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Message to the Congress Transmitting a Report on the Loan Guarantees to Israel Program

February 25, 1998

To the Congress of the United States:

The attached report to the Congress on the Loan Guarantees to Israel Program was completed on December 31, 1997. Since then there have been several key, positive economic developments in Israel that I wanted to communicate to the Congress.

The Israeli Knesset passed its 1998 budget on January 5. The final budget adhered to the deficit target of 2.4 percent of gross domestic product (GDP) set by the Israeli Cabinet in August 1997, and established a spending target of 46.3 percent of GDP (down from 47.3 percent in 1997), without resorting to additional taxes. Furthermore, due partially to the mid-year spending cuts discussed in the report, the Government of Israel over-performed the 1997 deficit target of 2.8 percent of GDP by a significant margin; the 1997 budget deficit came in at 2.4 percent of GDP. These events demonstrate the commitment of the Israeli government to fiscal consolidation and reform.

Second, the Israeli consumer price index (CPI) for 1997 rose by only 7 percent, at the bottom of the 7–10 percent 1997 target range and a 28-year low. This indicates that the battle being waged by the Bank of Israel and the Israeli government against persistent inflation is succeeding. The Israeli Ministry of Finance is reportedly considering lowering the 1998 inflation target (currently set at 7–10 percent) in order to consolidate the strong inflation performance registered in 1997.

This information will be included in the 1998 report to the Congress on the Loan Guarantees to Israel Program.

WILLIAM J. CLINTON

The White House,
February 25, 1998.

Remarks at a Democratic Congressional Campaign Committee Reception in San Francisco, California

February 25, 1998

Thank you very much, ladies and gentlemen, first for the warm welcome and second, and very importantly, for your support for these fine candidates for Congress.

I think I should begin by expressing my profound concern and support for all the people in California who have been suffering from the effects of El Nino. And tomorrow I'm going to Oakland to have a meeting with a lot of the folks about that. I also want to express my gratitude to the people of California and especially the people of San Francisco for the incredible support that Hillary and I and the Vice President and Tipper and our administration have received.

When Nancy Pelosi almost drank my water—[*laughter*]—I thought to myself, she has carried so much water for me, she ought to drink some of it. The thing I find—I really admire Nancy Pelosi, and I like her a lot, even when she disagrees with me—but the thing I find remarkable—and I think this is important—is that after all these years in Washington, every time I talk to her about anything, if I didn't know, I would have thought she came yesterday because her passion, her energy, her intensity never fails. And believe me, even from this far distance, you've seen enough about how Washington works to know that anyone who can work there as long and as hard as she has and never become cynical and never lose their passion or their idealism is a truly remarkable public servant.

Senator Thompson, first, thank you for running. Thank you for running. And thank you for being willing to give up what must be an immensely rewarding career in the California State Senate, and certainly, almost certainly a more congenial lifestyle than the one you are