Q. Last week you seemed to kind of get fired up when you were talking to the teenagers from Colorado. You said that the politicians in Northern Ireland were behaving akin to school children. Do you feel, after all the work that you've done on this project, that perhaps it was misplaced, and you should have perhaps pushed in a place more like Africa, where they have thousands of people dying from ethnic strife, instead of 3,500 over 30 years?

Q. And if I can have a third Irish question, what role, if any, do you expect to play, Mr. President, in breaking the deadlock?

The President. Okay, let me answer the Irish questions; then I'll come back to the "Should we have done something else?"

I've talked to Senator Mitchell, and he is willing to spend some time—he can't go back full-time for another year or 2, but I'd like to put this in some—at least I'd like to tell you how I look at it.

Obviously, I am very disappointed at the breakdown of the process here. But I do think it's important to note that neither side wants to abandon the Good Friday agreement. And that's very important. It's also important to note that everybody agrees on what their responsibilities are and what the other side's responsibilities are, and everybody agrees that it all has to be done by a date certain.

So they have agreed to break out the two areas causing problems, the decommissioning and the standing up to the executive, and try to figure out how they can unlock that, and Mo Mowlam, as you pointed out, is working hard on it, and they've asked Senator Mitchell to come back and do some work on it, and my instinct is that it will be resolved.

Now, let me say in terms of your characterization, here's the problem. To the outsiders—I told the parties that to the outsiders—no one, none of us outside, even somebody like me that's been so involved in this, no one will understand if this thing breaks down over who goes first; that that did sound like the kind of argument that young people have, you know. Who goes first?

Underneath that, there's something deeper. The Protestants are afraid that the IRA will never disarm if they let the Sinn Fein go into the executive branch, and the IRA do not believe, since the agreement did not require decommissioning as a condition of getting into the executive branch, they don't want to have to spend the rest of their lives being told that it wasn't the vote of the people, it wasn't the Good Friday accord, it was what the Unionists and Great Britain did to force them to give up their arms that got them to disarm. They believe that would, in effect, require them to disavow what they've done for 30 years.

And what they're saying is, "When we surrender our arms, we're surrendering to our people. Our people voted for this. We are surrendering to the will of the people that we represent." So when you put it in that textured way on both sides, it makes it clear why it becomes a difficult issue. And I can't think of anybody better to try to work through it than George Mitchell, because he's got it all in his head and he's put 3 years into it. But my instinct is that we will get this worked out.

Now, you asked about did I think we had misplaced our energies. I don't think so. We have—for one thing, we don't have a stronger partner in the world than Great Britain, and for another, we don't have a bigger ethnic group in America than the Irish, and we're tied by blood and emotion to the Irish struggle. I also think that it has enormous symbolism, beyond the size of the country and the number who have died. And if it can be resolved, I think it will give great impetus to the forces of peace throughout the world. So I don't believe for a moment we made a mistake.

But let me also say I think we should be more involved in Africa, and I've tried to involve us more in Africa. I did everything I could to head off that civil war between Ethiopia and Eritrea. It's not a civil war; they are two separate countries, but they once were together and they're basically now arguing over the divorce settlement. And I don't mean to trivialize it in that characterization. And we are still actively involved in trying to stop that.

Reverend Jackson played a significant role in trying to end the awful carnage in Sierra Leone, and I'm very grateful for that. We're

now working, and we're able to work with Nigeria to try to stabilize the region. We are training African militaries and the Africa Crisis Response Corps, so that we can, hopefully, prevent further carnage. So I believe the United States should be more involved in Africa.

And of course, the announcement that the Vice President made on our behalf the other day of our new AIDS initiative in some ways may be the most important thing we can do to save lives there.

So I agree that we should be more involved. But I don't agree that we misplaced our energies in Ireland. I'm proud of every late night phone call and every frustrating hour I've spent on it.

Yes, go ahead.

Q. Can I ask about you?

The President. Well, I don't want to talk about me.

Q. Oh, come on.

The President. I'm not a candidate for anything.

Go ahead, what? Go ahead. All right, one more.

White House Bicentennial

Q. Listen Mr. President, with due respect, in another development, I know that you are for Africa, and you know that I support the initiative of Africa, now, of my friend the President of the Dominican Republic because we are Afro-Latino. But I am not concerned at this moment about Mars. I am concerned about a place where I have been for 20 years, the White House, that is going to celebrate 200 years next year. I wonder if you would tell the people of the United States what you are going to plan for that big celebration?

And another thing, Mr. President, I am disgusted with you. You have been hiding something extraordinary, the performance of the trade promotional coordinating committee, that has been carrying out in the last year a national exporting strategy, are the participants in the prospective of this economy. Why don't you speak about the success of that initiative? It's a sin that you—[*inaudible*]—you talk about a lot of things that is nothing, another thing that is good for America and the prosperity of the world.

The President. Well, a lot of things that are good for America don't make good news for them, you see.

Q. And I have a followup. [*Laughter*]

The President. No, let me just say—[*laughter*]—a followup? [*Laughter*] Now, that's really good. That is really—oh, God, is that good.

Let me just say that we will have a lot of celebrations of the 200th birthday of the White House next year, and it's neat that it coincides with the first year of the new century and the millennium. So we'll have—I'm not prepared to announce them yet, because I want others who deserve more credit than I do to be able to do that. But it will be a signal honor for us to be living here in that year, and we'll be able to do a lot. And I hope we'll have even more American citizens coming to the White House next year to be a part of it.

Go ahead. Just that followup—that showed a lot of guts. [*Laughter*] If this is a followup, I'll give you another question. [*Laughter*]

Support for Vice President Gore and First Lady

Q. Sir, you've stressed that you have plenty to do, and yet for some time, your political career has enjoyed the benefits of support from two people in particular—the Vice President and the First Lady—two people who are now in a position to expect some support from you. I'm wondering what you feel you owe those two people in terms of political support, and as you plan your schedule in the weeks and months ahead, how you'll balance that assistance against your job as President, and finally, how you personally are adjusting to what people might think is an interesting shift in role.

Q. I have a followup to his question. [*Laughter*]

The President. Now, I believe that. [*Laughter*]

Well, I will do whatever I'm asked to do, basically. I'll try to be helpful. And if I can be helpful, I will be. But I think the best thing I can do for anyone who generally shares our ideas, is part of our party, trying to move the country forward, is to continue to be a good President and take care of our country.

But I don't mind hard work and I don't mind long hours, and I find myself, apparently unlike some of my predecessors—but I just read what you all say about it—but I don't feel myself winding down; I feel myself keying up. I want to do more. I want to try to make sure that I give the American people as much as I can every day. So I've got plenty of energy, and I'll do whatever I'm asked to do.

I owe them a great deal. I think Al Gore—everybody in this room knows that he's had far more responsibility and gotten more done that any Vice President in history. Nobody's ever had a role that even approximates that. I don't think the American people know that yet, but I know that. And he deserves a lot of credit for what he's done, and he has my friendship and my support. But I also think that it's a mixed blessing, as you say, because people want to see any Vice President out there on his own. If you go back and look at where Richard Nixon was in 1959, you will see the same sort of thing. So I think I see this as a rhythmic process. I think he'll do fine.

But the reason I think that has nothing to do with the questions you ask me. The reasons I think that are, A, he's a good man with a good record, but most importantly, he's out there telling the American people how he would change the country for the better. And I think that's important.

I did an interview, and I talked about Hillary and this; if she decides to do this, I will do whatever I can do. And if she's successful, I will happily go to the Senate spouses meeting if that's part of the job. I have never known anybody who didn't run for office who was a more effective, more consistently committed, completely passionate public citizen than her. So if she decides to do it, and if the people of New York decide that they want her to do it, that's a decision for them to make, and they have to deal with that. And she's trying to deal with that, you know, the whole question of moving there.

It is true that shortly after we came here I said, ''You get to decide where we live from now on for the rest of our lives.'' And she said, ''I want to go to New York''—in, like '93. This is just something that happened later. So I'll be dividing my time between home—I'm going to be home and build my library and build my center—I'll divide my time between there and New York, whatever she does about this Senate race.

But if I can help her in any way, I will, because I think it would be a great thing for the country, not only because of what I owe her—she just—what she knows and how she's lived and what she's done. I mean, it's very unusual to find somebody like that who has that much knowledge and background and passion all packed into one place. I mean, I know that you think I'm a biased observer, but I think I could support it with evidence.

Q. Mr. President——

The President. Go ahead, Bill [Bill Plante, CBS News].

President's Future Plans

Q. In that same vein, sir—[*laughter*]—as the spotlight shifts from you to your Vice President and to your wife, are you likely to be content drifting slowly offstage, or do you think that someday you will want to run for office, some office again? Or are you willing to tell us this afternoon, sir, that you will never again run for elective office?

The President. I don't have any idea. [*Laughter*] Really, I don't know. Let me just say this. I love this job. I love it. Even on the bad days you can do something good for the country; you can do something good for the future. I have loved doing this. And I have given it every ounce of my energy and ability and judgment. And I feel very fortunate. But we have a system that I, frankly, agree with, even though I'm in pretty good shape. We have a system that says a President gets two terms, and then the President has to go find something else to do with his life. And there are lots of other worthy things to do.

And I was a very happy person before I became President. I've never had any trouble finding something interesting to do that I believed in. And I will do my best to use the opportunity and the gift the American people gave me to serve in this position to be a useful citizen of my country and the world for the rest of my life, and I have no doubt that there will be some way I can do that. And

I'm, frankly, kind of excited about it. I mean, it's a new challenge. I'll have to think in a different way and do a different way.

Will I miss a lot of the things about this job? Yes. I'll even miss all of you, believe it or not. [*Laughter*] But I'm just grateful that I've had the chance to serve and that the results have been good for our people and for our country and, I think, for the world.

And you know, that's part of life. Life has its rhythms. And the people that are most satisfied and most happy in life take the rhythms of life and make the most of them, instead of sitting around moping and wishing the rhythms were something other than they are. That's just not the way the life works. And listen, I'm way ahead, and I'm very grateful.

Thank you very much.

NOTE: The President's 179th news conference began at 2:35 p.m. in the East Room at the White House. In his remarks, he referred to President Lee Teng-hui of Taiwan; Rear Adm. Richard M. Larrabee, USCG, Commander, 1st Coast Guard District, head of the search and recovery efforts off the coast of Martha's Vineyard, MA, to locate the missing aircraft that carried John F. Kennedy, Jr., his wife, Carolyn Bessette Kennedy, and her sister Lauren Bessette; Prime Minister Ehud Barak of Israel; President Hafiz al-Asad of Syria; Gov. George W. Bush of Texas; former Gov. Ned Ray McWherter of Tennessee; actor Tom Hanks; former U.S. Trade Representative Michael (Mickey) Kantor; President Ernesto Zedillo of Mexico; President Andres Pastrana of Colombia; Apollo 11 astronauts Neil Armstrong, Edwin (Buzz) Aldrin, and Michael Collins; physicist Stephen W. Hawking; former Senator George W. Mitchell, who led the multiparty talks in Northern Ireland; United Kingdom Secretary of State for Northern Ireland Marjorie Mowlam; civil rights activist Jesse Jackson; and President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro). A portion of this news conference could not be verified because the tape was incomplete.

Statement on Senate Inaction on the Nomination for Assistant Attorney General, Civil Rights Division

July 21, 1999

I strongly support the efforts of the National Council of Asian Pacific Americans to call attention to the failure of the Senate to confirm Bill Lann Lee as Assistant Attorney General for Civil Rights.

I resubmitted Mr. Lee's nomination to the Senate more than 4 months ago, yet the Senate Judiciary Committee has not considered his nomination. Bill Lee has an excellent record as Acting Assistant Attorney General for the Civil Rights Division. Under his leadership, the Justice Department has enforced our civil rights laws justly and fairly. The Department is combating hate crimes, ensuring fair housing, fighting illegal discrimination against persons with disabilities, protecting workers from exploitation, and taking other strong actions to protect people's rights.

Some of Mr. Lee's opponents have decided to use his nomination as a means of expressing their disagreement with the civil rights laws themselves. This is wrong. He deserves to be considered based on his record and abilities, not blocked because some Senators disagree with the law of the land. To refuse to allow the Senate to vote on his nomination does a disservice to the confirmation process, to this outstanding nominee, and to the American people.

Remarks in a Conversation on Medicare in Lansing, Michigan

July 22, 1999

The President. Thank you, and good morning. I would like to begin by saying I am honored to be here. I thank all of you for coming. Somebody fell out of the chair—are you all right? [*Laughter*] I wish I had a nickel for every time I've done that. [*Laughter*] You okay now? Good.

Well, this is appropriate. I want to thank your attorney general, Jennifer Granholm,

for joining us; and Mayor Hollister, the State legislators, county commissioners, and city council members who are here. And I thank President Anderson of the Lansing Community College for making me feel so welcome here.

I love community colleges, and I'm going to go visit with some of the students after I finish here, and I'm going to tell them they should also be for this. The younger they are the more strongly they should feel about this, what we're trying to do here.

I would like to thank our sponsors today, the National Committee to Preserve Social Security and Medicare—the president Martha McSteen; the executive vice president, Max Richtman, are here. I thank the National Council of Senior Citizens and their executive director, Steve Protulis, who is here. The Older Women's League National Board president, Betty Lee Ongley; Judith Lee of the Older Women's League; John D'Agistino of the Michigan State Council of Senior Citizens.

I'd also like to thank in her absence your Congresswoman, Debbie Stabenow, who was going to come with me today, but they're voting on an issue which is very critical to whether we can do what I hope to do with Medicare. But she has been a wonderful supporter of our efforts to preserve Medicare and to add the prescription drug benefit. And I know she did a study here in this district on seniors' prescription drug options and cost, and some of you may have been responsible for the position she is now taking in Washington. But I am very, very grateful for it. And I know Debbie's mother, Ann Greer, is here. So I thank her for coming.

And let me say to all of you—and I want to thank Jane for doing this. You know, I met her about 3 minutes ago, and I—she's got to come out here with me and do this program. And I think the odds are she'll do better than I will. [*Laughter*] So I'm not worried.

Let me say, today I want to have this opportunity to talk with all of you—we have people of all ages here—about the great national debate going on not only in Washington but in our country, a debate that we never thought we'd be having. You know, I came to Lansing first when I was running for President in 1992, and the people of Michigan have been very good to me and to Hillary and to Vice President and Mrs. Gore. I'm very grateful for that.

But it occurred to me if I had come here in '92, and I'd say, ''I want you to support me because if you do we've got a $290 billion deficit today, but I'll be back here in 6 years and we'll talk about what to do with the surplus.'' Now, I think it's fair to say that if I had said that people would have said, ''He seems like a nice young man, but he's terribly out of touch''—[*laughter*]—''he doesn't have any idea what he's talking about. This guy is too far gone to have this job.'' But that's what we're doing here.

Six and a half years ago Michigan's unemployment rate was 7.4 percent. Today it's 3.8 percent. We've gone from a $209 billion deficit to a $99 billion surplus. And we have done it with a strategy that focused on cutting the deficit, balancing the budget, eliminating unnecessary spending, but continuing to invest in education and training. For example, we've almost doubled our investment in education and training in the last 6 years while we have cut hundreds of programs and reduced the size of the Federal Government to its smallest point since 1962, when President Kennedy was in office. So I think that's very important. And the tax relief which has been given in the last 6 years is focused on families and education.

I asked the president of this college when I came in, I asked him what the tuition was, because now our HOPE scholarship tax credit gives a $1,500-a-year tax credit to virtually all the students in our country. And that makes community college free, or nearly free, to virtually all the students in community colleges in our country. It's an important thing.

But we've worked hard, and the American people have worked hard. Now we have the longest peacetime expansion in history, with 19 million new jobs. We have the lowest minority unemployment rates ever recorded. And we have to ask ourselves, we've worked very hard as a country for this; what are we going to do with it? And I have argued that, at a minimum, we ought to meet our biggest

challenges—the aging of America, the obligation to keep the economy going, and the obligation to educate and prepare our children for the 21st century.

Today we're going to talk primarily about the aging of America and Medicare. But I want to emphasize what a challenge that is. The number of people over 65 will double between now and the year 2030—will double. The fastest-growing group of people in the United States in percentage terms are people over 80. Any American today who lives to be 65 has a life expectancy of about 82.

Children being born today, when you take into account all of the things that can happen—illness, accident, crime, everything—have a life expectancy of 77 from birth now. We expect to unlock the genetic code with the Human Genome Project in the next 3 to 4 years, and it then will become normal for a young mother taking a baby home from the hospital to have a genetic map of that baby's body, which will be a predictor of that baby's future health. It will be troubling in some ways. It will say, well, this young baby girl has a strong predisposition to breast cancer. But it will enable you to get treatment, to follow a diet, to do other things which will minimize those risks; will say, this young boy is highly likely to have heart disease at an earlier-than-normal time, but it will enable us to prepare our children from birth to avert those problems. So this is a very important thing.

The first thing I want to say to all of you and those of you who are in the senior citizens' groups will identify with this—this is a high-class problem we have. This is a problem, the aging of America, that is a high-class problem. It means we're living longer and better. I wish all of our problems were like this. It has such—a sort of a happy aspect to them.

But it does mean that there will be new challenges for our country, and it means, among other things, that we'll have, percentage-wise, relatively fewer people working and more people drawing Social Security and Medicare.

When you look at the Social Security system, it's slated to run out of money in about 34, 35 years. It ought to have a much longer life expectancy than that. Everybody—it's fine for the next 35 years, but I've offered a plan to increase the life of the Social Security Trust Fund for at least 54 years and to go further if the Congress will go with me.

I have offered a plan to increase—when I became President, the Medicare Trust Fund was slated to go broke this year. And we took some very tough actions in 1993 and again in 1997 to lengthen the life of the Trust Fund—actions which, I might add, most hospitals with significant Medicare caseloads and teaching hospitals which deal with a lot of poor folks believe went far too far. And we're going to have to give some money back to those hospitals in Michigan and throughout the country. But we now have 15 years on the life of the Medicare Trust Fund. Under my proposal, we would take it out to 2027, and that will give plenty of time for future Congresses and Presidents to deal with whatever challenges develop in the Medicare program after that.

Now, to do that and to do it without cutting our commitment to education, to biomedical research, to national defense, we have to devote most of the surplus to Social Security and Medicare. We will still have funds for a substantial tax cut but not as big as the one being offered in Washington today, which spends all the non-Social Security tax surplus funds on a tax cut.

I believe the wise thing to do is to take care of the 21st century challenge of the aging of America, to do it in a way that does not require us to walk away from the education of our children; and under my plan, because we would save most of the surplus, the side benefit we'd get is that in 15 years we could actually take the United States of America out of debt for the first time since 1835.

Now, why is that important—and it's more important, I would argue, than at any time in my lifetime. I was raised to believe that a certain amount of debt for a country was healthy; that just like businesses are always borrowing money to invest in new business, a certain amount of debt was healthy. The structural deficit has been terrible. The idea that we quadrupled the debt in 12 years was an awful idea, because we were borrowing money just to pay the bills.

But I'd like to ask you all to think about this, because I don't think most Americans have focused on this part of the plan, the idea of being debt-free. We live in a global economy. Money can travel across national borders literally at the speed of light. We just move it around in accounts. Interest rates are set, therefore, in a global context. If we become debt-free and we, therefore, don't borrow any money in America just to fund the Government, that means everybody else's interest rates will be lower. That means for businesses, lower business borrowing rates; it means more businesses, more jobs, easier to raise wages. For families it means lower home mortgage rates, lower credit card payment rates, lower car payment rates, lower college loan rates.

It means that we will secure the economic strength of America in ways that are unimaginable to us now. It means that if other parts of the world get in trouble, the way Asia did a couple of years ago, we'll be less vulnerable. And the people that are in trouble and need to borrow money will be able to get it at lower interest rates, and they'll get up and go on again and be able to do business with us again.

This is a very good thing to do. But it can only be done if we set aside the vast majority of the surplus to fix Social Security and Medicare. You can still have a tax cut, focused on helping families save for their retirement or any number of the other things that have been discussed within the range we can afford; focused on helping people pay for long-term care; focused on helping working families pay for child care; and, I would hope, focused on helping us modernize our schools for the 21st century and giving businesspeople big incentives to invest in the small towns, rural areas, urban neighborhoods, and Indian reservations that still haven't gotten any new business investment in this recovery of ours.

But the fundamental decision is, are we going to do these things? Now, there does seem to be agreement in Washington—let's start with the good news—there does seem to be an agreement in Washington that we should set aside the portion of the surplus produced by your Social Security tax payments for Social Security. And if that, in fact, happens, under the way that the Republicans and the Democrats have agreed on so far, we will pay down the debt—we will continue to pay down the debt, but we won't pay it off. And we won't extend the life of the Social Security Trust Fund, as I would under my plan. But still, that's something.

There is yet no agreement in Washington over setting aside a significant portion of the surplus to save and modernize Medicare. So today we're here to talk about that. But I wanted you to have a feeling for how the Medicare proposal fits into the proposal to save Social Security, to keep investing in education, to have a modest tax cut, and to make the country debt free. I want you to think about it, because the big debate is, what are we going to do with the surplus?

And I don't even agree with the timing of what's going on in Washington. I don't think we should even be talking about the tax cut until we figure out what it costs to save Social Security, what it costs to save and modernize Medicare, what we have to do to keep the Government going.

How would you feel—now, one of my staff members, who happens to be from Michigan, said to me the other day, this is kind of like a family sitting around the kitchen table and said, ''Let's plan the fancy vacation of our dreams and then talk about how we're going to make the mortgage payment.'' [*Laughter*] ''Hope we've got enough left over.'' So that's where we are.

To evaluate whether you agree or not, we need to talk about what needs to be done about Medicare. So I'd like to tell you what I think, the first thing my plan would do is to devote a little over a third of the non-Social Security portion of the surplus, $374 billion over the next 10 years, to strengthen Medicare by extending the life of the Trust Fund to 2027. Now, I think that is very, very important, because, keep in mind, all the baby boomers will start turning 65 in the year 2011. That's not that far away. To young people, that may seem like a long way away. The older you get, that seems like the day after tomorrow. [*Laughter*]

And we've waited a long time. The last time we had a surplus was 1969. This is a once-in-a-lifetime opportunity we have here to deal with this. So if we run it out to 2027

and then further complications arise, or difficulties or challenges present themselves, there will be time for future Congresses and Presidents to deal with them without having to take drastic action. So that's the first thing—run the Trust Fund out to 2027.

No serious expert on Medicare believes that we can stabilize Medicare without an infusion of new revenues. The second thing we do is to employ some of the best practices in health care today: competition and other practices now in the private sector to keep costs down that don't sacrifice quality and don't require people to be forced out of the fee-for-service Medicare plan if they don't want to be into a managed care plan. We leave free choice open. No requirement.

The third thing about this plan that's gotten the least publicity but is potentially very important for our country is that we allow people between the ages of 55 and 65 who aren't working anymore or don't have health insurance on the job and don't have retiree health insurance to buy into Medicare in a way that doesn't compromise the stability of the program. I think that is terribly important. That's a huge problem in our country today and a growing one, people who are out of the work force or working for very small businesses without employer-sponsored care, who can't get any health insurance because of their age or their previous health condition.

The fourth thing the plan does is to modernize the benefits of Medicare to match the advances of modern medicine. That means first encouraging seniors and disabled Medicare beneficiaries to take greater advantage of the available prevention mechanisms in our country, preventive tests for cancer, for osteoporosis, for other conditions, by eliminating the deductible and the copay from those tests and paying for it by charging a modest copay for lab tests that are often overused.

Now, why is this important? Well, if somebody develops osteoporosis, a severe case, and goes to the hospital and has a prolonged medical regime under Medicare, the taxpayers pay for all of it. But very often, the prevention is not done because of the costs involved. It'll be far less expensive over the long run to spend a little more on prevention now and keep people out of the hospital and the expensive payments we're going to pay if we don't do that. Very important issue.

And then we provide, for the first time, for a voluntary and affordable prescription drug benefit. Basically, we propose to start with a $24 a month premium to pay half the drug cost, up to $2,000, phasing up over the next 5 or 6 years to a $5,000 ceiling, with the premium going up that way, in a graduated way. For seniors at 135 percent of poverty or less, we would waive the premium and the copay, and then the premium would be phased in, up to 150 percent of poverty. So there would be subsidies there.

Now, there are those who say, ''Well, this is good, but I've got a good retiree health plan with prescription drugs, and if you offer this, my employer will drop it and it's better than this deal.'' Well, I want you to know that one of the things we've done in here is put substantial subsidies in here to employers who offer drug benefits to their retirees. So I think it is less likely that they will drop the benefits, not more—because they're going to get a real incentive to keep the employer-based retiree programs. The second thing I want to say, again, is this is an entirely voluntary program.

Now, the other big criticism of this program has been that, well, they say, two-thirds of the people have prescription drugs already who are retired. That is misleading. That is only accurate by a stretch, and let me explain what I mean by that. We have a report we are releasing today that shows that 75 percent of older Americans lack decent and dependable private sector coverage for prescription drugs. And the problem is getting worse.

Fewer than one in four retirees, 24 percent, have drug coverage from their former employers. Now, the number of corporations offering prescription drug benefits to retired employees has dropped by a quarter, 25 percent, just since 1994. Eight percent of the seniors have Medigap drug policies. But as all of you know, Medigap premiums explode as people get older, when they most need the benefits and can least afford the higher prices.

Here in Michigan, for example, seniors over 85 must pay over $1,100 a year in

Medigap premiums for drug coverage, not counting the $250 deductible. Those high costs are especially hard on women, who tend to have lower incomes than men because they didn't have as many years paying into Social Security or retirement primarily. Seventy-two percent of the Americans over 85 are women. Seventeen percent of seniors have drug benefits through Medicare managed care plans. But three-fifths of these plans cap the benefits at less than $1,000 a year.

And listen to this, in just the last 2 years, the percentage that capped drug benefits at only $500 per year has grown by 50 percent. Anybody that's got any kind of medical condition at all will tell you it doesn't take very long to run through $500.

So what does this mean? It means that the vast majority of our seniors either have no drug coverage at all or coverage that is unstable, unaffordable, and rapidly disappearing. It means, therefore, that we need a drug plan for our seniors that is simple, that is voluntary, that is available to all, and that is completely dependable.

Securing and modernizing Medicare I believe is the right thing to do for our seniors, but I also think it's the right thing to do for all the young people here. And for the next generation, the young parents in their thirties and forties. Why? First, because it guarantees we can get out of debt by 2015—I explained why that's a good idea. Second, because if we do this and we stabilize Social Security and Medicare, we will ease the burden on the children of the baby boom generation who will be raising our grandchildren. It is a way of guaranteeing the stability of the incomes of the children of the seniors on Medicare. And I think that is profoundly important.

Now, I've already explained that that's what our budget does. Today the Congress is voting, the House of Representatives is voting on the Republican tax plan, which basically would spend virtually the entire non-Social Security surplus on a tax cut. And it costs a huge amount of money, not just in this 10 years but it triples in cost in the next 10 years. It explodes.

And you say, ''I don't want to think about that. I want to think about today.'' You have to think about that. The baby boomers will be retiring in the second decade—in the second decade of the century we're about to begin. And we have to think about that. This plan would give us no money to stabilize or modernize Medicare, and it would require substantial cuts in education, in national defense, in biomedical research, in the environment. And I predict to you that the environment will be a bigger and bigger issue for us all to come to grips with in the years ahead.

So we have to figure out what we're going to do. I believe that this plan that's being voted on in Washington will not enable us to pay off our debt; it will not do anything to add to the life of Social Security and Medicare; it will require huge cuts in our other investments and taking care of our kids. And I will veto it if it passes.

But the question is what are we going to do. You all know that we fight all the time in Washington because that's what you hear about. But I would like to reiterate that we joined together to pass welfare reform—and I did, I vetoed two bills first because they took away the guarantee of food and medicine for the poor kids. But I passed the welfare reform bill that required able-bodied people to go to work and provided extra help for child care, for transportation, for training and education for people on welfare. We now have the lowest welfare rolls in 30 years—the lowest welfare rolls in 30 years.

And big majorities of both parties in both Houses of Congress voted for it. We fought over the budget for 2 years, but in '97 we passed a bipartisan balanced budget amendment, with big majorities in both parties of both Houses voting for it. And the results have been quite good.

So don't be discouraged. You just have to send a clear message. We are capable of working together to do big things. Yesterday 50 economists, including 6 Nobel Prize winners, released a letter supporting my approach. Maybe it's easier for me because I'm not running for election, but I don't think that's right. I trust the American people to support those people in public life who think of the long run, who tell them the truth, who say, I realize it would be popular to spend this surplus, but we've waited 30 years for

it and we now have 30 years' worth of challenges out there facing us and we cannot afford to squander that.

So what I hope to do today is to answer your questions and hear your stories, and let's explore whether or not we really need to do these things for Medicare and whether or not they really will help not only the seniors but the non-seniors in the country. And if you disagree, you ought to say that, too. But my concern now is for what America will be like in 10 years, or 20 years, or 30 years.

We've got the country fixed now; it's working fine; everybody is going to be all right now in the near term. The economy is working; things are stable; we're moving in the right direction. But we now have a once in a generation opportunity to take care of our long-term challenges, and I believe we ought to do it.

Thank you very much.

[*At this point, the conversation proceeded. Participant Janice Southwell asked the President how much time his Medicare plan would need to take effect.*]

The President. Well, it will take us—it takes a couple of years—first of all, we can stabilize the plan immediately. If Congress passed the law and I sign it, we'll have the funds dedicated, and we can set the framework in motion today that would do all the big things.

To put the prescription drug benefit in effect, it's a complicated thing, as you might imagine, millions and millions of people involved—it will take probably a year, maybe a little longer, 2 years, to actually start it.

But where we propose to start would be with a premium of $22 a month and a copay of 50 percent up to $2,000, but it would go up to $5,000. And I think it's very important to get up to a higher level. But we have to learn to administer it and make sure we've got the cost estimates right and all of that. So it would be fully in effect at $5,000 about 5 years after we start.

[*The conversation continued. Moderator Jane Aldrich asked Ms. Southwell her concerns about her own senior years. Ms. Southwell replied she is thinking about it and described a conversation with her daughter-in-law, who questioned whether Social Security would exist when she became eligible.*]

The President. The answer to that is, there certainly should be. There's no reason for us to let the Trust Fund run out in 2034. What I have proposed to do, just so you'll know, is—what I propose to do is to allow the Social Security taxes that you pay, which presently have been covering our deficit since 1983—as big as these deficits have been, they'd have been even bigger if it hadn't been for Social Security taxes. You need to know that, because when we put the last Social Security reform in, in 1983, we did it knowing that we would be collecting more. I wasn't around then, but they did it knowing they would be collecting more than they needed, and the idea was to have the money there when the baby boomers retired, as well as to relieve the immediate financial crisis.

Now, if you do that, you can pay down the debt some. But in order to lengthen the life of the Trust Fund, what I have proposed to do is, as the debt goes down, the interest we pay on the debt goes down. Obviously, you know, if you've got smaller debt, you have smaller interest payments. Well, you should know that for most of the last 10 years, about 15 cents on every dollar you pay in taxes comes right off the top to pay interest on the debt.

So what I want to do, as the debt goes down, I want to take the difference in what we used to pay and what we've been paying and put that into the Social Security Trust Fund to run the life of the Trust Fund out to 2053. And I've made some other proposals and will make some more because I'd like to see us take it all the way out to 2075. That would be, in the ideal world, we'd have 75 years in the Social Security Trust Fund. That's what I'd like to see, and I'm working on it. But if you get over 50 years, we'll be in pretty good shape, and I'm hoping we'll do that.

[*The conversation continued.*]

The President. You might be interested to know that the drug companies, a lot of them are worried about it, and they've come out opposed to my plan, even though there's

no price control in my plan. But if we represent you and millions of other people like you, we'll have a lot of market power, we'll be able to bargain for better prices. And I think that's a good thing, not a bad thing.

The other thing you should know is—maybe most of you do know this—I didn't know this until a few years ago and my former Senator, David Pryor, who is very interested in seniors and drug prices told me this, and then when I became President and began to manage the budget, I confirmed it—Americans sometimes pay many times higher prices for drugs than Europeans, for example, pay for the same drugs. So our companies are only too happy to sell in the European market at cost because—much lower cost—and they make money doing it because they recover all the cost of developing new drugs from Americans. And then the Europeans put actual price controls on them, and they sell anyway.

Now, I honor the research and development of new drugs by our pharmaceutical companies. The Government spends billions of dollars every year supporting such research, and we should. If America is on the cutting edge, maybe it's worth a premium for it. But I also believe that elderly people on fixed incomes should not be bankrupt for doing it.

That's what this—so what I'm trying to do is to strike the right balance here. I want to hold down future increases as much as we can, not by price controls, but by using the market power of the Government. And we'll have to be reasonable because we're not going to put those companies out of business and we're not going to stop them from doing research because we'd be cutting off our nose to spite our face. We wouldn't do that. But we would be able to give people like you some protection, as well as the guarantee of coverage. And I think it will be a good thing.

[*Participant Jack Witt said his sister-in-law bought prescription drugs in Mexico because they cost less than in the U.S. He said he'd heard of the same possibility in Canada. He suggested the U.S. Government should purchase the drugs and provide them to seniors at a fraction of the cost.*]

The President. You are subsidizing the pharmaceuticals made in America, sold in virtually every other country in the world, because they're made here and you're paying higher prices for them than people in other places.

As I said, I understand their argument. They say, "Well, why shouldn't we go in there and sell if we can make some money, but we have to recover our drug development costs." I'm sympathetic to a point, but not to the point that people like you can't have a decent living. So I think this will be a good compromise, and I hope the pharmaceutical companies will reconsider their opposition. It would be a good thing, not a bad thing, if we had the market power of large-bulk purchasers to hold these prices down to you.

[*The conversation continued.*]

The President. You can actually figure out pretty much what this plan would do for you. If you have, let's say, $2,000 a year in drug costs—let's take the first year the plan goes in—let's say you've got $2,000 a year in drug costs and let's say your income is over 150 percent of the Federal poverty level—150 percent of the Federal poverty level is $17,000 a couple for seniors—then, you would pay $1,000 for the drugs and $24 a month for the premium, which is $288 a year, which is $1,288, so you'd save $712 a year.

Now, if your income is under 135 percent of the Federal poverty level, which is $15,000 a couple, you would save $2,000 a year because you wouldn't have to pay the co-pay or the monthly premium. We've tried to take care of the really—the kind of people you're talking about at your complex who don't have enough to live on. I wish I knew the numbers for seniors living alone. I just don't have it in my head; I should, but maybe somebody will slip it to me before I end.

If somebody, one of the people here with me, if you'll slip me the numbers for what the 135 and the 150 percent of the poverty level is for single seniors, I'll tell you what that is, but you can figure it that way.

[*The conversation continued. Heather Fretell, a pharmacist, said meaningful pharmacy services that ensure proper use of medication*

should be provided for seniors, because prevention of illness would bring down the cost of treatment. Ms. Aldrich asked if the President was hearing that around the country.]

The President. A lot. And let me just say to all of you, this fine young woman is representative of where the pharmacists of our country are. I want to—I said that I regretted the fact that the drug manufacturers were opposing our program because they're afraid it will hold costs down too much. The pharmacists who see the real live evidence of this problem have been, I think, the most vociferous supporters of this whole initiative of any group not directly involved in getting the benefits, and I can't thank you enough. Thank you.

But wait, let me say one other thing. She made another point that I didn't make in my remarks that I would like to make to you. She said, you know, say it was your grandmother or something, if she doesn't take this medication she'll have to go to the hospital.

Now, suppose there were no Medicare program. Suppose President Johnson hadn't created Medicare 34 years ago and we were starting out today. Does anybody here even question that if we were creating Medicare today, prescription drugs would be a part of it? If we were starting all over again? Thirty-four years ago we didn't have anything like the range of medicines we have today that could do anything like the amount of good and do anything like the amount of prolonging our lives, our quality of life, keeping us out of the hospital.

And here's the bizarre thing about this, if we manage this program right over the long run, it's going to be a cost saver because we'll be—if you've got $2,000 in drug costs, that's a lot—that's what her costs are—that $2,000; how long does it take you to run up $2,000 in hospital bills? A lot less than a year. A lot less than a week.

So I think that's another point that ought to be made when this debate is unfolding, that, yes, this will be—it's a new program, so it will cost money. But eventually, particularly if Heather is right and we can make sure a higher percentage of our people use these drugs properly, you will save billions of dollars in avoided hospital stays, which we pay for. That's the irony of this whole thing. That's the other reason I'm for all these preventive tests being provided for free, because we don't pay for the preventive tests, but when you don't get them and you go to the hospital, we do pay for that.

So I think any thing we can do to make people healthier and keep them out of the hospital and keep them out of more extensive and expensive care is a plus. So thank you very much.

[*Ms. Aldrich noted that advances in preventive medicines since 1965 have been substantial and have altered how treatment is applied.*]

The President. It's amazing. The average life expectancy in this country is almost 77 years now. I mean, that shows you how far we've come in just 34 years.

[*The conversation continued.*]

The President. First, let me say that we have made a dramatic increase in medical research one of the priorities for the last 2 years for the millennium. We're trying to double funding for the National Cancer Institute and eventually double funding for all the National Institutes of Health.

And Vice President Gore gave a speech in Philadelphia about 10 days or so ago now, where all the major associations involved in the fight against cancer came to talk about long-term plans that would really give us a chance of finding cures for many, many types of cancer. I think it will be a big national priority in the years ahead. And he gave, I thought, a very good speech about what should be done to take advantage of what we already know is out there on the horizon, just by accelerating our investments and making sure we're doing the proper testing in the proper range of our population.

I'm quite encouraged about it. I think a lot of the big breakthroughs will come after I leave office. But I hope that the groundwork we've laid now, will bring them sooner. And I think one of the things that I hope will be a big part of the debate for all of you for all the elective offices when we come up in the year 2000—I say this not in a partisan way, because, actually, we've had very good Republican as well as Democrat support for the National Institutes of Health

funding—but I think this should be a major issue and a subject of debate that all of us should talk about as Americans: What is our commitment over the long run to doing this kind of research and getting the answers as quickly as we can?

Thank you.

[*The conversation continued.*]

The President. Let me say—you heard what Mrs. Silk said about Medicare—I think we're mostly talking about this prescription drug issue today. But don't forget, as important as it is, the most important thing that we're doing is securing Medicare for 27 years. We've got to get—the basic program has to be secure, because that would literally, as many people as are terrifically burdened by this prescription drug benefit, if anything happens to the solvency of Medicare, or we have to adopt some draconian changes that raise the cost of the program so much that it's as out of reach as the drugs are now for people, the consequences would be disastrous. So let's not forget we have two things to do. We've got to stabilize and modernize and secure the Medicare program itself for the next 27 years as well as add this drug benefit.

And you made that point very eloquently, and I thank you.

[*Participant Dorothy Silk asked the President what citizens could do to help him persuade the Congress to accept his plan.*]

The President. I think tell the Congress that the country's doing well now and that, yes, you would like to have a tax cut, but you will settle for a smaller one rather than a bigger one if the money goes to save Medicare and Social Security and keep up our investment in the education of our children and pay the debt off. I think that's a simple message.

Let me just say this. You know, Americans are a country—we are famously skeptical about the Government, you know. All those jokes, ''I'm from the Government; I'm here to help you,'' and you slam the door and the guy says—and I heard the debate last night in the House of Representatives, and the people that are for giving the surplus back to you in the tax cut will—they say, ''It's your money; don't let them''—i.e., us—''don't let them spend it on their friends.'' Well, we're spending it on Medicare, Social Security, and education and defense. That's us, that's all of us, that's not our friends.

I mean, I hope you're my friends, but that's—and I think what you have to say is that the country has become prosperous by looking to the future, by getting the deficit down, by getting our house in order, by getting this budget balanced, by investing in our people. And now, we have these big challenges.

If this debate in Washington is about, you know, ''my tax cut's bigger than your tax cut,'' well, that's a pretty hard debate to win, you know? But if the debate is, ''yes, our tax cut is more modest, although it's quite substantial, but the reason is we think since we've got this big aging crisis looming and since we've never dealt with the prescription drug issue, that we ought to stabilize Social Security and Medicare, save enough money to do our work in education and medical research and the environment and defense, and still have a modest tax cut,'' I think we can win that argument, and I think—you know, you really just need to let people know. I don't think this should be a hostile debate at all. I think you need to genuinely, in a very open and straightforward way, tell all your Representatives and Senators of all parties that you believe now is the time to look to the long run.

If America were in economic trouble now, if people were unemployed, if they were having terrible trouble, maybe we should have a big tax cut to help people get out of the tights they're in. But now that the country is generally doing well, we ought to take the money and make sure we don't get in a tight in the future. If you can just say that in a nice way, I think—I'm trying to keep the temperature down on this debate and get people to think. I want to shed more light than heat. Usually, our political debates in Washington shed more heat than light. And you can help a lot. Just be straightforward, and tell people that's what you think.

[*Ms. Aldrich suggested people write letters and send E-mail to their representatives in Congress.*]

The President. Write them a letter; send them an E-mail; send them a fax. Do something to—and say, I'm just a citizen, but I want you to know that I will support you if you save most of the surplus to fix Social Security and Medicare and make America debt-free. I will take the smaller tax cut, and I don't want you to have to cut education or national defense or medical research or any of those other things. Let's do this in a disciplined way, in a commonsense way. I think you just tell them that that's what you want them to do, and don't make it a partisan issue, don't make it a—I don't want Americans to get angry over this.

Like I said, this is a high-class problem. You would have laughed me out of this room if I had come here 7 years ago and said, ''Vote for me. I'll come back, and we'll have a debate on what to do with the surplus.'' So let's be grown up about this and deal with it as good citizens.

[*The conversation continued.*]

The President. Yes, I thank you for that. I agree with that. Let me say, if you think about it, every time we do a big change in this country, the people that are doing pretty well under the status quo normally oppose it. And in the 15th century, the great Italian statesman Machiavelli said there is nothing so difficult in all of human affairs than to change the established order of things, because the people who will benefit are uncertain of their gain, and the people who will lose are afraid of their loss.

Well, I don't think they will necessarily lose. Once they go back to what this gentleman said over here about it, and let's put what he said and what you said together, the profit margins may go down some on heavily-used drugs where we have the power to bargain per drug, but the volume will surely go up. That's the point you're trying to make.

Look, none of us have an interest in putting the American pharmaceutical companies out of business. They're the best in the world, and they're discovering all these new drugs that keep us alive longer. And I wouldn't—we'll never be in a position where we're going to try to do that. But I've seen this time after time after time—not just in health care, in lots of other areas. It will be fine if we just have to get the point where they can't kill it. I think the pharmacists will help us, and I think if we keep working, we'll wind up getting some pharmaceutical executives who will eventually come out for it, too, once they understand that nobody has a vested interest in driving them out of business. We all want them to do well and keep putting money into research and the increased volume—if the past is any experience of every other change, the increased volume of medicine going to seniors who need it will more than offset the slightly reduced profit margins from having more reasonable prices.

Thank you very much.

[*The conversation continued. Participant Loren Graham said his 44-year-old daughter, who suffers from rheumatoid arthritis, should be able to buy into Medicare because she is refused insurance.*]

The President. But she's not designated disabled?

Mr. Graham. I beg your pardon?

The President. Medicare covers certain—the disability population—she's not disabled enough to cover, to qualify?

Mr. Graham. Correct.

The President. I don't know if I can solve that or not. I'll have to think about it. [*Laughter*]

Ms. Aldrich. But you obviously have other people that you know that are dealing with the same type of issue that you are right now, is that correct?

[*Mr. Graham said he knew a lot of people in the same situation that have supplemental insurance but no guarantee they will keep it.*]

The President. Let me say one thing. You said you wanted Medicare to be around another 32 years. Another point I should have made that I didn't about taking the Trust Fund out 27 years, you think how much health care has changed in the last 27 years. The likelihood is it will change even more in the next 27 than it has changed in the last 27. And we may be caring for ourselves at home for things that we now think of as terminal hospital stays. They may become normal things where you give yourself medication, you give yourself your own shots, you