

Remarks on Debt Reduction and an Exchange With Reporters October 27, 1999

The President. Good afternoon. Nearly 7 years ago, at a time of economic distress, social division, and political drift, we set out on a course to put America's fiscal house in order with an economic strategy rooted in common sense and common values, committed to bringing down the deficit, investing more in people, and expanding trade.

With the historic 1993 economic plan and the 1997 Balanced Budget Act, we made the tough choices to reduce the deficit and balance the budget the right way. Year-in and year-out, we have resisted politically attractive but economically unwise tax cuts that would have abandoned this commitment and taken us in the wrong direction. It hasn't been easy, and all along the way many said our approach wouldn't work. Some Members of Congress who, in 1993, took the courageous stand for our future even lost their seats as a result of what they did.

But this economic strategy has paid off. We have the longest peacetime expansion in history, 19½ million new jobs, the lowest unemployment rate in 29 years, the lowest welfare rates in 30 years, the lowest poverty rates in 20 years, the highest homeownership in history.

America has now enjoyed 7 consecutive years of fiscal improvement and economic growth, withstanding along the way the Asian financial crisis and helping to bring the world back toward prosperity. Now we have further evidence that our economic plan is working.

Today the Department of the Treasury and the Office of Management and Budget are releasing the financial totals for the fiscal year that just ended. It is now official, and I'm proud to announce that we posted a budget surplus of \$123 billion, the largest surplus in American history.

And in the last 2 years alone, we have paid down our Nation's debt by \$140 billion, the largest debt reduction in our Nation's history. We have closed the book on deficits and opened the door on a new era of economic opportunity. These new numbers also show that last year we came within \$1 billion of balancing the budget without using the Social Security surplus, for the first time in decades.

Unfortunately, this year's Republican budget reverses that course, spending about \$18 billion from the Social Security surplus, according to estimates from the Congressional Budget Office. That is wrong, and it doesn't have to be. Congress should pass the plan I submitted that meets our priorities, doesn't rely on the Social Security surplus, and continues our aggressive efforts to pay down the debt.

According to today's report, America's debt is now \$1.7 trillion lower than it was projected to be when I took office. What does that mean? For America it means lower interest payments on our debt and lower interest costs across-the-board. Last year the Government paid \$91 billion less in interest than was projected in 1993, creating a virtuous cycle that boosted the budget surplus and further reduced the debt.

For American business, debt reduction means that the Government is borrowing less, so there's more capital for business to invest at more modest prices. As a result, investments in technology, in particular, have boomed, bringing greater productivity, more jobs, higher wages.

The best story is perhaps what it means for working families. That's what the chart to my left shows. Debt reduction means lower interest rates and more money. It means \$2,000 less in home mortgage payments for the typical family. It means \$200 less in car payments and \$200 less in college loan payments. Debt reduction really means a tax cut and a sizable one for America's families. It proves that putting our fiscal house in order helps every American household.

Now, in spite of our progress, the congressional majority has continued to try to take us off this path, first with an irresponsible tax plan that I vetoed and then with a budget that fails to live up to our values and our interest for the future. Even without their tax cut—can you just imagine the fix we'd be in if that tax cut had become law? Even without their tax cut, they are set to spend several billion dollars of this year's Social Security surplus, while trying to disguise it with gimmicks. They are even set to enact an across-the-board spending cut that would have a destructive impact on our efforts

to educate our children, protect our environment, and modernize our military. Even with all this, they would not extend the solvency of Social Security or Medicare by one single day.

That is why, yesterday, I sent legislation to Capitol Hill that would ensure that all the Social Security surplus goes to debt reduction. And just like when a family cuts its debt, this will result in lower interest payments for the Government. I have also proposed, therefore, that we use these interest savings from Social Security surplus contributions to our debt reduction to extend the life of Social Security until the year 2050, which will encompass the life span of most of the baby boomers.

Now, we can do this and still have a budget that puts 100,000 teachers in the classroom, 50,000 police on the street, provides real protection for our environment, strengthen and modernizes Medicare, and keeps us on track to becoming debt-free for the first time since 1835.

Today's good news is a result of hard-won economic choices that put our people first. That strategy has created the most prosperous economy in generations. If we seize this historic moment, we can now create a generation of prosperity. That is the debt we still owe to our children and to America's future in the new century.

I am committed to working with the Congress to make good on that commitment and to get the job done.

Thank you very much.

Attack at the Armenian Parliament

Q. Mr. President, how concerned are you about the situation in Armenia, and who do you believe is responsible for that coup attempt?

The President. Well, as to the last, I'm very concerned about it and my heart and prayers go out to the people of Armenia and the families of the very important officials who have been killed already. We are not sure who is responsible. The situation is ongoing. As soon as we know more, we will let you know.

We have a good relationship with Armenia, and as you know, we've done a lot of work with Armenia and Azerbaijan to try to resolve the difficulties surrounding Nagorno-Karabakh. The two Presidents have been very forthcoming, and this is a real blow to that country and to that region, and I'm very sorry about it. But I don't know any more at this time.

Privacy of Medical Records

Q. Mr. President, is it really possible to keep a privacy of medical records guaranteed at a time of electronic data keeping and when those records are worth a lot of money in marketing?

The President. Well, they are worth a lot of money in marketing, which is why we're determined to keep them private, except in appropriate circumstances or where the patients, themselves, agree.

It's a complicated question, as you know, which is, presumably, why the Congress in 1996 agreed to let me take executive action if they were unable to resolve it legislatively. I still think as a matter of policy, because it's such an important sweeping matter, it would be better if we could have legislation on this. But I intend to proceed and to propose the regulations, open them for public comment.

I do believe that there are technological fixes which could protect the privacy of records. It's complex; we're trying to make the rules as understandable, as clear as possible, and as susceptible of enforcement and honoring as possible by the people who have to implement them.

But this privacy issue is a big deal. And the more we become digitalized and the more all of our records are stored electronically, the more we'll have to do. In the financial modernization bill, which we've reached agreement on, I'm very pleased that we were able to allow the financial modernization to proceed, which, I think, will be good for our economy. I'm very pleased that we were able to preserve the strong Community Reinvestment Act, which has been a major part of our antipoverty strategy. But I do think there—the privacy rules are not as strong as they might be, and I hope there will be an effort, congressionally, to deal with that issue as well.

Trade With Europe

Q. Mr. President, when you talked to Mr. Prodi today, did you talk about American beef and the bananas? What are the results of these conversations?

The President. Well, they agreed to work with us to try to resolve both those matters in an expeditious fashion. They are causing real trouble, not only between the United States and the European Union but for our efforts to build a global trading system. Because if there is an international body which is supposed to resolve

these disputes and you win and then you win again and then you win again and nothing happens, it's very frustrating. It undermines our ability to build support in the Congress and in the country for a new trade round which, as you know, I think is very, very important.

Nuclear Weapons in Armenia

Q. Sir, on Armenia, on nuclear weapons, are there nuclear weapons or nuclear stores in Armenia that you know about?

The President. I believe that what we have done on the nuclear weapons issue and getting the nuclear weapons out of all the republics of the former Soviet Union, except for Russia, is well-known, and I have no reason to believe that we have not succeeded in that.

Payment of United Nations Dues

Q. Mr. President, what would be the message sent if the U.S. again fails to pay its U.N. dues? And will you use your veto pen to ensure that the U.N. dues are paid this year?

The President. Well, I have already vetoed the legislation which didn't provide for that, as

you know. And now I'm working very, very hard to try to resolve that. I hope that the responsible leaders in the Senate and the House, in the Republican and the Democratic Party, in the pro-life and pro-choice camps, will work through this.

It is wrong for the United States not to meet its responsibilities to the United Nations, and we get a lot out of that. You know, there are these people in Kosovo and elsewhere around the world, in East Timor and other places, doing work that America does not have to do because of the United Nations. And all they want us to do is to pay our fair share, and that's what I think we ought to do.

I've got to go to President Ford's Medal of Freedom now—I mean, Congressional Medal. Thank you.

NOTE: The President spoke at 2:40 p.m. on the South Grounds at the White House prior to departure for the Capitol. In his remarks, he referred to President Robert Kocharian of Armenia; President Heydar Aliyev of Azerbaijan; and European Commission President Romano Prodi.

Remarks on Presenting the Congressional Gold Medal to Former President Gerald R. Ford and Former First Lady Betty Ford

October 27, 1999

Mr. Speaker, Mr. Gephardt, Mr. Arney, Mr. Ehlers, Senator Lott, Senator Daschel, Senator Thurmond, Senator Abraham, Governor, Chaplain Ford, Chaplain Ogilvie; to the members of the Ford family and the Members of the Congress who are here; Secretary Albright, Secretary Cohen, Ambassador Holbrooke; Senator and Mrs. Dole, good to see you; and Mr. Michel, Secretary Laird, so many other great Americans who are here.

You know, so many wonderful things have been said here today, I wouldn't be surprised if President Ford didn't leave here and check to see whether the filing is closed in the New Hampshire primary. *[Laughter]*

I would like to say that I think every Member of Congress and every former colleague you have here is proud to be here, without regard to his or her party. There is one person who is not here I would like to take just 15 seconds

to acknowledge because he embodied so many of the qualities that we now revere you for, and that's Senator John Chafee from Rhode Island. We miss him, and we are grateful, too, for his contributions to our Nation.

It was just a couple of months ago that I had the honor of welcoming President and Mrs. Ford back to the White House to award Gerald Ford the Presidential Medal of Freedom, so he wouldn't be the only person in his house without one. *[Laughter]* It is fitting now that both the White House and the Congress have bestowed their highest awards on the Fords because they served both the Congress and the White House so nobly.

In these hallowed halls, President Ford, as Congressman Ford, worked for 25 years. On the House floor, he was a forceful leader. In the caucus room, he was a loyal party leader. In the cloakroom and the committee room, he