Minister's visit is undermining your efforts to isolate Castro?

THE PRESIDENT: Wait, wait, I'll take both, but -- go ahead.

Q Are you concerned that the Canadian Prime Minister's visit to Cuba is undermining your efforts to isolate Castro?

THE PRESIDENT: Well, Canada and most other countries in the world do not agree with the extent of our embargo. But Canada has been a good, loyal ally in the cause of human rights. And I talked to the Prime Minister at some length both on the telephone and when I saw him about the importance of advocating a human rights agenda, and I believe that he will do that. I think he will push for democracy and human rights in Cuba. And if he does that effectively and makes that case, the same case that President Cardoso of Brazil made when we were in Chile -- when he said that it would be possible for Cuba to preserve its social contract in health care and education and still make the transition to democracy, and that's what they should be working on now -- then it could serve our common goal. We can have different approaches to a common goal and I think we do have a common goal.

Go ahead, Helen, I'm sorry.

Q I was asking, are you threatening a veto for any tax cuts?

THE PRESIDENT: I tried to make it clear that I will do
my best to stop any legislation that does not honor the principle of saving Social Security first.

There are lots of good ideas out there that deserve to be evaluated in the coming months about what we should do to promote long-term security and stability for not only our parents, but the younger generation, and secure Social Security, and they all ought to be debated. But when we move we ought to move in the context of Social Security reform.

Then, after that's out of the way, we can see what the Treasury looks like and what else should be done. But I think we need to deal with Social Security first. And I still believe that a majority of members of both Houses in Congress and both parties believe that. I hope they do and I hope they'll stick with it.

Q Do you have any ideas of how to save it?

THE PRESIDENT: Well, sure I do. But as I said in the first forum -- and I think I've been proved right -- you see Senator Moynihan's got a proposal out there, Senator Kerrey's got a proposal out there, there are many proposals that have been offered by various Republican members of the Congress. It is important for me to keep this process going and get these ideas out there. And if I were to actually take a position now, it would undermine debate and public education and immediately focus on the specific piece of legislation, which I think is the worst thing we can do.

We know -- every survey of American opinion shows that there's a far different level of understanding about this issue today even than there was a year ago. Nearly everybody knows that something substantial, really substantial, has to be done to reform the Social Security system to accommodate the baby boom generation and then, subsequent, the generations after that. And yet there is a dramatic difference of opinion across the age lines about what exactly should be done and what the facts are.

So we have to -- we really need to continue this effort we're making in this calendar year to educate the public and to get all the ideas out there, and to encourage all the proposals to be viewed against the backdrop of how it fits into the overall scheme of things. And then I think what you'll see is -- and what I certainly hope you'll see -- is very rapid action early next year. I have a plan. We're going to end up in December with a conference here, we're going to meet with the leaders of both parties in Congress, and I'm going to do my best to hammer out a plan, which then will be a centerpiece of what I recommend to the American people and the Congress early next year.

Q Mr. President, on the Iraqi report at the U.N. --

Q May I ask on the U.N. and the IMF, sir? Despite what you said, it seems unlikely Congress will pass funding this year. Can you spell out in more detail what you think will happen if
there’s not funding? Do you have any other mechanism to give --

THE PRESIDENT: Well, let me just make it clear that Secretary Rubin has done a good job, I think, managing a difficult situation. But let’s just look at Asia, for example. There’s been a lot of talk about whether the IMF should be active in Asia, what it should be doing. The United States has had a good deal of success over the last five years by exercising economic leadership to open more markets to American products and services on terms that were fair not only to ourselves, but to our trading partners. About a third of our economic growth has come as a result of that increase in trade. Just under a third of our exports are going to Asia. Now, I think, therefore, it is clear that it is in our long-term interest for the IMF to be involved in trying to stabilize those Asian economies and help them to recover.

In our personal interest, how can we expect to be the leader of the world and also to benefit, personally, economically, from a system that we won’t contribute to, and we won’t pay our fair share on? I think, virtually, every American now believes -- or at least a huge majority -- when it comes to the United Nations that in this interdependent world we should share responsibilities. I think people liked it when we shared responsibilities in Haiti, when we shared responsibilities in Bosnia.

And we’re saying to the world, yes, we want to continue to lead the world toward peace and freedom; we understand this is an important part of our security and our prosperity; but we’re having a little political spat in the United States, and we don’t think we ought to pay our dues to the U.N. We think that different rules apply to us, and we have a right not to pay our way, so we can have this fight over an issue that is unrelated to our U.N. responsibilities or our IMF responsibilities.

I don’t think that is a responsible, mature message to send to the world by the leading country in the world. I think that if we want to lead, we ought to lead and we ought to lead by example by paying our way. That’s what I believe. And I hope that I’ll be able to prevail upon the Congress to make some progress in that direction.

Thank you.

END 2:10 P.M. EDT