So what do I think we have to do? Here's what I think we should do. I think, first of all, my plan would secure Medicare by dedicating over $320 billion of our budget surplus for 10 years, to extend the life of the Trust Fund from 2015 to 2027; that would be the longest projected life we've had on a Trust Fund in many years. But we have not been this financially healthy in many years, nor have we faced the challenge of so many people retiring and living so long ever before. So we need to know it's going to be all right for a good while.

Secondly, we will introduce more modern mechanisms of competition to improve quality but to control costs as well as we can, as private sector innovations have done. We will give seniors the chance to choose between lower cost Medicare managed care plans and the traditional program, but we will not support changes that would force them to move from one to the other.

I also believe it's important to modernize benefits, and over the long run, the economical thing to do. Over the last 30 years, a medical revolution has transformed health care, and in many cases, prescription drugs now supplant what used to be routinely dealt with with surgeries. They have lengthened and improved the quality of life.

As the Older Women's League study shows, women have borne the greatest cost of this pharmaceutical revolution. According to the next chart, women spend $1,200 a year on prescription drugs, on average, about 20 percent more than men. Now, as you have already heard, our plan will help seniors to afford the prescription drugs that have become essential to modern medicine. The plan is completely voluntary but available to all Medicare beneficiaries. This is a challenge, I might add, not just for poor women. It is also a challenge for middle class women as well.

Look at the next chart. Half of all middle class women—that is, for seniors, those who make at least $12,700 a year or, with couples, $17,000 a year—have no prescription drug coverage at all. So among those who have no coverage, a quarter are below the poverty line, a quarter are between 100 and 150 percent of poverty, half are over 150 percent of the poverty line; although, if your drug bills are big enough, it doesn't take long to get down below the poverty line again.

Women who have tried to buy extra coverage through private Medigap policies have to cope with escalating premiums as they get older. That's one of the great ironies of these Medigap policies that I keep hearing about, you know, we don't really need this because of Medigap. They get more and more and more expensive as you get older and older and older and less and less and less able to come up with the money to pay for them.

Now, I think anybody that says we don't need to do this is out of touch with people's real lives and out of date. I'd also like to point out that our plan would eliminate the last barrier between seniors and preventive screenings—tests for breast cancer, colon cancer, prostate cancer, diabetes, and osteoporosis—that can help save their lives. For too many seniors on fixed incomes, especially low income women, the cost of the modest copayment is prohibitive. Last year for example—listen to this—just one in seven women took advantage of the mammograms covered by Medicare.

So what we want to do is to eliminate the deductible and the copayments for the preventive screenings, and we pay for it by introducing a modest co-pay on lab tests that are frequently overused, ones that have been identified, and by indexing to inflation the modest part B premium, which will be much less burdensome because it's more broadly spread in a smaller amount of money. But the people who need these preventive screenings, this will save lives.

Consider the irony of this. Every condition I just outlined, we pay for the doctor benefits, we pay for the hospital benefits, but we don't want to let people get the preventive screenings that will keep them from spending that money in the first place to keep them healthy and keep them alive. This is a good thing to do.

Now, this is a good plan. It is a responsible plan. And it is important that we deal with the Medicare challenge now, while we have the funds and the prosperity to do so. I have proposed to dedicate the Social Security portion of the surplus to Social Security, but also to lengthen the life of the Trust Fund by taking the interest savings we'll have, because

this will allow us to pay the debt down, and putting it into the Social Security Trust Fund, so it will last longer. So we'll have at least over 50 years of life on the Social Security Trust Fund.

And as I said, I proposed to put over $320 million in Medicare. There's not a single expert on this program who believes that we can stabilize the fund and lengthen the life of it and deal with the coming demographic challenges without more money. No one who has looked into this believes it. And I think this is very, very important, because if the tax cut being pushed by the congressional majority, which includes vast benefits for people in my income group and higher—who have done quite well in the stock market, thank you very much—[*laughter*]—and are not clamoring for it, and are worried that it will destabilize the economy—even today, there are stories in the paper that if we have a big tax cut, with the economy growing as fast as it is, it might stimulate inflation, which would cause increases in interest rates, which would take away all the economic benefits of the tax cuts in higher interest rates.

So I say to you, I do not believe that is the wise thing to do. I think first we should say, let's save Social Security and Medicare; let's add this responsible prescription drug benefit; let's decide the commitments that we ought to make—to give our children good education, to keep our streets safe, to biomedical research, to national defense, to the environment—and then let's decide what we can afford in a tax cut. Let's do first things first.

In addition, another benefit of my plan, not present in any other one, is that if my proposal were to pass the Congress, in about 15 years we would actually be out of debt as a nation, for the first time since 1835.

Now, the significance of that for older Americans is quite important. Why? Because if we are out of debt, it means we will have long-term prosperity; lower interest rates, which means lower costs for business borrowing, more investment, more jobs, higher incomes; and for families, lower home mortgages, car payments, credit card payments, and college loan payments. That amounts to a very big tax cut over 10 or 15 years, getting this country out of debt, making us less vulnerable to the vagaries of the international financial system, securing the long-term economic stability for the young people here in the audience and throughout our country.

Believe it or not, we can do all that and still have a fairly sizable tax cut. I propose to let people use it for retirement savings, for long-term care, for child care. But the point I want to make today is not so much what we spend it on but how much it can be, and in what order we are doing this. We did not get to this moment of prosperity by figuring out how to eat our cake, and then looking around for the vegetables. [*Laughter*] That's not how we got here. We got here—and a lot of Members of Congress lost their jobs over it—because we took the tough decisions in 1993 to get the deficit down, to bring interest rates down, and to do it without having to give up on our obligations to education and to our other important national priorities.

So here we are with this opportunity of a lifetime to deal with this, and I think we ought to do it. Now, I regret that, as all of you know, the congressional majority appears to have a different philosophy. Look what happened. Last week, in the House of Representatives, they passed an irresponsible tax bill that would spend our surplus; it wouldn't devote a dime—not a dime—not one dime to extending the solvency of Medicare. And interestingly enough, these tax cuts are worded so that they won't go into full effect until the year 2010, just when the baby boomers start to retire. And in the second 10 years, they'll cost way over twice as much as they did in the first 10 years. So the whole impact of them will hit us right between the eyes as the baby boomers retire, Medicare nears insolvency, Social Security starts to show strains.

This week the Senate is going to take up a similar bill. They also, I might say, as all the analysis done—I don't know if you've had—I don't want to take time today to do this, but if you haven't seen the analysis of the bills, you ought to, because they're standing up there saying, "If we don't give this money back to you, 'they' "—i.e., me and my allies in Congress—"will spend it on 'their' friends."

Well, Judith is my friend. [*Laughter*] It sounds so great: ''We want to give it back to you; they're going to spend it on their friends.'' We want to spend it on saving Social Security and Medicare, educating our children, paying down the national debt, and getting us out of debt, to help our friends, the American people.

They tickle me, you know, these guys. They were fighting the Patients' Bill of Rights several days ago, and they said, ''Oh, these Democrats, all they do is stand up and tell stories; we're talking about something besides stories.'' Well, I don't know about you, but the older I get, the more it seems to me like life is just a collection of stories. [*Laughter*] And people are pretty important, a lot more important than statistics.

And I'm telling you, I've been at this business a long time. This country may never have an opportunity like this. And they're spending it on their friends. [*Laughter*] And, ironically, their friends are better off under our plan because the stock market has more than tripled. Their friends have done very well under our plan. We have had an economic policy that has been nondiscriminatory, benefiting Republicans and Democrats alike. [*Laughter*]

Look, today I want you to read the papers today. They point out that the Congress, the majority, has begun resorting now to accounting gimmicks, because they've approved such a big tax cut, they can't meet the fundamental obligations of Government without beginning, right now, to spend the surplus. And they don't want to acknowledge that, so they've resorted to accounting gimmicks to disguise the fact that they're dipping into the surplus. They can't live within the budget limits we set in 1997. I told you, we all know we cut Medicare too much in '97; we're going to have to fix it. A lot of you know it. A lot of you deal with these programs and these health care providers. But they want to give the illusion they're living within the budget limits, nothing has to be done, and they can have this tax cut. I'm telling you what's going to happen. If this tax cut were to become law, it would mean huge cuts in education, huge cuts in the environment, huge cuts in medical research, huge cuts in health care, and huge cuts in national defense. Or if they didn't do that, we would see balloon in the deficit again, just like we did in the 12 years before I took office, when the national debt quadrupled. We tried it that way; it didn't work very well.

Why are we going down the same road we tried before, when we have a road that we have tried for 6½ years that has brought us to this point? Why would we reverse course instead of building on what we've done and going beyond it? It is a big mistake, and it's wrong. It's not just wrong for the seniors; it's not just wrong for the women of this country; it's wrong for all Americans. It is not the right thing to do.

Now, it also—it will take away the single best opportunity any of us will ever have in our lifetimes to save Social Security for the baby boomers, to save and strengthen Medicare, and to get us out of debt for the first time since 1835, to give the young people in this room a chance at a generation of prosperity. And I don't believe any thinking person, once they understand what the real numbers are—let's get out of the rhetoric here, who's going to give it to whose friends and all that. What are the numbers? This is an arithmetic problem.

You know, I told people when I got elected President, I'd come from a State with fairly straightforward values and ways of doing things, and I thought we ought to have a radical new idea in Washington. We'd bring basic arithmetic back to the budget. [*Laughter*] And basic arithmetic has worked pretty well. This doesn't add up.

And so I ask you to help me send the word to the Congress that let's do first things first. Let's fix Medicare. The women of America especially need it.

You know, we have to work together. Every time we get in one of these fights, people throw their hands up. But there's normally a process that goes on here. When we were doing welfare reform, I vetoed two bills because it took away the mandate of health care and nutrition for children. We finally got a welfare reform that I thought was right; it carried by big majorities in both parties, in both Houses; we have the lowest welfare rolls in 30 years. And we did it in an election year.

Then the next year we did the Balanced Budget Act, and it has worked superbly. The only problem with it is that the Medicare cuts were too burdensome on certain groups, and we're trying to fix that. But I can tell you that if this tax cut passes, there will be breathtaking cuts in every area of our national life that you would believe is important, over and above what it would do to totally rob us of any chance to stabilize and improve Medicare and save it for the baby boom generation.

We have big tests as a country. How are we going to deal with the aging of America? How are we going to give all of our kids a world-class education, especially since more and more of them come from families whose first language is not English? Those of us who expect to be alive in 20 years, or hope to be, better hope we do a good job of educating those kids. How are we going to deal with all these other challenges? How are we going to bring economic opportunity to people who still haven't felt it? How are we going to stabilize the economy so that we'll still be growing even better 10, 15, 20 years from now? These are big challenges. But they are high-class problems in the sense that nations rarely get these opportunities.

Once-in-a-lifetime you get a chance to stand up with your country in good shape, bring people together, look down the road, and say, yes, these are big challenges, and we're going to check them off—one, two, three, four—because we have the money and the vision to deal with them.

So my appeal today is that we not get into a big fight; we just go back to basic arithmetic. These tax bills the majority is pushing could not get the support of their own Members if we had a chart up on the wall that says, here is what we have to spend just to stay where we are today in education, defense, the environment, medical research; here's what every expert says it takes to stabilize Medicare; here is the interest savings you ought to be putting into the Social Security Trust Fund; here is what we have to do to fix health care. They agree we have to do some more for veterans care. They agree with these things.

The numbers don't add up. We cannot take the vacation without paying the home mortgage, the car payment, and the college loan bill. We can't do it. We can't eat the cake until the vegetables and the soup are out of the way. And we cannot defy the basic laws of arithmetic. And contrary to some of the debate, we cannot forget the stories.

This is about how millions upon millions upon millions of Americans will live. Will they live in dignity and health, or will they live in want and insecurity, imposing unconscionable burdens on their children, and limiting their children's ability to raise their grandchildren? Or will we use this moment to build a more prosperous, more just, more decent society? This is about way more than drugs and trips to the doctor. This is about what kind of people we are and whether we can look beyond today to the tomorrow we all want for all of us.

Thank you.

NOTE: The President spoke at 10:24 a.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. In his remarks, he referred to Judith G. Cato, member, Maryland Commission on Aging, who introduced the President. The transcript made available by the Office of the Press Secretary also included the remarks of the First Lady. A portion of these remarks could not be verified because the tape was incomplete.

## Remarks on the 25th Anniversary of the Legal Services Corporation

*July 27, 1999*

Thank you very much. Let me say, first of all, I apologize for being late. I've been over meeting with the Russian Prime Minister, and you would have given me a pass, I think. I was doing good work, I hope.

Lucy, thank you for your statement, and on behalf of all of us, for the award. Let me say, I could just sit here and sort of look at all the people that are here. I hesitate to even call people by name, but I want to thank all the Members of Congress who are here, including Congressman Berman and Congressman Ramstad. I'd also—I see Mr. Conyers and Congressman Cardin, Congressman Allen, Congresswoman Waters, former Congressman Fox, and Father Drinan, we're glad to see you here, sir. Thank you. Sarge and Eunice Shriver; the ABA presidents, Jerry