

June 29 / Administration of William J. Clinton, 1999

inspires us, it educates and enriches our national culture. The White House,

WILLIAM J. CLINTON June 29, 1999.

Message to the Congress Transmitting a Report on the National Emergency With Respect to the Federal Republic of Yugoslavia (Serbia and Montenegro)

June 29, 1999

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Yugoslavia (Serbia and Montenegro) as declared in

Executive Order 12808 on May 30, 1992, and with respect to Kosovo as declared in Executive Order 13088 on June 9, 1998.

WILLIAM J. CLINTON

The White House,
June 29, 1999.

Message to the Senate Transmitting the Venezuela-United States Tax Convention and Protocol With Documentation

June 29, 1999

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention Between the Government of the United States of America and the Government of the Republic of Venezuela for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, together with a Protocol, signed at Caracas on January 25, 1999. Also transmitted is the report of the Department of State concerning the Convention.

This Convention, which is similar to tax treaties between the United States and other developing nations, provides maximum rates of tax

to be applied to various types of income and protection from double taxation of income. The Convention also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Convention and that the Senate give its advice and consent to ratification.

WILLIAM J. CLINTON

The White House,
June 29, 1999.

Remarks on Medicare in Chicago, Illinois

June 30, 1999

Thank you very much, ladies and gentlemen, and good morning. I want to say that it's wonderful for me to be back in Chicago. Most of

you know how much I love it here, and I am delighted to be here. I bring you greetings from the First Lady, who I left on my way here

and who was jealous that I was coming and she wasn't, especially since I'm also going to see the Cubs play this afternoon—[laughter]—and I enjoy that; and from the Vice President and all the members of our administration who have worked so hard on this health care issue.

I want to thank Anna Willis for her remarks and her leadership for the aging community here in Chicago. And I know that with me on the stage, and perhaps out in the audience as well, are members of the Mayor's Advisory Council on Aging, the Cook County Board of Commissioners, the Cook County Council, the Chicago City Council. I thank them all for being here.

I'd like to thank Linda Esposito for speaking on behalf of pharmacists who have to live with the consequences of the absence of prescription drug coverage for our seniors every day and who do their best to serve them well under very adverse circumstances. And I thought she did a very fine job; I thank her for being here.

And I want to thank Hanna Bratman for having the courage to get up here and tell her story and introduce me. You know, I do this all the time. It's second nature for me. But most people, it's pretty scary to get up in front of all of you and all those cameras and talk about your life and talk about your circumstances. And I thought she did a fine job, and I thank her for doing that.

I'd also like to thank these ladies on my left, Anne Thomas and her daughters, Lee Hamilton and Laura Peterson, because they represent what I think of as the ultimate test of Medicare, which is whether it's fair and helpful and supportive of families and our intergenerational responsibilities, parents to their parents, to their children. And I'll say more about that, but thank you for joining us today, as well.

Ladies and gentlemen, as is so often the case when I get up to speak, the people who spoke before me have said everything that needs to be said. One guy got up—you know the great story about the last speaker at a long dinner; eight people spoke, and he got to speak at 10 o'clock, and he said, "Well, everything that needs to be said has been said, but not everyone has said it." [Laughter] So relax; I'm going to talk a little bit.

Let me say to all of you that we have an unprecedented opportunity and an unprecedented responsibility to strengthen Medicare and to improve it, to modernize it so that no

one has to make the choice that you have heard talked about, between affording health care and affording other necessities of life, between remaining independent or relying on your children and undermining their ability to raise your grandchildren.

We have this opportunity because our economy is the strongest in a generation, perhaps ever, because our country is clearly moving in the right direction, a leading force for freedom and peace and human rights around the world, as our wonderful men and women in uniform demonstrated in Kosovo recently. Our social fabric here is mending. The crime rate is down; the welfare rolls have been cut in half; teen pregnancy is down; drug abuse among our young people is down; and a record 90 percent of our young people are immunized against serious childhood diseases for the first time in the history of our country. Our cities, which were once thought of as being economically depressed, are thriving again. Chicago is exhibit A—look at this beautiful building and this beautiful vista we have here.

When I became President, we had a \$290 billion budget deficit. The debt of our Nation had quadrupled in only 12 years. Today, we are going to be, in 1999, \$99 billion in the black. We actually projected yesterday that for the next 15 years, the surplus will be a trillion dollars more than we thought it was just 6 months ago.

Now, this is a great tribute to the ingenuity and the hard work of the American people and to the disciplined decisions that we have made, starting in 1993, to cut that deficit until we balanced the budget and got into surplus. If we keep going on the plan I have proposed to save Social Security and Medicare and pay down the debt, this country actually can be out of debt—out of debt—in 15 years for the first time since 1835.

Now, let me just say, since all of you know it's the strength of the economy that has put people to work and raised their incomes and brought in the revenues that enabled us to save Medicare, the reason it's a good thing for all Americans for us to be out of debt is that if we're out of debt, it means that the Government won't be competing with you and the business people to borrow money. It means interest rates will be lower for business loans, for car loans, for home loans, for credit cards, for college loans. It means, therefore, there will be more

investment, more jobs, higher incomes. It means we will be less dependent on the world for money to come into this country, so if there is another financial problem as there was in Asia a couple of years ago, it will have less impact on us. It means people all over the world that we look to to buy products that are produced in Illinois and throughout the United States will be able to borrow money more cheaply and have more money to buy our products, to help our prosperity as we help theirs, if we get this country out of debt.

So I want to emphasize to you, everything I am proposing to do with Medicare and with Social Security can be done in a way that gets the country out of debt for the first time since 1835. And in a global economy, it is very, very important to our children and our grandchildren that we give them the opportunities they deserve.

Now, how are we going to do that? We have to set aside the bulk, a little more than three-quarters, of the surplus for saving Social Security and Medicare. We need to do that, quite apart from this prescription drug benefit. Let's talk about that. Why do we need to do that? Because we have a high-class problem in America: we're all living longer. Life expectancy is already over 76 in America. For young people growing up, their life expectancy will probably be over 80. Anybody who lives to be 65 in America today has a life expectancy of 85. People over 80 are the fastest growing group of Americans.

Now, when you put that life expectancy development up next to the fact that the baby boom generation, the biggest generation in American history until the present one in our schools today, is getting ready to retire—some of them, anyway. I'm the oldest of the baby boomers, and I hope I don't have to retire. But anyway, I'm going to retire from this job, but generally I think I should keep working. *[Laughter]*

But when you look at the fact that with the baby boomers retiring, the oldest of the baby boomers—that's me, we turn 65 in 2011, not that far away—there are going to be a lot more people retired relative to the number of people working, which means there will be a lot more people drawing Social Security and a lot more people drawing Medicare relative to the number of people working.

Now, we can make some changes in the program, but I would argue that now that we have this surplus and we project this surplus to last

into the future, and if we know it's good for us anyway, for all Americans of all ages, to pay the debt down, we should save this much money now to stabilize Social Security and Medicare and pay the debt off.

Now, I know there are a thousand good uses for this surplus. If I gave each of you a piece of paper and I said name 10 things that you would like to see your country do, we might have 100 different things on that list, and they'd all be good. But I say we should take care of first things first. And we don't have any more important obligation, not only to seniors but to their children and their grandchildren, than to preserve the integrity of Social Security and Medicare and preserve the long-term economic health of this country. So I hope that all of you will support that.

We can talk more about Social Security later, but if my proposal is accepted, we'll have Social Security solid for way more than 50 years already. And with a few other changes, we could take it out to 75 years; we could do something to deal with the fact that elderly women on Social Security are far more likely to be poor, and they need some extra help; and we could lift the earning limitation for people on Social Security. I would like to see those things done.

But let's talk about Medicare. We should secure and strengthen and modernize Medicare. It's been around for 34 years now. It's made health care more accessible and more affordable. As you heard Hanna say, it's given millions of American families peace of mind by paying for medical costs that otherwise would have bankrupted families in their later years. It has also freed the children of Medicare's recipients from the painful choice of mortgaging their children's future to provide a decent health care for their parents. But you've got people living longer and the baby boomers set to retire; therefore, more people drawing Medicare and fewer people paying in. What that means is that the Trust Fund will become insolvent by the year 2015, 15 years from now.

Now, we've already done a lot to try to stave that off. When I became President in 1993, the Trust Fund was supposed to become insolvent in 1999—this year. We've made a lot of changes. Some of them were difficult and somewhat unpopular, but we have saved Medicare until 2015.

But that's not enough. Keep in mind, the baby boom generation won't begin to turn 65

until 2011. Then, over the next 30 years, the number of people who are 65 or over will actually double. So we need to lengthen the life of the Medicare Trust Fund, and we need to do it now. The sooner you deal with these issues, the easier it is to deal with them. The longer we take to deal with them, the more painful and the more expensive it will be to deal with it.

The plan I announced yesterday to secure and modernize Medicare for the 21st century does the following things. First of all, it extends the solvency of the present Medicare program to the year 2027. That is very important. Changes made today can keep it alive until 2027. That will almost completely take in the baby boom generation—not quite but nearly. And that gives all of our successors plenty of time to take advantage of all the increases in health care options that I'm convinced will allow people to stay healthier even longer in the years ahead.

To do it, I propose that we use 15 percent of the budget surplus over the next 15 years. Again I say, there are a lot of good uses for the surplus. A lot of people would like to have more money right now. But there is nothing more important than taking care of first things first. Keeping the economy strong by paying the debt off and saving Medicare and Social Security, I think, are the most important things we can do, and we should do them first.

Now, we also plan to modernize the way the program works, to introduce more innovations now used in private sector health plans, to offer seniors the chance to choose between lower cost managed care plans for Medicare and the traditional program without forcing the choice by having unreasonable increases in the premiums in the traditional program, to guarantee that our seniors have the information necessary to make informed choices and that all the available plans have certain core medical benefits necessary to preserve the integrity of the program, to make sure that as we hold costs down, we keep quality up.

But we also, as everybody before me has said, need to modernize Medicare. One of the ways, but not the only way, is with prescription drugs. Think of it this way: Medicine has changed a lot. The whole health care system has changed a great deal since 1965. But Medicare hasn't changed with it. As a consequence, the average senior citizen today is paying a larger percent

of his or her income, out of pocket, for health care than they were paying in 1965 before Medicare came in, primarily because of the prescription drug issue.

But think of the other challenges. A revolution in medical science has brought cures to diseases once thought incurable, provided doctors the tools to prevent diseases from starting in the first place, and given millions of people the chance to live not only longer but healthier lives. Once, the cure for many illnesses was a surgeon's scalpel. Now it's just likely to be a pharmacist's prescription drug. Every day new drug therapies are being developed to treat chronic conditions such as diabetes and hypertension. We have to do more to make sure all seniors can take advantage of this medical revolution.

We also have to do more to encourage seniors to take advantage of preventive technologies, to take advantage of screenings for cancer, for diabetes, for osteoporosis, and other diseases. To do that, my plan will eliminate the deductible and all copayments for these preventive tests. Just think of it this way: Under Medicare today, very often you can't get Medicare to pay for screening and prevention, but you can get Medicare to pay for the far more expensive hospitalization that would not have occurred in the first place if the screening and prevention had been done. So this will actually save us money in the long run, as well as making people healthier.

We also do have to make prescription drugs more available and more affordable. They are essential to medical care. Just a few statistics: More than four out of five seniors use at least one prescription a year. Now, for most seniors, it's much more than that. And for many seniors, the proper regimen of pills, properly taken at home, can spell the difference between maintaining an active and independent life or being hospital- or nursing-home- or home-bound for life.

If we were creating the Medicare program today, if we were starting from scratch and it didn't exist, no one would even consider having a program without a prescription drug benefit for the elderly and disabled.

So what are we going to do? You heard Hanna talk about the cost of her drugs. This is a costly issue. A month's supply of a popular blood pressure medicine costs more than \$70 a month. A cholesterol medication probably

taken by some of you in this room costs about \$100 a month. When you consider that some of the newest drugs cost as much as \$15 a pill, that two-thirds—listen to this—two-thirds of all people over 65 suffer from two or more chronic diseases, that one in five elderly people takes at least five prescription medications a day, the pharmacy bills can be staggering.

Each year more than 2 million seniors spend more than \$1,000 on medication, people such as our friend Anne Thomas, here to my left, whom I mentioned earlier with her daughters. She's from Oak Brook. Her osteoporosis prescriptions swallow up a sixth of her income, almost 17 percent. Last year she, too, was diagnosed with asthma, but she chose not to fill her prescription because the \$300-a-month price tag was more than she could afford.

Finding the funds to pay for prescription drugs is a struggle for seniors at many income levels, not just the poor. Indeed, of the 15 million seniors in our country that don't have any prescription drug coverage, nearly half are middle class Americans. And that does not count the millions of seniors who have some prescription coverage, but the coverage is totally inadequate or far too expensive.

The number of plans that offer coverage is declining, and those that charge high prices and offer modest benefits are increasing. Forty percent of all older Americans without prescription drugs—let me say that again—40 percent are middle class. Nearly half the uninsured live in isolated rural areas. And as I said, as drug prices rise and more private insurers drop drug coverage altogether, about 15 million of our seniors will be uninsured within the year.

This is not the way to honor people after a lifetime of work and good citizenship. No American should have to choose between fighting infections and fighting hunger, between skipping doses and skipping meals, between staying healthy and paying the rent. We can do better than that. We are now prosperous enough to do better than that.

And I say again, there are many good uses for the surplus. I have my ideas; the Congress has their ideas. But first things first: We have to take care of this problem and do it now.

Now, we want to make sure that this plan is financially responsible, that it can be paid for, that it won't break the bank. Here's what we propose to do: My plan will make a prescription drug benefit available to all Medicare re-

cipients but will provide extra help for those with lower incomes. For people up to 135 percent of the poverty rate, we will waive the co-pay and the monthly premium. But people with incomes a little higher than that, we will have other subsidies, not quite as generous. But for everyone, for a modest monthly premium, Medicare will pay for half of all the prescription drug costs, over the next few years, up to a ceiling of \$5,000. In the first year, we have to start with a ceiling of \$2,000, because it's a big program and we've got to put it in and prove we can make it work. But under my plan, I will ask the Congress to approve and fund going to a \$5,000 ceiling drug benefit, half of all the costs, now, with no deductible.

This drug benefit is one that virtually all of our seniors can afford, and it is constructed in a way America can afford. It will help millions and millions of people. Older and disabled Americans will save even more on prescription drugs under our plan because Medicare's private contractors will get big volume discounts that seniors could never get on their own. So when they pay for half the price, that half will be a much smaller amount that would otherwise be the case.

Now, what I would like to say not only to those of you in this room—where I suppose I'm preaching to the saved, as we say down home—but to all Americans, including those who are not in this room, is that this is something that is important, that goes way beyond health care and way beyond money. How can you put a price on being able to see the birth of a grandchild or to enjoy them as they grow up or read to them or take them fishing or be active with your friends and family? How can you put a price, if you are a child, on being able to know and spend time with and enjoy your grandparents?

There is no dollar value we can put on providing the best quality of life we can. And I want you all to understand, we can afford this. If this is not done, it is because somebody made a different decision to do something else with the money. This is not welfare. This is not some blind gift. This is something we are doing for the integrity of families through the generations.

Our country is in the best shape it's been economically, maybe ever, certainly in a long time. And what we're going to do now will define what kind of country we will be well into the 21st century. Are we going to squander this

money we worked so hard for after only 6 years of effort, turned around an unbelievable record of fiscal irresponsibility, or are we going to pay off our debts in the bank and pay off our debts to our families, not only to our parents and grandparents but to future generations? That is the question.

So I want to ask you to join me. You know, Hanna said she didn't know much about politics. I thought she made a pretty good political speech, myself. [Laughter] But she said something that's really important. She said, "You know, I don't understand why this should be a political issue."

You know, sometimes when things get real tense in Washington, you know, and some of my friends in the other party get real excited, I say, "Hey, loosen up, you know. We're all getting older; none of us are going to be here forever. People get a chance to vote every election. Loosen up. Relax. No one escapes time and age. Republicans age just like Democrats." [Laughter] People who are independents still get sick every now and then, even though they refuse to register in a political party. This is not a political issue anywhere in America, and it should not be a political issue in Washington, DC. This is something we can do together for the future of America.

I want you to reach out to your Representatives from Illinois. You are represented in this State by both Republicans and Democrats in the United States Congress, more or less fairly apportioned. I wish it were different, but there it is. [Laughter] You can write to them. You can call them. You can say, "Do this not only for us, but do it for our children and our future. Do it because we're all aging and it's a high-class problem, that we're living longer."

But we have to prepare for the day when the baby boomers retire. And we should not wait another day to provide the prescription drug benefit. And we have the money to do it. This is simply a matter of choice. I ask you, without regard to your party, to reach out to the members of your congressional delegation and say, "This is the right choice for our future."

Thank you very much.

NOTE: The President spoke at 11:15 a.m. in the Grand Army of the Republic Memorial Hall at the Chicago Cultural Center. In his remarks, he referred to Anna L. Willis, commissioner, Chicago Department on Aging; and pharmacist Linda Esposito, vice president, Illinois Pharmacists Association.

Exchange With Reporters at Wrigley Field in Chicago June 30, 1999

First Lady

Q. Mr. President, Hillary is a Yankees fan. Are you still a Cubs fan? [Laughter]

The President. Yes, and so is she. You know what she said. Don't play press games here. [Laughter] This is about sports, not politics.

Northern Ireland Peace Process

Q. Mr. President, what did Tony Blair tell you when you had—

Q. Did Tony Blair give you an update?

The President. I got an update from Tony Blair on where things are, and we're now in touch with the various parties, and I expect to make some more phone calls sometime in the next hour or so. It's an all-nighter.

Q. Will the talks be extended tonight?

The President. Yes, I think by most standards they've already been extended. But I do expect so. I think they'll work quite late.

First Lady

Q. Do you think the First Lady will let you keep the jacket, since she's a big Cubs fan?

The President. Yes. [Laughter] But I will have to disclose it. I'll have to share wearing rights.

NOTE: The exchange began at 4:50 p.m. in the Chicago Cubs' locker room. In his remarks, the President referred to Prime Minister Tony Blair of the United Kingdom. A tape was not available for verification of the content of this exchange.