

operation that produced the tax cut and the balanced budget bills in the first place. Did you give that any consideration?

The President. Absolutely. And when Senator McCain came to see me about the campaign finance issue and our common support for his legislation, we talked about it a little bit. As I've already said to you, that one of the reasons that we have decided on a relatively small number is I didn't want to touch anything that I thought where there was even a question that it might have been part of the negotiating process and a cooperative spirit with Congress.

If you look at these three things, they present three entirely different problems, but I think all three are outside the scope of the budget negotiating process and all three are the kinds of things that the line item veto was meant for: the first, the avoidance of Federal taxation in an inappropriate way; the second, giving a break to one State in a way that would immediately disadvantage several others and potentially disadvantage all the other States; and the third, as I said, I believe a very worthy goal, having incentives for farmers' co-ops to integrate with production facilities in a way that is overbroad and could lead to the total avoidance of taxation under circumstances, which are inappropriate, which would require a more disciplined fix. I think those are the kinds of things that the line item veto was meant to deal with in these contexts.

Now, when you get to the appropriations process it will be somewhat more straightforward: Should this project be built or not; should this road be built or not; should this money be given to this agency or not for this program? And I think that those are the things where typically it's in use at the State level. But in the context of taxes and the entitlements, I thought each of these three things presented a representative case where the veto was intended to be used.

Q. Are you running out of travel money, sir? [*Laughter*]

The President. I hope not; I'm trying to go on holiday. [*Laughter*]

NOTE: The President spoke at 12:30 p.m. in the Oval Office at the White House. The President signed cancellations affecting Public Law 105-33,

the Balanced Budget Act of 1997; and Public Law 105-34, the Taxpayer Relief Act of 1997.

Letter to Congressional Leaders Transmitting a Line Item Veto of the Balanced Budget Act of 1997

August 11, 1997

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the Line Item Veto Act, I hereby cancel one item of new direct spending, as specified in the attached report, contained in the "Balanced Budget Act of 1997" (Public Law 105-33; H.R. 2155). I have determined that this cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachment, constitutes a special message under section 1022 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The report detailing the cancellation was published in the *Federal Register* on August 12.

Letter to Congressional Leaders Transmitting Line Item Vetoes of the Taxpayer Relief Act of 1997

August 11, 1997

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the Line Item Veto Act, I hereby cancel two limited tax benefits, as specified in the attached reports, contained in the "Taxpayer Relief Act of 1997" (Public Law 105-34; H.R. 2154). I have determined that each of these cancellations will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachments, constitutes a special message under section 1022 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The report detailing the cancellation was published in the *Federal Register* on August 12.

Remarks at Midwest Technology Corporation of St. Louis in St. Louis, Missouri

August 12, 1997

Thank you very much. Ladies and gentlemen, I'm glad to see you all here. I'm sorry it's so hot. I want to say to my longtime friend and former colleague as a Governor, Senator Kit Bond, that I was very glad to cross party lines and follow your lead to take my coat off. [Laughter] And now you owe me one, and I will call you next time there's a vote that's real important to me in Congress. [Laughter] Actually, you don't have to be suffering like this. The truth is this building is very well air-conditioned, but Barry Corona is such an entrepreneur, he thought there might be a market in St. Louis for a large sauna, and that's what we're testing out today. [Laughter]

I'm delighted to be here. I want to, first of all, say my thanks to my good friend Governor Carnahan, to my friend, our minority leader, Dick Gephardt, to Kit Bond, and to Mayor Harmon, who have spoken here today. I thank the other State officials who are here. The Speaker of the House Steve Gaw is here. Senator Ehlmann, the senate minority leader, is here. Congressman Clay could not be here today, but we're glad Senator Clay is here with his most important possession. Thank you for coming. I thank State Treasurer Holden and Secretary of State Cooke for being here.

I want to say a special word of thanks—and I'll say more about them later—to the CEO of Monsanto, Bob Shapiro, and to my good friend Eli Segal, the president of the Welfare to Work Partnership, and to all the others who are here. And thanks again to Mid Tec for hosting us.

It's great to be back in St. Louis, even on a hot August day. This city is very much alive. You can see it in the revived area and your record job growth, your commitment to education reform, and now to welfare reform.

And I want to talk about finishing the job of welfare reform, moving people from welfare to work.

If we expect to be the country we want to be in the next century, we have to provide opportunity for everyone who's willing to work for it, we have to require responsibility from everyone who's capable of providing it, and we have to find a way to come together across all the lines that divide us to make one America.

Fixing our broken welfare system is an important part of that because it means more opportunity, more responsibility, and a stronger, more united community. It's been a priority of my Presidency. You've heard others mention—I think the Governor talked about it—that shortly after I took office we began giving people waivers from Federal rules that undermined their reform experiments so they could try new and innovative ways that would work perhaps in one community but not another, perhaps in one State but not another, to facilitate the movement of people from welfare to work.

Then a year ago next week, I signed the welfare reform legislation, which really did end welfare as we know it. It was designed to make welfare a second chance, not a way of life. It gave the States far more responsibilities and opportunities to create new programs to move people from welfare to work. It guaranteed children their nutritional and health care benefits and provided several billion dollars more money to pay for child care for parents who otherwise could not afford to take jobs at entry levels if those were the only jobs they could get.

Now, a lot of people said that welfare reform would never work because the private economy wouldn't do its part or the Government wouldn't do its part or we couldn't figure out how to get people from welfare to work or—you know, I heard all the reasons that people said it wouldn't work. But a year later, I think it's fair to say the debate is over. We know now that welfare reform works.

Today I am proud to announce that just since I signed the law a year ago, there are now 1.4 million fewer people on welfare in the last year alone. In the 4 years and 7 months or so, almost 8 now, since I took office, the welfare rolls have declined by 3.4