

NOTE: The President spoke at 1:47 p.m. in the Benjamin Franklin Room at the State Department. In his remarks, he referred to Secretary Christopher's wife, Marie, his son, Tom, and daughter-in-law, Oya; Secretary of Education Richard W. Riley's wife, Ann (Tunky); President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro); and President Jacques Chirac of France. The transcript made available by the Office of the Press Secretary also included the remarks of former Secretary Christopher.

Remarks on Receiving the Report of the Social Security and Medicare Trustees and an Exchange With Reporters

March 30, 1999

The President. Thank you very much. Please be seated. I welcome all of our guests here, as well as the members of the administration. And I thank those who have joined me here on the platform for this important announcement.

Twice in the last 6 years we have strengthened our Nation's future in the 21st century by addressing serious, great fiscal challenges to America. In 1993 we met the threat of mounting deficits and a stagnant economy with an economic plan of fiscal discipline, expanded trade, and investment in our people. Thanks to that action, the red ink of the Federal budget has turned to black, and we are enjoying the longest peacetime expansion in our Nation's history. In 1997 we reaffirmed our commitment to fiscal discipline with the bipartisan balanced budget agreement. It took important steps to improve Medicare, saving tens of billions of dollars in costs while expanding benefits for recipients and choices.

Today we have new evidence that those determined actions were the right ones. I have just been briefed by our four Social Security and Medicare trustees for the administration—Secretaries Rubin, Shalala, Herman, Social Security Commissioner Apfel—who are here with me today. The trustees have issued their annual report on the future financial health of these vital programs. The trustees' report shows that the strength of our economy has led to modest but real im-

provements in the outlook for Social Security. They project that economic growth today will extend the solvency of the Social Security Trust Fund to 2034—2 years longer than was projected in last year's report.

After that date, however, the Trust Fund will be exhausted, and Social Security will not be able to pay the full benefits older Americans have been promised. Therefore, still I say we must move forward with my plan to set aside 62 percent of the surplus for Social Security, investing a small portion in the private sector for better return, just as any private or State government pension would do.

As I said in my State of the Union Address, we then must go further with difficult but achievable reforms that put Social Security on a sound footing for 75 years, that lift the earnings limitations on what seniors can earn, and that do something about the incredible problem of poverty among elderly women living alone.

The trustees have also told us that today the future for Medicare has improved even more. The trustees project that the life of the Medicare Trust Fund has been extended until 2015. That's 7 years longer than was projected in last year's report. These improvements are only partially due to the stronger economy. According to the trustees, they are also the result of the difficult but necessary decisions made in 1997 and to our successful efforts to fight waste, fraud, and abuse in the Medicare program.

Now, this trustee report is very good news. We should be pleased; Americans can be proud. But we should not be lulled into thinking that nothing more needs to be done, because the improvements we see today, themselves, did not happen by accident but instead came as a result of determined action to make sure that the problems were not allowed to get out of hand.

When I became President 6 years ago, Medicare was actually projected to go bankrupt this year. We worked hard in 1993 and 1997 to make sure that didn't happen. Some of the actions we took at the time were not particularly popular, but we knew they had to be done. They helped to strengthen Medicare, and they laid the foundations from the difficult challenges we still must face.

Social Security and Medicare face long-term challenges, as all of you know, with the baby boom aging, with medical science extending the lives of millions, with the number of elderly Americans set to double by 2030. Even with today's good news, Social Security will run out of money in 35 years, Medicare in 16 years. We cannot—we will not—allow that to happen.

For three decades, Medicare has protected seniors and the disabled while expressing the values of care and mutual obligations that bind families and the generations of Americans together. Since my State of the Union Address, I have called for devoting 15 percent of our surplus to strengthening Medicare, while modernizing the program with real reforms and helping seniors with prescription drugs.

When the Medicare commission completed its work 2 weeks ago, I said we must build on their recommendations by adopting the best practices from the private sector while also maintaining high-quality services, continuing to provide every citizen with a guaranteed set of benefits, and making prescription drugs more accessible and affordable to Medicare beneficiaries.

Now we must build on the good news we have received today. We must extend the life of Medicare even further, modernize the program even more, and make prescription drugs even more accessible and affordable. Medicare cannot remain static in the face of the sweeping changes in our Nation's health care system, a system today that relies increasingly on prescription drugs.

Today, 13 million seniors each spend more than \$1,000 a year, out of pocket, for prescriptions. Let me say that again—13 million seniors today spend more than \$1,000 a year, out of pocket, for prescription medication. At the same time, seniors who have no drug coverage do not benefit from the lower prices that insurance firms often can negotiate from pharmaceutical companies. The higher prices these seniors pay are in effect a hidden tax. We must find a way through Medicare to inject more competition into the health care system and to provide a prescription drug benefit.

Now, I know that some might say this good news means that we can simply delay reform.

Nothing could be further from the truth. Strengthening and modernizing Medicare requires tough but achievable changes. And now is the time to make those changes—now when our economy is strong; now when our people have renewed confidence; and now when we have time on our side so that modest changes today can have major impacts in the years ahead.

Nothing in this report lessens the need to devote 15 percent of the surplus to strengthening Medicare. But nothing in this report lessens the need to make tough but achievable reforms either. And nothing in this report lessens the need to help seniors with a prescription drug benefit. If we wait, we will be condemning ourselves to future changes that will be much more costly and wrenching and must less satisfying in the end.

Today, we face a choice that is a test of our wisdom as a self-governing people and a test of our vision of 21st century America. Will we seize this moment of prosperity? Will we devote these surpluses to strengthening Medicare, to strengthening our future? Or will we rush and do the most appealing prospect of the moment, a tax cut that will explode in later years and avoid our generation's responsibility and put the future of Medicare at risk?

The trustees' report is welcome news, but it also contains a clear lesson: Tough, disciplined action is good economics. It's good for Social Security; it's good for Medicare; it's good for America. It's very good for our children's future and for the future of our families across the generations.

We can extend the life of Social Security and Medicare and have an appropriate, affordable amount of tax relief specially targeted to the neediest working families and middle class families. But we have to apply the lessons we have learned in the last 6 years to the first years of the 21st century. I am determined to see that we do so this year. And the trustees' report should make it easier for us to fulfill our responsibilities.

Thank you very much.

Serbian Proposal To Settle Situation in Kosovo

Q. Sir, what do you think of Milosevic's offer to withdraw some troops if NATO stops bombing?

The President. I agree with Chancellor Schroeder.

NOTE: The President spoke at 2:57 p.m. in the Rose Garden at the White House. In his remarks, he referred to Chancellor Gerhard Schroeder of Germany. The exchange portion of this item could not be verified because the tape was incomplete.

Statement on Signing Legislation Extending Bankruptcy Code Provisions

March 30, 1999

Today I have signed into law H.R. 808, which extends the provisions of chapter 12 of the Bankruptcy Code until October 1, 1999.

Chapter 12 of the Bankruptcy Code was enacted in 1986 to provide bankruptcy relief to our Nation's family farmers, who at the time were suffering through a severe agricultural crisis. The provisions of chapter 12 enabled family farmers to meet this financial crisis by allowing them to reorganize their debts and avoid the loss of their farms and way of life.

Despite the general widespread economic prosperity of recent years, many of our Nation's family farmers and ranchers are having difficulties and face losing their property and their livelihoods. Chapter 12 is an effective tool to mitigate the effects of the current agricultural crisis on family farmers and ranchers and on communities that depend upon them. By making it easier for family farmers to work out their debts, chapter 12 also benefits creditors, who would be unlikely to obtain repayment if these farmers and ranchers went out of business.

Although I have signed this temporary extension, I urge the Congress to protect those family farmers and ranchers in financial distress by making the provisions of chapter 12 permanent. I also urge the Congress to expedite passage of my request for emergency

funding of \$150 million to provide more than \$1 billion in loans for farmers and ranchers.

William J. Clinton

The White House,
March 30, 1999.

NOTE: H.R. 808, approved March 30, was assigned Public Law No. 106-5.

Statement on a Serbian Proposal To Settle the Situation in Kosovo

March 30, 1999

I share the view of Chancellor Schroeder that President Milosevic's proposal is unacceptable. President Milosevic began this brutal campaign. It is his responsibility to bring it to an immediate end and embrace a just peace. There is a strong consensus in NATO that we must press forward with our military action.

Statement on the Death of Joe Williams

March 30, 1999

Hillary and I were deeply saddened to learn of the death of jazz and blues great Joe Williams. He was a national treasure. For the better part of this century, America was blessed with Joe Williams' smooth baritone voice and peerless interpretations of our favorite ballads. Hearing Joe Williams sing at the White House in 1993 remains one of my favorite memories. Hillary and I are grateful for the opportunity to have welcomed him back for the Kennedy Center Honors every year since. We send our prayers and deepest sympathies to his family and friends.

Message on the Observance of Passover, 1999

March 30, 1999

Warm greetings to all those observing Passover.

This sacred holiday commemorates God's liberation of the Israelites from slavery and the beginning of the Jewish people's exodus from Egypt to the Promised Land. Their