

My Administration sought changes to make the Y2K Act balanced and fair, protecting litigants who are injured and deserve compensation. We achieved some additional protections. For example, the Y2K Act was modified to ensure that the Federal law leaves intact the State law doctrines of unconscionability that protect unwary consumers and small businesses against unfair or illegal contracts and that public health, safety, and the environment are protected, even if some firms are temporarily unable to comply fully with all regulatory requirements due to Y2K failures.

In addition, the Y2K Act expressly exempts Y2K actions involving private securities claims arising under the Securities Act of 1933 and other Federal securities laws that do not involve actual or constructive awareness as an element of the claim (e.g., section 11 of the 1933 Act). More generally, actions by the Securities and Exchange Commission are excluded from the definition of "Y2K Action."

This is narrow, time-limited legislation aimed at a unique problem. The terms of the statute should be construed narrowly to create uniform Federal rules for Y2K actions in the areas speci-

fied in the bill, and to leave in place State law not in direct conflict with the bill's provisions. Moreover, my signature today in no way reflects support for the Y2K Act's provisions in any other context.

I hope that we find that the Y2K Act succeeds in helping to screen out frivolous claims without blocking or unduly burdening legitimate suits. We will be watching to see whether the bill's provisions are misused by parties who did little or nothing to remediate in order to defeat claims brought by those harmed by irresponsible conduct.

In the remaining days of 1999, I hope that the business community redoubles its efforts at remediation. Preventing problems before they start, and developing contingency plans when necessary, are still the best solutions to the Y2K problem.

WILLIAM J. CLINTON

The White House,
July 20, 1999.

NOTE: H.R. 775, approved July 20, was assigned Public Law No. 106-37.

Remarks at a Democratic Business Council and Women's Leadership Forum Dinner

July 20, 1999

Thank you very much. I want to thank you all for your welcome, and I want to thank my good friend Janice for her instruction. I did know, as a matter of fact, that she was from a place called Hope. I didn't know that I had the endorsement of her father in quite that way. [Laughter] But I appreciate it more than I can say.

I want to thank John Merrigan and Penny and Susie, and I want to thank Joe Andrew and Beth Dozoretz and all of you who have worked so hard to put our party on the soundest financial footing. I think Mr. Merrigan said we were out of debt for the first time since '91. I should point out that we were outspent by \$100 million in 1998 and still picked up House seats, the first time it had happened in the sixth year of an administration since 1822.

I say that to say that it is not necessary that we have as much money as the other side does. You know, the economy the Democrats have built has been an equal opportunity beneficiary. And so we have showered benefits on Republicans, as well as Democrats. And if they choose to misspend their money, there's nothing we can do about it, is there? [Laughter] It's a free economy. But it is necessary that we have enough. And if we have a good message and we stand for the right things and our people are excited, then that is enough, and I thank you for that.

We were talking at our table—I have a friend who is a New York Democrat who heads quite a large American company, and he said he'd gotten so exasperated with these Republicans throwing their money around he started going up to his friends in New York saying, "You

should give money to the Republicans—if your taxes went up in 1993 by more than you’ve made in the stock market, support them. But if the balanced budget and the low interest rates and the tripling of the stock market have benefited you more, you ought to be for us. And if you’re not, you’re not even acting in your own best interest, much less the country’s.” [Laughter]

I want to talk to you just very briefly tonight, not so much about your own best interests, but about our own best interests. And I want to begin by thanking all of you. Thank you for your support, many of you for your repeated support over these years; some of you for your involvement in this administration, like Dr. Susan Blumenthal—thank you very much for being here. Thank you for being so good to me and Hillary and to Al and Tipper Gore. And thank you for doing something that has been very good for America.

I want to make just a few brief points, in case somebody tomorrow gives you a quiz and asks you why you came tonight. This country was in trouble in 1991 and 1992. It was in trouble because we had been in a prolonged recession, but even more because we kept coming out of these recessions and dripping back in, coming out and drip back in. We hadn’t had any sustained growth for some time. It was in trouble because the crime rates and the welfare rolls were rising. It was in trouble because our country was becoming more divided. It was in trouble because the political debate in Washington left most Americans cold, because there seemed to be a debate between people who essentially were against the Government doing anything and people who wanted to preserve the status quo of what the Government had been doing. The country was in trouble.

I ran for President because I had some ideas about how we could change things. I believed that we could create a country again in which there was opportunity for every responsible citizen, in which we had a community of all Americans who were responsible for themselves and for each other, in which we led the world for peace and freedom and prosperity. But I didn’t think we could do it by having the same old fights in the same old way. And I knew if the people gave me a chance to serve, some difficult decisions would be required.

Well, it worked out. And we said, look, we’re going to cut this deficit, get interest rates down,

and grow the economy; but we still have to invest in education, in medical research, in technology, and the environment. We have to do that. We said we want more money in education, but we want higher standards and more competition, too. We said we believe you can grow the economy and improve the environment. We said we thought that you could create a society where people who had to work and had children could succeed at work and at home. And a lot of that just kind of sounded like political rhetoric at the time.

But what I want to say to you tonight is when people ask you why you were here, say, “Look, the country was in trouble; we elected the Clinton-Gore administration; they had friends and allies in the Government and the Congress and in the private sector; they implemented their ideas; most of the time—not all of the time, but most of the time—they were opposed by members in the other party, and it worked out.” Our approach turned out to be right. That’s what Janice was saying. This is no longer subject to serious debate.

I was told for 2 years—I saw the Republicans go into the ’94 election telling everybody how we’d raise taxes on people we hadn’t raised taxes on and how terrible it was and how it was going to bankrupt the country and run the debt up. And we went from the biggest deficit in history to the biggest surplus in history, the longest peacetime expansion in history, almost 19 million new jobs, the highest homeownership in history, the lowest minority unemployment ever recorded since we started keeping that data almost 30 years ago. In addition to that, we have the lowest crime rate in 26 years, the lowest welfare rolls in 30 years; and teen pregnancy, teen drug abuse, teen smoking are declining. Things are moving in the right direction in this country.

So I say to you, first, thank you because we have moved this country in the right direction. We did it and proved you could have a better environment. The air is cleaner; the water is cleaner; the food is safer. Ninety percent of our kids are immunized against childhood diseases for the first time in the history of America. Over 100,000 young people have served their communities in AmeriCorps in 4 years; it took the Peace Corps 20 years to get to 100,000 people. We have virtually opened the doors of college to every American with the HOPE scholarship and the other tax credits and student

loans. This is a stronger country than it was in 1992.

And we have done it by relentlessly pushing to bring people together, standing against discrimination and against hatred and against the politics of division. When I say “we,” I don’t mean “me,” “we”—I mean, “we”: we, our party, our allies, the people that believed as we did. And along the way we’ve been a force for peace in the Middle East, in Northern Ireland, in Bosnia, in Kosovo. We stood up against terrorism and stood up for trade and human rights around the world.

Today I asked the United States Senate to ratify the Comprehensive Nuclear-Test-Ban Treaty, first advocated by Presidents Eisenhower and Kennedy, first signed by the United States. I signed it at the U.N. a couple years ago. We are moving the country in the right direction, toward a world that works better for all the people. That’s the first thing I want to say.

We’re entitled to the benefit of the doubt on the great debates going on in Washington today because we just had 6 years of argument and it turned out we were right. And I say that in all humility. I am grateful for that. The point I’m trying to make is, Joe Andrew always says, “Well, why is Bill Clinton doing this? He’s not running for anything.” I came here to say not that I was right, but that our ideas were right. And I am grateful that I had the chance to be President, to be the instrument of bringing the country together and moving it forward. But it wasn’t me; it was that the ideas we had were right. And you’ve got to get out there between now and the next election cycle and hammer that home.

Before I took office they were killing family leave because it was going to bankrupt small business. I signed the family leave bill, first thing I did—so we’d have 15 million people take advantage of it. The largest number of small businesses formed in any given year—every single year I’ve been President has broken a new record. So the family leave law did not wreck the small business economy; it made America a place where you could have work and family.

And they vetoed and killed the Brady bill before I became President. So I signed it first chance I got. And 400,000 people couldn’t get guns because they had criminal backgrounds. And we have a 26-year low in the crime rate. And we’ve got 100,000 more police on the

street, even though on the other side of the aisle they said, “This won’t make a lick of difference; these police will never get out there.” Well, we funded them ahead of time and under budget, and we have a 26-year low in the crime rate.

So as Democrats we should be proud—not proud as if we did it, proud that the ideas we stood for were the right ones and that it actually works when you try to create a society where everybody has a chance, all the rest of us who are going to do fine regardless, do even better; that we all do better when we try to create opportunity for each other, when we try to make sure we’re responsible for each other in an appropriate way and we try to pull together.

Now, the second thing I want to say is we have to take that fast-forward to today. What’s the great debate in Washington today? What are we going to do with the surplus? Now, if I had been running in ’92 and I had come to you and you had never seen me before, and I said, I want you to vote for me so that 6 years from now we’ll be having a debate about what to do with the surplus, you would have sent me home to Arkansas. [Laughter] You would have said, “This guy has lost it; he doesn’t understand. We’ve got a \$290 billion deficit; we will always have deficits.”

So what are we going to do with it? First, the good news. There’s a bipartisan agreement that we shouldn’t spend the Social Security surplus. That means until we need it to pay for Social Security, we can use it to pay down the debt, and that’s good. I think we have that agreement. I want to see the details, but I think we do. That’s good. Now the question is what to do with the rest of the surplus.

Here’s what we feel. We feel what we should do is to do the following things. Number one, we should fix Medicare and provide a prescription drug benefit. Number two, we should have appropriate money set aside to continue to invest in education, national defense, biomedical research, and the environment. Number three, we believe that as the interest on the debt comes down, because our interest payments will come down as the debt comes, we should put the savings into Social Security so we can run the Trust Fund out to 2053. So when I leave office everybody will know Social Security is all right for at least 50 years, and we can quit worrying about it. Now, that’s what we think.

And you can do what we suggest and still have a tax cut, a substantial one. They believe that virtually all the non-Social Security surplus should go to a tax cut. And they think it sounds really popular—"my tax cut is bigger than your tax cut." Well, if that were the whole story that would sound like a pretty good argument. But I say we ought to save Social Security and Medicare and not just pay down the debt but make this country debt-free for the first time since 1835 and continue to invest in education.

We'll still have money for a tax cut to help families save for long-term care, for child care, for investments in our country. But we will continue—we will not risk running a deficit, destroying the education budget, not meeting our defense responsibilities, or not doing one single thing to add a day to the solvency of Medicare, and not providing the prescription drug benefit. That's the difference. That's the choice.

So it's just all back to 1993 again, or even back earlier than that. Most of you in this room, what are you doing here? You're all in upper income groups; you ought to be at their deal, not ours. Why are you here? You get more money out of their tax cut. This is very important, why you're Democrats, why I am. But 5 years from now you're going to be a lot better off, and so is America, if we pay down the debt, save Social Security and Medicare, continue to invest in education, and have a modest tax cut we can afford.

You know, if you just think about just three great challenges this country faces, we're going to double the number of people over 65 in 30 years. We hadn't been in this kind of financial shape in forever and a day. What in the world are we going to say to our children if we walk away from this opportunity to run the Social Security Trust Fund out at least 50-plus years? What are we going to say if we walk away from our obligation to run the Medicare Trust Fund out until 2025 or beyond, and to provide all these elderly people—not all of them poor, a lot of them middle class—a little help in dealing with the prescription drug program?

What are we going to say if we adopt a tax cut which causes us to cut education when we ought to be investing more in it? What are we going to say when 5, 10 years from now some Kosovo comes along and America is asked to stand up for human rights around the world? We'd say, "Well, we'd like to do it, but we

had that tax cut"—[laughter]—"and I needed that tax cut."

Closer to home, what are we going to say—I've been waiting for this, and I never wanted to be the first to raise it because I wouldn't have had credibility on it, but now it's in the press—what are we going to say if they cut taxes and the markets say, "Well, we don't need a tax cut in the economy like this; we better raise interest rates?" So you get it with one hand and get it taken away with the other, and everything gets squeezed.

So I say to you we ought to save Social Security and Medicare; we ought to continue to move forward in education. And I want to talk just a minute about this paying the debt down. A lot of people—it just seems so alien; it's like an alien subject—we haven't been out of debt since 1835. And for most of this century we shouldn't have been out of debt. We needed to have a little debt to invest in infrastructure or to expand the economy in times of recession or outright depression. But it's different now. Why is it different now?

I want you all to think about this. You may not agree with me on this. I've really thought about this a lot. Why should the Nation's progressive party be for taking the country out of debt in 1999 when we have still an unconscionably large number of poor children and any number of things that we ought to be spending this money on? Here's why. We're living in a global economy. Interest rates are set globally; money moves globally. The best thing we've done for poor people in America is create 19 million new jobs and give tax relief to lower income working people and raise the minimum wage—to create an economy, in other words, that they could be a part of; to support the Vice President's empowerment initiative and the community development banks and all the things we've done to try to bring jobs.

Now, if we get out of debt and if everybody knows we're on the target, we're going to be out of debt in 15 years, what happens? Interest rates stay down, investments stay high, more jobs are created with inflation low, more money for wage increases. Average people pay lower interest costs for home mortgages, car payments, credit card payments, and college loan payments. And the next time a global financial crisis comes along, like the one in Asia, nobody has to worry about America gobbling up scarce dollars and driving the price of money up. So when

our trading partners, who are poorer than we are, need to get money because times are tough, they can get it and get it at a lower cost, which means they will recover more quickly and we'll start doing business more quickly.

And if you don't think that's a big issue, look what is happening to America's farmers because of the collapse of the markets in Asia. Here we are at the most prosperous time perhaps in this country's history with an absolute disaster in the family farms of America.

So that's why it makes sense in a global economy for the world's richest country to be debt-free, and why it is a progressive thing to do—and why, by the way, when you do it, we won't be paying interest on the debt anymore. If you were a Member of Congress, you would find that before you did anything else you'd have to take about—it used to be 15 and now 14 cents on every tax dollar to pay interest on the debt we have accumulated, largely in the 12 years before I took office. So don't forget, you get out of debt, you've also got 14 cents you used to not have. And 14 cents of every dollar, all of you pay in taxes, is a pretty tidy sum of money. So that's why this is a good thing.

So I say to you we need to go to the country and say, tax cut, sure, but first things first: Save Social Security and Medicare and deal with the challenge of America's aging; continue to invest in our children's future and in the other basic things we have to have; pay that debt off for the first time since 1835, and guarantee America a generation of prosperity. Then have a tax cut that we need and can afford. That is the debate we ought to have.

And I can tell you there are lots of other examples. I think we were right on closing the gun show loophole, and I think they were wrong. I think we were right on the Patients' Bill of Rights, and I don't think they were. I say that not because I take any joy in that. I liked it when we got together. I liked it when we had big majorities of both parties in both Houses voting for welfare reform. I liked it when we had big majorities of both parties in both Houses voting for the Balanced Budget Act of 1997. I wish it can be that way again.

But I am telling you, we've got to stand up for what's right for all the people. What brings us together as a community? What gives other people opportunity they wouldn't otherwise have? What purges our spirit from the kind of awful, arrogant hatred that led that terribly dis-

turbed young man to kill those people because they were of different races in Illinois and Indiana and claim it was a religious imperative?

I had today a bunch of civil rights lawyers in my office and a bunch of high-toned business lawyers who don't practice civil rights law, to commemorate the 36th anniversary of John Kennedy bringing 200 lawyers to Washington to ask them to lead America's charge in civil rights. And I asked them to lead America's charge in trying to integrate our law firms, integrate our corporations, and use pro bono legal work to help solve the economic and social problems of low income people around the country.

I'll just close with this. One of the greatest weeks of my Presidency was a couple of weeks ago when I had the privilege of going to Appalachia, to the Mississippi Delta, to East St. Louis, to the Pine Ridge reservation in South Dakota, to south Phoenix, and East L.A., because I believe that we can keep this economy going better if we get people to invest in the areas that have felt none of our recovery. And I have a simple proposal: Give Americans like you the same tax incentives to invest in poor areas in America we give you to invest today in the Caribbean, in Africa, in Asia, and Latin America. I want you to have those incentives. I just want poor areas in America to be as attractive. Our best new markets for America are here in America.

But what it reminded me of is all these people, they're just like us. Just because they don't have a nice necktie and a nice suit to wear, life dealt them a little bit different hand. You know, Janice and I, we'd like to have you believe we were born in log cabins we built ourselves. [Laughter] But the truth is, you take one or two different turns in life and she and I both are back in Hope, Arkansas, doing business with each other in our little hometown. Some days I think it wouldn't be too bad. [Laughter]

But I'm just telling you, you think about it, every one of you—you think about this when you go home tonight. Why did you come here? Why did you come here? If they ask you why you came, tell them because you believe we're better off when we all go forward together. Tell them because you believe this ought to be one community. Tell them, guess what, we tried our ideas in the crucible of excruciating combat for 6½ years, and the country is better off.

So it's not like there's no evidence. And before we squander this surplus, let's take care

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of the aging of America; let's take care of the children of America; and let's get this country out of debt so we can go forward together.

Thank you, and God bless you.

NOTE: The President spoke at 8:22 p.m. in the Main Ballroom at the St. Regis Hotel. In his remarks, he referred to Janice Griffin, chair, and

Susan Turnbull, vice chair, Women's Leadership Forum; John Merrigan, chair, and Penny Lee, vice chair, Democratic Business Council; Joseph J. Andrew, national chair, and Beth Dozoretz, national finance chair, Democratic National Committee; Susan Blumenthal, former senior adviser to the President for Women's Health; and alleged murderer Benjamin Nathaniel Smith.

Memorandum on the Ninth Quadrennial Review of Military Compensation *July 20, 1999*

Memorandum for the Secretary of Defense

Subject: Ninth Quadrennial Review of Military Compensation

Under the provisions of section 1008(b) of title 37, United States Code, every 4 years the President must direct a complete review of the principles and concepts of the compensation system for members of the uniformed services. You shall be my Executive Agent for this review, consulting with me and my other senior advisors as required.

The past decade has been a time of dynamic change for our military. We achieved dramatic victories in the Persian Gulf and Kosovo, performed peacekeeping missions around the world, and completed a significant downsizing of our military forces. As the major superpower, we have maintained global commitments even as our forces have been reduced. Although our military compensation system remains competitive, enabling us to recruit and retain enough dedicated men and women to achieve the highest quality uniformed forces in the Nation's history, the restructuring of our military forces presents certain challenges. I have asked our smaller military to work even harder and therefore want to ensure that the compensation of military members is fair and effective as we enter the 21st century.

To that end, I have proposed significant enhancements to the compensation system in the

FY 2000 budget. These changes include an across-the-board pay raise for all military members; reforms to the military retirement system; and a targeted pay increase for noncommissioned officers and mid-grade officers who gained the skills, education, and experience so valued by our thriving private sector.

The Ninth Quadrennial Review of Military Compensation should encompass a strategic review of the military compensation and benefits system, veterans benefits and services provided by the Department of Veterans Affairs, and other Federal entitlements directly affecting military members. The review should assess the effectiveness of current military compensation and benefits in recruiting and retaining a high-quality force in light of changing demographics, a dynamic economy, and the new military strategy. As Executive Agent, you shall ensure that representatives of other executive branch agencies participate in this review as appropriate.

I look forward to reviewing your progress in this important undertaking.

WILLIAM J. CLINTON

NOTE: This memorandum was released by the Office of the Press Secretary on July 21. An original was not available for verification of the content of this memorandum.