

will soon complete, work on their mission-critical systems, and agencies are working aggressively to encourage compliance among their organizational partners for the delivery of key Federal services.

Our efforts to solve the Y2K problem provide an important example of the Government's ability to respond to difficult management challenges, and I appreciate your commitment to this critical issue. However, your ongoing support through 1999 is essential to the Nation's ability to achieve the ultimate goal of minimizing Y2K-related failures in the public and private sectors.

You should continue your outreach efforts to organizations domestically and internationally. We must encourage compliance efforts among our partners, such as State and local governments helping to deliver Federal services and private sector organizations supporting the Nation's critical infrastructure. Internationally, the continued exchanges of technical information

with other governments about Y2K experiences will help to limit potential Y2K problems in our trading relationships.

You also should maintain your focus on contingency and back-up plans. While many systems and processes have been tested multiple times, being prepared with alternate operating plans provides an important extra layer of insurance against unexpected difficulties and will enhance our ability to respond to any challenges associated with the date change.

I also encourage you to continue to work closely with my Council on Year 2000 Conversion, and with each other, as we approach January 1, 2000. If we continue our hard work on this important issue, I am confident that we will be able to oversee a successful transition to the new millennium.

WILLIAM J. CLINTON

NOTE: This memorandum was released by the Office of the Press Secretary on August 5.

Remarks at a Democratic Unity Event August 5, 1999

Thank you so much. First, let me thank Senator Daschle and Leader Gephardt for their outstanding, passionate eloquence today and their consistent leadership for the best interests of all the American people. And I think that all of us on this stage feel that way. And I just wish every American could know them as we do, could see how hard they've worked, how consistently they've worked, and how steadfast they have been. Nothing that I have been able to achieve as President would have been possible without their leadership and without the men and women on this platform today. And I thank them so much.

They have already spoken about what we need to do. What I want to say to you is that I want to echo something Mr. Gephardt said. We are here united as a party, but we want to work with the members of the Republican caucus to do things that are good for America.

Let's remember that in the past years, when we have done that, we have been successful. Last year, in the teeth of the election process, they eventually did join us to put a downpay-

ment on hiring 100,000 teachers, to do more to clean up toxic waste, to increase our investments in science and technology, to set aside a part of the surplus for Social Security, which they have continued to agree to do. And we made real progress with our agenda, even though we weren't the majority party.

Now, what was the result? Because we made real progress and because in 1998 we said, "Here's our future agenda: Save Social Security; keep the economy going; pass a Patients' Bill of Rights; continue to invest in our children's education," the public responded. And we moved closer to being a majority in that historic election in 1998. And now, thanks to Mr. Forbes, we're quite a bit closer still, and I want to thank him.

I would like to use him to illustrate the point I really wish to make today about our position. We are held together by unity of conviction, and we don't agree on everything. You ought to hear some of the arguments these folks have among each other. You don't have to agree on

everything to be a member of our party, but we have certain core commitments.

I have letters in my files that Mike Forbes wrote me when he was a member of the Republican caucus about the importance of our education agenda to the children that he represented. And I have numerous accounts of his passionate commitment to a Patients' Bill of Rights and how frustrated he was with over 200 organizations, all the doctors, all the nurses' groups, all the consumer groups pleading for the protections of people in HMO's to be able to see a specialist and go to the nearest emergency room and keep their doctor during treatment and enforce those rights—how frustrated he was that the leaders of his party would not permit that sort of bill to become law. So we are united by what we believe is best for the vast mass of the American people.

And I think it is important to remember that that is the source of our strength. In 1776 Thomas Paine said, "It is not in numbers but in unity that our greatest strength lies." But our unity must be rooted in conviction. We think we ought to keep the commitments we made in 1998 to modernize 6,000 schools and put teachers out there, 100,000 of them, so the class sizes will be small in the early grades. We think we ought to have that strong, enforceable Patients' Bill of Rights. We think we ought to reform campaign finance, and we think we ought to raise the minimum wage for the people who are out there working who should not be in poverty because they're willing to go to work.

We believe that we ought to make common-sense efforts to keep guns out of the hands of criminals and children, and we have lots of evidence that we have work to do. So I urge the conferees in both parties to stay here during the recess and do whatever is necessary to get us a good juvenile justice bill to protect our children.

And we believe it's right to stay with the economic strategy of fiscal discipline and investment in our people that we started in 1993. You know, we Democrats have a lot of fun reading those quotes that Dick and Tom read about what the Republicans said about our economic plan in '93. But, to be fair to them, at the time they could argue that it wouldn't work. It violated all of their sort of ideological inclinations, and they could argue.

But now there is no argument. And that's why this discussion we're having is so important.

We don't have to debate this anymore. Now we have 6½ years of evidence. We have the longest peacetime expansion in history. We turned the biggest deficit into the biggest surplus. We've got 19 million new jobs, the highest homeownership in history, the lowest minority unemployment in history, a 30-year low in the welfare rolls. There is nothing more to argue about. This economic strategy works, and we should not abandon it in this moment.

You know, this is a moment of testing for the generation of leaders represented on this platform, and those in the other party as well. I think generations as well as individuals have certain moments in their life where they can make a decision that will have profound consequences that go far beyond the moment, and this is such a moment.

A lot of you who are here were in the World War II generation. I had the great honor to go to Normandy to represent the United States at the 50th anniversary of D-day, and say, when they were young this generation saved the world. Well, there have been a lot of disparaging remarks made about the baby boom generation over the last 30 years, how we were self-indulgent, and all the things you've heard. Well, we are about to be tested, because we have the opportunity of a lifetime.

If I'd come to you 7 years ago and I said, "Vote for me, and vote for them; 7 years later we'll come back, and we'll talk about how to spend the surplus"—[laughter]—after the debt of this country had been quadrupled in 12 years—just think about it—I'd be home doing deeds and things in a law office in Arkansas. If I had run on that platform, "Vote for me; 7 years from now, we'll come back and talk about how to spend the surplus," you'd say, "You know, he seems like a nice young fellow, but he's totally out of touch." [Laughter]

But here we are. Why? Because these people said, "We are not going to let America go down the drain. We're going to stop this deficit spending. We're going to get interest rates down. We're going to get the economy going again. And we're going to do it in a way that does not require us to walk away from our obligations to our seniors, to our children, to the environment, to the defense. We can do it." And we have done it.

Now we have, perhaps, an even bigger test. You know, when times are tough, sometimes people don't have many options, so they just

take a deep breath and go on and do the hard thing. When times are easy, we are vulnerable to making our biggest mistakes. And that is what this decision before us is about. Now we have this projected surplus, about two-thirds of it coming from Social Security taxes, about a third of it coming from the other revenues paid by the American people. What are we going to do with it? What we do with it will determine the shape of America for decades to come. What we say is, "Deal with the big challenges first; deal with the aging of America; save Social Security; save Medicare; add a prescription drug benefit; add the preventive tests; and get America out of debt for the first time since 1835, so our children can have a good economy, too."

Now, what they have said is, "Let's pass this big tax cut first; make everybody happy tomorrow; and then we'll talk about these long-term challenges." And normally, that's better politics. Normally, that's better politics. Everybody knows we've got a surplus; let's give a lot of it back. The distributional problems are enormous, as Senator Daschle pointed out. But that's what they say.

Here's the problem. There will be twice as many people over 65, 30 years from now, as there are today. The Medicare Trust Fund goes broke in 2015; Social Security Trust Fund runs out of money in 2034. Now, those of us who have lived a little know that 15 years passes in the flash of an eye. I was talking to somebody yesterday about something I did 15 years ago—seemed like it was yesterday. And we are the stewards of this country's future. We must respond to that. We cannot let this opportunity go. This is a chance of a lifetime. We've got to take care of Medicare now. We've got to extend the life of the Social Security Trust Fund now.

You all know, also, that Medicare benefits have not kept up with medical science. Today, there are preventive tests that can catch diseases like cancer, heart disease, osteoporosis early and save lives and keep people healthy. Medicare will pay for you if you get cancer, osteoporosis, or heart disease and go to the hospital. But we don't pay for these preventive tests that will save huge amounts of money but, more importantly, save lives and save the quality of life and make the later years better. So we say, "Let's do something to make it more accessible for people. We want more people to take these preventive tests."

Every day, millions of seniors pull out their plastic pillboxes, each pill with today's ration of medicine, don't they—medication today that was unknown 35 years ago when Medicare was created, that keeps you healthy, that keeps you out of the hospital, that lengthens life and improves the quality of life. But today, three out of four of our seniors lack dependable, affordable prescription drug coverage. And the percentage with good coverage goes down as the price of the prescription drug goes up. Medigap coverage, for example, gets more expensive for people as they get older and have less money to spend on it.

So I say we have a chance now, because of our economic good fortune and our surplus, to extend the life of the Medicare Trust Fund, to provide a modest prescription drug benefit so that we can keep more people healthy and out of the hospital and improving their quality of life, and to make much more aggressive use of these preventive tests. And we ought to do it. The drug benefit is totally voluntary. It is affordable, and it will help a lot of people.

Now, rather than respond to the Medicare plan, I was hoping that the Republicans in Congress would say, "Well, Mr. President, this is your plan. This is our plan. There are differences. Let's work it out." Rather than do that, they said, "Before we spend a penny to extend the life of the Medicare Trust Fund, we want to pass this tax cut that's so big, so bloated, and so weighted towards special interest and upper income people that there won't be any money to extend the life of the Medicare Trust Fund"—not a penny to extend it a year under their plan.

Now, they've decided to vote on this plan today, but for some reason they don't want to send it to my desk. *[Laughter]* Now, I say again, we should not be doing this until we figure out how we're going to save Medicare, save Social Security, and pay the debt off. We ought to figure out, what is it we have to spend to educate these kids here; to provide for the national defense; to invest in medical research; to do the basic things. Then we ought to ask ourselves, how much is left? And whatever it is, we ought to give it back to the American people in a tax cut. That's the way we ought to do it.

Next month the Senate Finance Committee has promised to take up Medicare, and I hope they do. I hope that they will give me their

idea of a plan that will extend the life of the Trust Fund and deal with the challenge of prescription medicine and preventive tests and say how they're going to pay for it.

But you know—let me just say what's going on here. On the one hand, the Congress passes large tax cuts. On the other hand, they say they want to spend more money—for veterans, to deal with problems that a lot of our teaching hospitals are having with Medicare, to deal with the legitimate problems that our farmers are having—which is not just a one-year thing, it needs to be dealt with on a longer-term basis—but they want to have this big tax cut.

Their plan does nothing to extend the life of the Social Security Trust Fund, nothing to extend the life of the Medicare Trust Fund. It will not pay off the debt. And if we do both things, one of two things is going to happen: We're going to do nothing about Medicare; we're not going to pay off the debt; we're going to have huge cuts in the things they say they're spending more money on—or we're going to totally erode this surplus; and we're going to squander the opportunity of a generation.

One of the young men who works for me said the other day that their approach is sort of like a family that sits down at dinner tonight, around the table and says, you know, "Let's take the vacation of our lifetime. Let's blow it out. Let's take the vacation of our dreams, and when we get home, we'll figure out whether we can make the mortgage payment and send the kids to college." *[Laughter]*

Now, you wouldn't do it. You didn't do it. And we shouldn't do it. So I will say again,

this is a remarkable moment in history. We can't take advantage of it if we don't work with the Republicans. They have to work with us. We are here to say, "We can't support this tax plan because it squanders the opportunity of a lifetime, but we have worked with you before, and we will again."

President Johnson, who signed Medicare, said, "There are no problems we cannot solve together and few we can solve by ourselves." We need an American solution here. But we say, "First things first; meet the challenge of the aging of America; save Social Security; save Medicare; add that prescription drug benefit; meet the challenge of our children's generation by getting us out of debt for the first time since 1835, so we'll have low interest rates, high investment, more jobs, and people will be able to afford to live better; invest in our education, do the things that we have to do. Figure out what it costs and then give the rest of it back to the American people. But do first things first."

We will be judged, 20, 30, 50 years from now by whether we use this historic opportunity to think of the twilight years of Americans, to think of the morning years of Americans, to think of how we can bring our country together. It is the opportunity of a lifetime, and we, those of us on this stage, intend to use it.

Thank you, and God bless you.

NOTE: The President spoke at 11:12 a.m. in the Russell Caucus Room at the Russell Senate Office Building.

Statement on the Executive Order on Federalism

August 5, 1999

As a former Governor, I know how important it is for the American people that the Federal Government and State and local governments work together as partners. The Executive order on federalism I signed will strengthen our partnership with State and local governments and ensure that executive branch agencies are able to do their work on behalf of the American people. I want to thank the representatives of State and local governments who worked with

my administration in developing an Executive order that enables us to better serve all of the American people.

NOTE: The Executive order of August 4 is listed in Appendix D at the end of this volume.