

Letter to Congressional Leaders Transmitting the Report on Science,
Technology, and American Diplomacy
February 3, 1995

Dear Mr. Speaker: (Dear Mr. Chairman:)

I am pleased to transmit this annual report on Science, Technology and American Diplomacy for fiscal year 1994, in accordance with Title V of the Foreign Relations Act of Fiscal Year 1979, as amended (Public Law 95-426; 22 U.S.C. 2656c(b)).

Prevention and resolution of conflicts that threaten U.S. interests continues to be a key goal of U.S. foreign policy. National and regional stability, broadly defined, are preconditions for the growth of democracies, economies, and markets. By supporting international science and technology collaborations, the United States has reaped significant economic benefits, promoted goodwill, and helped maintain the peace.

The 1994 Title V report describes the role of international science and technology cooperation in the implementation of U.S. policy. As in previous years, the report focuses on a few selected areas of science and technology cooperation of particular importance to the United States, in addition to the detailed country narratives.

The report reviews the steps U.S. agencies take to advance U.S. technology and competitiveness interests through international efforts. These fall into three broad categories: monitoring foreign science and technology developments; conducting strategic international col-

laborative initiatives and programs to take advantage of opportunities for mutual gain, sometimes done in conjunction with the private sector; and the elimination of international barriers that impede technology development or trade. International collaboration in science and technology is also critical to U.S. efforts to help address population stabilization and the improvement of women's health. The 1994 Title V report provides an in-depth description of efforts underway in U.S. agencies to address these broad themes.

We face the challenge of seeking greater world stability at a critical time in our history. Finding creative solutions to global problems that impact Americans can be accomplished, in part, through interactions with scientists around the globe. We must continue to ensure that our country maintains world leadership in science and technology, and that international cooperation continues to advance our broad policy interests.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives; Jesse Helms, chairman, Senate Committee on Foreign Relations; and William V. Roth, Jr., chairman, Senate Committee on Governmental Affairs.

The President's Radio Address
February 4, 1995

Good morning. This week marked the completion of 2 full years of economic reports during our administration. Since I took office 2 years ago, nearly 6 million new jobs have come into our economy. The unemployment rate has dropped more than 20 percent. Nineteen ninety-four was the best year for economic growth in 10 years in the United States. And the combined rates of unemployment and inflation are the lowest they've been in 25 years.

Ninety-three percent of our new jobs are in the private sector. That's the highest percentage of private sector jobs created in any administration in 50 years and 8 times as many each month as were created during the 4 years before I took office. The majority of these jobs are in higher wage occupations. And while the economy lost 2 million manufacturing jobs in the 12 years before I took office, we've gained back 300,000 of those manufacturing jobs in the 17

months since our economic plan went into effect.

I'm proud of this record. But I am very aware that far too many Americans have not benefited from this economic recovery. It used to be that a rising tide did lift all boats. From the end of World War II until the late 1970's, the incomes of all Americans rose steadily together. But since then, too many Americans are working harder and not getting ahead. Since 1979, the top 20 percent of our country has done quite well. But incomes from the rest of us have barely grown at all, or have actually dropped.

Why has this happened? Pressures from the new global economy and the constant demand for new skills put a huge premium on education and training and make it harder and harder for people without the necessary skills to compete for rising incomes. This has had an impact on nearly every one of our families, making it harder to guarantee job security, harder to get a raise.

That's why we push so hard to improve educational opportunities, including college loans for middle class people that are more affordable and easier to pay back. That's why I've proposed the middle class bill of rights which will increase income in the short and long runs by cutting taxes and promoting education and training, by giving a tax deduction for the cost of education after high school, by letting people withdraw tax-free from their IRA's for education costs, by making available to lower wage workers and unemployed people cash vouchers of up to \$2,600 a year for more training.

But even as we help Americans to gain the tools they need to compete and to raise their incomes, we have to reward their work by improving the wages of people who work full-time. I've worked hard to get higher paying jobs into our country through trade and increased investments and technology, but we have to do more. If we're really going to honor work, we have to show that anyone who takes responsibility and works full-time can support a family and can live in dignity.

Those are the values at the heart of the New Covenant I've talked about for the last 3 years. Our job is to create opportunity for those who take responsibility to work hard and lift themselves up. Those are the values that have always sustained us and kept us a great nation.

That's why we fought so hard for the earned-income tax credit in 1993, a working family tax

cut for 15 million families with incomes under \$26,000. And that's why I now call on Congress to raise the minimum wage 90 cents, to \$5.15 an hour, over the 2 years. In terms of real buying power, the minimum wage will be at a 40-year low next year if we don't increase it above where it is now at \$4.25 an hour.

As I told the Congress, already just this year, in one month of work, Members of Congress have earned more than full-time minimum wage workers earn all year long. Nobody can live on \$4.25 an hour, and yet 2.5 million Americans are working for just that amount, and many of them have children to feed. Millions more are just above the minimum wage.

The only way to strengthen the middle class and shrink the under class is to ensure that hard work pays. Increasing the minimum wage is an important part of our strategy to do that. Congress is considering other economic strategies now as well. The test for all of these ideas should be: Do they reward work? Do they grow the middle class and shrink the under class? Do they build economic opportunity in America?

I believe, for example, if we're really serious about welfare reform, increasing the minimum wage will plainly help. More than anything, I want to give a genuine bipartisan welfare reform effort the best chance it can to produce a bill that we can all be proud of, a bill that will encourage work and responsible parenting and independence. But welfare reform can't possibly succeed unless the people we expect to leave welfare and go to work are rewarded for their labors.

In 1990 Congress raised the minimum wage, just as I propose to do, 45 cents a year for 2 years. Then, overwhelming majorities in both Houses with majority support from both political parties did that.

If in 1990 a Republican President and a Democratic Congress could get that job done, surely in 1995 a Republican Congress and a Democratic President can do the same, to uphold the value of hard work for the American people.

Thanks for listening.

NOTE: The address was recorded at 1:30 p.m. on February 3 in the Oval Office at the White House for broadcast at 10:06 a.m. on February 4.

Remarks on the 1996 Budget *February 6, 1995*

Good morning. Today I am pleased to announce our administration budget for fiscal year 1996. This budget, of course, is not a beginning but a continuation, the next important step in our coordinated economic strategy to bring discipline back to Government and to help strengthen the American dream for all of our people.

I want to thank the economic team which has worked so hard to put this budget together. The Vice President, Secretary Rubin, CEA Chair Tyson, and Director Rivlin will talk today, but there are others who have also worked very, very hard on this budget.

This budget, like the two that preceded it, is based on the New Covenant I advocated when I ran for President. We're creating a leaner, not a meaner, Government, one which offers more opportunity to those who are taking responsibility for themselves, their families, and their communities.

None of this was being done when we came here 2 years ago. At that time, we faced slow economic growth, inadequate investment, very low levels of job creation, a deficit that was nearly \$300 billion and projected to go over \$400 billion a year by the end of the decade. The annual deficit and the total national debt had quadrupled in the 12 years before I took office.

In 2 years, we have turned that around. In 1993, we passed the single largest deficit reduction package in American history, reducing the deficit over 5 years by \$505 billion. When you take into account improved performance of the economy and reduced interest rates in 1993, the deficit reduction will exceed \$600 billion over this 5-year period.

We did it by returning something to Washington that had been missing for too long, real discipline and honest numbers in the budgeting process. We did it, unfortunately, last year and the year before without any votes from members of the other party. And I hope now we will be working together to keep the deficit under control and keep the economic growth going.

We cut the Federal Government by more than 100,000 positions in the last 2 years. We're on the way to reducing it, with laws already

passed, by 272,000 positions, making it the smallest it's been in more than 30 years. We cut taxes for 15 million working families, with 40 million Americans in it, about an average of \$1,000 apiece for families of four with incomes under \$26,000 this year. We made 9 of 10 of our small businesses eligible for tax reductions. We invested in the tools our people need, in education, in training and technology. We did more to open markets in the last 2 years than in any previous period in a generation.

The results are clear. The deficit that 2 years ago was projected to be over \$400 billion a year by the end of the decade is now under \$200 billion. It's going down for 3 years in a row for the first time since Truman was President. The economic plan we have already passed will cut the deficit in half as a percentage of our economy. We have almost 6 million new jobs, the biggest year in economic growth in 1994 in a decade, with 93 percent of those jobs in the private sector. That's the largest percentage of private sector job growth in 50 years. We have the lowest combined rate of unemployment and inflation in 25 years. I am proud of this record, and the budget we send today builds on that foundation.

In the third year of our strategy we are adding \$81 billion more to deficit reduction. That's nearly \$600 billion in real deficit cuts. And in addition to that, of course, there is more, as I said, coming as a result of the economic growth of the last 2 years.

This budget provides more than a dollar in deficit reduction for every dollar that goes into the tax cuts I will discuss in a moment. If Congress gives me the line-item veto, I will find even more cuts.

The budget already provides \$144 billion in hard budget savings. Behind me, you can see in black and white the 400 programs that this budget will eliminate or consolidate: the termination of about 130 programs here and over here, the consolidation of 270 more—those 271 programs will be distilled down into 27. We are also restructuring five major agencies as part of the second round of reinventing Government the Vice President will discuss in a moment, to save \$23 billion. And our reinventing Govern-