

Feb. 25 / Administration of William J. Clinton, 1999

Message to the Congress Transmitting a Report on Administration of the Coastal Zone Management Act

February 24, 1999

To the Congress of the United States:

I am pleased to transmit the Biennial Report to Congress on the Administration of the Coastal Zone Management Act (CZMA) of the Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration (NOAA) for fiscal years 1996 and 1997. This report is submitted as required by section 316 of the CZMA of 1972 as amended, (16 U.S.C. 1451, *et seq.*).

The report discusses progress made at the national and State level in administering the

Coastal Zone Management and Estuarine Research Reserve Programs during these years, and spotlights the accomplishments of NOAA's State coastal management and estuarine research reserve program partners under the CZMA.

WILLIAM J. CLINTON

The White House,
February 24, 1999.

NOTE: This message was released by the Office of the Press Secretary on February 25.

Remarks to the Community in Tucson, Arizona

February 25, 1999

The President. Thank you. Thank you. I was just wondering if Esther would agree to go back to Washington with me. That was amazing. [Laughter]

Thank you for your wonderful welcome. I had no idea when I got here that I was coming to a place so large or so beautiful or completely full, with a good crowd outside. And it's a real testament to your good citizenship. You can't imagine, as Congressman Kolbe said, what this weather looks like to us. It has been freezing in Washington. And I come here—and I'm sort of a sports fan—you've got three teams in spring training; you've got this great golf tournament going on here; and here you are with me. Thank you very much. I'm very grateful.

I'd like to thank Mayor Miller for meeting me at the airport and being here today. And he and his wife met me, and it's her birthday today—I hope she's enjoying this unusual celebration of her birthday.

I thank County Supervisor Sharon Bronson for her remarks and her presence here today. And Congressman Kolbe, thank you for crossing district and party lines to be here with us today. We appreciate it very much. I thank you good friend, Ed Pastor, and his wife, Verma, for their friendship and support and leadership over the years. I thank him for that.

I know Attorney General Janet Napolitano and several legislators and tribal leaders and others are here. I thank them for being here. I think the Director of the Pima County Council on Aging, Marian Lupu, is here. I was told before I got here that Linda Ronstadt and CeCe Peniston are here, and if they are, thank you for being here. And if they're not, I'm giving them free publicity. That's okay, too. [Laughter]

You know, I'm delighted to be back in Arizona; I'm delighted to be here. Ed told me that I am the first President to come to Tucson since President Ford. If that's true, the others didn't know what they were missing, I can tell you that. I'm not sure, but I believe this is the first time I've had the opportunity in Arizona to thank the people of Arizona for their support for the Vice President and me in 1996, and I'm very grateful for that.

This State is living proof that the great era of westward expansion did not end a century ago; it is still going on. And when I look out here at all of you, I am reminded that when America looks to the west, it still sees the future. We see in Arizona the glimpses of America's future, and the seismic shifts in population, and growth you are already undergoing.

The mayor mentioned Hillary—the one thing—I wanted to say this: the one thing Hillary said to me this morning, only half kidding, before I left—I said, “You know, look at this. This speech begins by saying, Arizona is the mirror of the future, all these shifts in population.” She said, “Yeah, there’s another way it’s a mirror of the future, too. The women are in charge at last.” I think my political career just got in there under the wire. That’s what I think. [Laughter]

Let me say to all of you, we’ve had a good time today, and I am delighted to be here. But I do want to take a few moments to have a serious discussion with you about what I believe we should be doing in this last year of the 20th century. And I think it is terribly important, because the United States is so fortunate today to have the longest peacetime expansion in our history and the lowest peacetime unemployment since 1957 and all the other economic indicators you know well. We’re in our second year of budget surpluses after 30 years of deficits. Welfare rolls are about half what they were 6 years ago. We are so fortunate.

But the tendency is for people in public life and positions of responsibility and for citizens at large, after having gone through difficult and challenging times, when things get a whole lot better and ordinary folks can finally begin to feel it, to see it in the highest homeownership in our history, for example, the tendency is to say, whew, and to relax, and to basically just enjoy this moment or to think about other things, or to get distracted. And I believe that would be an error.

And I ask you to come here today to join with me in thinking seriously about our future, because this prosperity we have and this confidence we have gives us not only an opportunity but an obligation to try to deal with the long-term challenges America faces. That’s what I attempted to talk to the American people about in the State of the Union. I want to mention a few of them today and then focus on the ones that have already been discussed.

There’s one other person, though, I will not forgive myself if I don’t introduce, a native of Arizona and a very important member of my personal White House staff, Mr. Fred DuVal. So I wanted to introduce Fred. Thank you very much.

One of the big challenges you face in Arizona that all America will have to face is, how do

we preserve the environment as we grow the economy; how do we maintain what you all came to California—I mean, to Arizona—for in the first place? [Laughter] While you have sustained records—economic growth. If you moved here to Arizona, if you’re not like Esther and you weren’t born here, if you moved here, it puts you in an awkward position to say you wish other people would stay home, doesn’t it? So the question is, how do we sustain growth as a country, knowing we’re going to put more pressure on our natural resources, and knowing we have local problems like preservation of green space, other natural heritage, quality of water, quality of air, not having toxic sites, and that’s all somehow connected to a lot of global problems like the warming of the climate?

This is a major challenge. I know that you are working on it. When the mayor met me at the airport he gave me a shirt that I’m going to try to wear out to spring training when I leave you—on the Bellota Ranch, which you have preserved, I think 10 or 12 miles from here—the kind of thing we ought to be doing more of.

And so one example of what we’re trying to do to help you deal with the future is the livability agenda that I talked about a little bit in the State of the Union, that the Vice President and I developed, that will give communities new tools and new resources to deal with whatever the major challenge is in any community to making it more livable, whether it’s reducing traffic congestion or saving green space or promoting smart growth.

We also have to recognize that we’re not yet giving all of our children a world-class education, so in the State of the Union I talked a lot about how we can build a 21st century education for every American child, from putting more teachers in the schools, to building or modernizing 6,000 schools, to having more summer school and after-school programs, to having more charter schools and Internet hookups for all of our classrooms. These things are very important. And Arizona has growth challenges and diversity challenges there as well.

We talked a lot about—in the State of the Union, I talked a lot about the need to bring economic opportunity to the communities and the people that still haven’t been part of the recovery, whether they’re in urban areas or isolated rural areas or Native American reservations. We have a program now—if we can’t get

Feb. 25 / Administration of William J. Clinton, 1999

investment in there now when unemployment is low and when money is ample, if we can't get private investment to prove free enterprise will work for all Americans who will work, we'll never get around to doing that. So I think that is a very important thing for us to do now, and I hope you will support that.

But for the next few years, all of these major challenges will be overshadowed by two great decisions: How do we deal with the aging of America; and what are we going to do, now that we finally have a budget surplus, what are we going to do with it? And I want you to think about that.

You know you are on the cutting edge of the aging of America. Here in Pima County alone, there are an enormous number of people over 65; the number has doubled just since 1980. The number of Americans over 65 in the entire country will double within 30 years. Life expectancy is already 76 years-plus in America. If you get to be 65 years old, your life expectancy, on average, is already over 80, well over 80. People over 80 are the fastest growing group of Americans. Esther's just one of the crowd there—[laughter]—and her family.

So what does all that mean? Well, it means that before you know it, there will only be two people working for every one person drawing Social Security. It means even before that, there will be many, many more people on Medicare, and the older you get, the more you tend to access health services. And even staying healthy often costs money.

If you look at that, when the baby boomers retire—we had to wait two generations. It's not until—this group that's now in the schools today is the only group of Americans more numerous than the baby boom generation. I'm the oldest of the baby boomers, I was born in 1946—

Audience member. Me, too. [Laughter]

The President. It looks better on you. [Laughter]

And those of us in the next 18 years are the so-called baby boom generation—we retire, there will be two people drawing—working for every one person drawing Social Security. And even before that, as I said, there will be great pressures put on the Medicare program because we're living longer, and we have more access to high-tech medicine, but we access it more.

Another thing that's important for you to remember is that Social Security is not just a retirement program; it's an insurance program.

One-third of the investments that are paid out in Social Security go to people who become disabled or to the survivors of people who die prematurely from accidents, disease, and other things. And when you think about what you're getting out of Social Security, particularly if you're not drawing it yet, don't forget that every year you have the equivalent of a term insurance policy that's issued every year against disability or death. All over America, I meet people who literally would not be able to get along were it not for these benefits.

So here's the problem: Everybody likes Social Security; everybody likes Medicare; and we can't sustain the programs unless we make some changes, both changes in the structure of the program and investing more money.

Now, thank goodness we now have a surplus. We're in the second year of surpluses, and we project that, on average, we'll have them for at least another 25 years. That doesn't mean that we won't have bad economic years, but on average, year-in and year-out, we'll have them, and that's good.

Now, in the State of the Union Address, as Esther said, I proposed setting aside for 15 years 62 percent of the surplus for Social Security and 15 percent of it for Medicare. And I'd like to talk a little about that. I propose to do it in a way that will enable us to pay down the national debt with the surpluses but as we pay the debt down, to commit the money that we're using to pay the debt down when it comes back in, when it's manifested in the out-years, to commit future years money to Social Security and Medicare.

Now, if we do that, every young person in the audience should be for that, not just because it would guarantee that you would get Social Security and Medicare but because if you pay the debt down, as I'll say more about in a minute, it will immeasurably strengthen the American economy. And keep in mind, it is the strength of our economy that is enabling us to have this whole conversation today. If we still had 8 percent unemployment and a \$200 billion deficit, we'd be letting somebody else think about this down the road.

Now, I want to say, first of all, that I am very encouraged that there are more and more Members of Congress like the two here, Ed Pastor and Jim Kolbe, who are committed to seeking reasonable solutions to these challenges, and who want to set aside—there seems now

to be broad agreement among leaders and rank-and-file members in both parties of Congress to set aside the lion's share of the surplus to save Social Security.

There seems to be, now, some movement in the Republican majority away from having a large across-the-board tax cut if it would take away from the surplus' ability to save Social Security. We don't yet have that kind of agreement on setting aside some of the surplus for Medicare, and I think we should. And I'm going to keep pushing for that, because I think it's important—and I'll explain more about that in a moment—because I think we have to have both Social Security and Medicare fixed by the end of this year.

Now, I can tell you—if you look at what this surplus is projected to be over the next 15 years, if we did what I asked, there would still be a substantial amount of money out of which you could have targeted tax cuts, which I think the best are the USA accounts, the savings accounts I proposed, because most people need help saving for their retirement. But you could have a targeted tax cut; you could have investments for defense, for education, for medical research. There's still money there.

But keep in mind: When you save money, if it doesn't materialize, you just didn't save quite as much as you meant to. Once you give the tax cut, the money is gone. So we're giving it back to you, and it was all your money in the first place. And that's good. But if you want us to fix Social Security and Medicare, you should want us to make sure that we invest enough to do that. And if we do it—[applause]—thank you.

Now, let me just tell you basically what I propose to do. What I propose to do is to take 62 percent of the surplus, commit it to Social Security, and pay the debt down. And what I believe we should do is to invest a modest amount of this in the private sector, the way every other retirement plan does. The Arizona State retirement plan does; every municipal retirement plan does; every private plan does. But I don't want to see the Government having too much influence over the stock market, so I proposed to set up a totally independent board, like every other retirement plan has, that no politician can have any influence over, and then to limit the aggregate amount of our investments to about 4 percent. It would never get over 4 percent over the next 20 years.

There's some differences about that, but if you do it, you'll increase the rate of return on Social Security. When only two people work and one person draws, you have to find some way to do it. Mr. Kolbe's got a different way he thinks is better.

But here the point I want to make: If you set aside 62 percent of the Trust Fund for Social Security, it will extend the life of the Social Security Trust Fund to 2050, maybe another year or two, depending on how much longer the economy stays in good shape.

But there are three other things we need to do, and I want you to think about it. Number one, historically, to have a good retirement system with Social Security, we've always thought we ought to have it alive for 75 years. Number two, the rate of poverty among single elderly women is over 18 percent, nearly twice the general rate of poverty among seniors, and we need to make some adjustments in the program to lift them out of poverty, I think. Number three, I think it's a mistake, when more and more seniors are living longer and living healthier, to continue the earnings limitation on Social Security, that limits what people can earn. And interestingly enough, if you lift the earnings limitation, it actually costs the Trust Fund money in the short run because a lot of people start collecting their Social Security. But within a matter of a few years, it starts making money, because even retired people who earn income pay taxes on it, so after a certain period it will actually start replenishing the Social Security Trust Fund.

Now, to do that, to do that we will have to make some other changes. And to do that, we will have to make some changes that will be perhaps somewhat controversial, that will have to be made in a bipartisan fashion. But the changes won't be nearly as dramatic, nearly as big, and nearly as troublesome as they would be if we didn't commit the surplus in the first place.

So I hope that you will support this idea of committing the surplus and then you will tell—we're down in Ed's district now—tell him that you know he wants to preserve Social Security; you know he wants to take care of the people that have to be taken care of; and you will trust him to go up there and make some decisions that may be somewhat controversial today; but 10 or 20 years from now we'll all be thanking goodness that the Congress of the

Feb. 25 / Administration of William J. Clinton, 1999

United States was willing to do what it takes to save Social Security for 75 years. And I think that's important.

Now, let me say furthermore, on Medicare, here's the problem. We've made a lot of changes in Medicare to try to cut down on fraud and abuse, and there was a bunch of it. Right now, the Trust Fund in Medicare is stable for 10 years; that's the good news. Here's the bad news: Ten years is not enough. We ought to stabilize it for 20 years.

And as probably most of you have noticed, inflation in the cost of health care has gone way down the last few years. Health insurance premiums have not been going up very fast; we've got them back in line with inflation. When I became President, for many years before that, health insurance premiums had been going up at 3 times the rate of inflation. But a lot of the savings, the easy savings that could be squeezed out for managed care—and some not so easy, which is why I'm for the Patients' Bill of Rights—a lot of those savings have been squeezed out. So this year, it is estimated that health insurance premium costs will increase about 7 percent, whereas the general rate of inflation will be just a little over 2 percent.

So you can see that that's a real problem. We can't sustain the present budgeted costs of Medicare. We're going to have to put some more money in it. If we put 15 percent of the surplus aside for Medicare for 20 years—15 years, we could take the Trust Fund out from 2010 to 2020.

Now, I would also like to see us begin to work into Medicare a prescription drug benefit, which I think would dramatically improve it. But keep in mind, the program doesn't have enough money now. We've got to be careful how we do it, because you could spend a whole lot of money in a hurry and give people who may not need it the benefit. But if you think about it, we're spending—we've had a remarkable bipartisan consensus. You know, you wouldn't think we ever agreed on anything, I'm sure, out here. [Laughter] Once in a great while we all agree on something. And one of the things that we've had real agreement on ever since I've been in Washington, for the last 6 years, has been to dramatically increase spending for medical research.

And some of the findings are breathtaking. We've uncovered the genes that give a strong predisposition to breast cancer. We've done

nerve transplants in laboratory animals from legs to spines that have actually cured broken spinal cords in laboratory animals, just unbelievable things that have breathtaking potential for the future. But if we're investing all this money to try to come up with medicine, for example, that helps to keep people well or to cure conditions that were formerly incurable, that dramatically improve the quality of life, we want to be able to bring those into the lives of the American people.

And if you're worried about people, in effect, as we get older, putting enormous burdens on the hospital costs, which is all the money is—you know, hospital and doctor visits—if we can work out the right sort of prescription drug benefit, we'll actually save money over the long run because people will stay out of the hospital, they'll stay out of costly medical care, they will stay healthy. So we have to work hard to kind of get this right.

So again, my proposal is, set aside 15 percent of the surplus for Medicare, take the Trust Fund out to 2020, but recognize we're going to have to make some changes there for the same reason we have to make some changes in Social Security and especially if we want to add a prescription drug benefit for the people who really need it.

Now, that's the general outline of my proposal. But I also want to emphasize, if you save the surplus for 15 years—we save a little over three-quarters of this surplus for 15 years and used it to buy into publicly held debt and to pledge the future revenues to Social Security and Medicare, here's what would happen. We would go from a national debt that today was quadrupled between 1981 and 1993—we quadrupled the debt, and it was 50 percent of our annual income—today it's down to 44 percent of our annual income. In 15 years, it will be down to 7 percent of our annual income. The last time it was 7 percent of our annual income was 1917, right before we went into World War I.

What does that mean to you in practical terms? This is where I want the young people in the audience to listen. It will mean that the Congress that meets 15 years from now, instead of having to take 13-plus cents of every dollar you pay in taxes right off the top to pay interest on the debt, we'll be spending 2 cents of every dollar you pay in taxes to pay interest on the debt.

In the early years, most of the difference will go to fix Social Security and Medicare. But over time, that's a huge amount of money that can be invested in the needs of future generations. It can be providing for tax cuts; it can be providing for anything out in the country when we get this debt off.

But what I want the young people to understand here, especially is if we start paying this debt down and we go all the way, if we stay on this trajectory we could be debt-free for the first time in 2018. That's just 19 years from now. And in the meanwhile we'll have lower interest rates, higher investment, more investment in new business and new jobs, home mortgage rates will be lower, credit card payments will be lower, car payments will be lower, student loan rates will be lower, and the economy will grow faster. Now, I want you to think about it. Why will that happen? Because the Government will not be going in and taking up a bunch of money every year to finance the deficit. So interest rates will go down, savings will go up, investment in our future will go up.

So this proposal is good for younger people for two reasons: This is not—for one thing, people on Social Security now don't have to worry; it's going to be fine for 30 years. You don't have to worry. Now, you do, most of you on Medicare, have to worry because it's not going to be fine after 10 years if we don't fix that.

But every American of every age should care about this. Why? Well, for one thing, I can tell you as the oldest of the baby boomers, I spend a lot of time—I stay in touch with the people I grew up with, a lot of them. Most of them are just middle-class people, the kind of people who live here in Tucson. And my whole generation is obsessed with the thought that our retirement, because we're such a large group, would put an unacceptable burden on our children and their ability to educate and raise our grandchildren. And if we fix Social Security and Medicare, then our children will have more of their disposable income in those years to build their families, their quality of life, and their children's future. That's why this is not just a seniors' issue.

Secondly, if we pay down the debt, the major beneficiaries of those changes will be the younger people. You know, there's been a lot of trouble in the world economy the last couple of years. Last year it was terrible. I have worked very hard to try to turn it around. I will do

everything I can this year to make some major strides forward, because a lot of our prosperity depends upon the prosperity of our trading partners. But our ability to control what happens beyond our borders is somewhat limited, as all of you understand. I can tell you this: If we pay this debt down, whatever bad times come in the future won't be as bad as they would have been by a long shot. And whatever good times come in the future will be much better than they would have been because of this.

So I say again, I haven't tried to give you a traditional political speech today; we're just having a talk. And I appreciate how—I very much appreciate how quiet you've been and how you've listened to this.

There are some promising signs in Washington. I met with the leaders of both parties in both Houses, a couple of days ago. There's some indication that there is—I think there is an agreement that we have to use the lion's share of the surplus to save Social Security. There is, I think, some movement toward reaching some consensus about the nature of tax cuts, if they ought to be targeted and benefit the people that need it most and try to not get in the way of saving Social Security. We're not there on Medicare yet, and the Medicare problem will come sooner.

But we need to hear—the people of this country need to make a decision. And this is maybe a fairly complicated scenario I've laid out for you. I know it would be a lot more popular to say, "We've got a surplus. It's your money. I'm just going to give it back to you." And then you could all cheer; and I could go home; we'd go watch baseball or do something else. [Laughter]

But what I want to say to you is, this is a high-class problem. This is nothing to wring your hands about. The reason we have this Social Security and Medicare problem is because we've got the best medical science in the world and because we're all living longer. This is not an occasion for handwringing. The older I get, the better I like this problem. [Laughter] This is a high-class problem.

But we have a responsibility to the future. This country's still around here, after more than 200 years, because whenever the chips are down and we had to make a decision about what kind of country we were going to be and what kind of future we were going to have, we did the right thing. And we kept going forward.

Feb. 25 / Administration of William J. Clinton, 1999

And the decisions that we make, not just in the Congress and the White House, but as a people, about whether we're willing to take on the challenge of securing Social Security for the 21st century, whether we're willing to do the same thing for Medicare, and whether we're willing to save a substantial part of this surplus to do those things and to pay this debt down, will shape, in large measure, what America is like for the young people in this audience and their counterparts throughout the United States.

This is a wonderful time to be in the United States. We can all be grateful, because the truth is that no one, not even the President, could have predicted that the results of our attempts to reduce the deficit, to bring interest rates down, would have produced these results. And no one can claim sole credit for it. This is a shared achievement of the American people. And we should be proud of it.

So as we go back to Washington and we go back to work, I ask you here—and I ask you to talk to your friends and neighbors in Arizona—when you're on your phone with your friends and family members throughout the

country, I want you to tell them about this meeting today. And if you don't remember anything else, just remember, if we save about three-quarters of this surplus for Medicare and Social Security and if we pay the debt down with the surplus and then if we have the courage to make some decisions that may sound a little tough—to save Social Security for 75 years, fix Medicare for 20 years, and get the debt down to where it's virtually nonexistent—America is going to be a stronger, better place.

These programs will be there. These programs will be there for the next generation of Americans, but America will be there—America will be there—brighter, better, stronger than ever before.

Thank you, and God bless you.

NOTE: The President spoke at 12:35 p.m. in the Music Hall at the Tucson Convention Center. In his remarks, he referred to senior citizen Esther Don Tang, who introduced the President; Mayor George Miller and his wife, Roslyn; Verma Pastor, wife of Representative Ed Pastor; and entertainers Linda Ronstadt and CeCe Peniston.

Radio Remarks on the Kennedy-Murray Amendment to Proposed Education Flexibility Partnership Legislation

February 25, 1999

This year, we have a remarkable opportunity to work together across party lines to bring true progress to America's public schools. I welcome the idea of greater flexibility for States and school districts, and I urge the Senate to pass the so-called ed-flex legislation, because it provides for greater flexibility and greater accountability. But we must do more to give our children a world-class education. That's why I also strongly support the amendment to the legislation proposed by Senators Kennedy and Murray to continue the national commitment we began last year: to hire 100,000 new teachers and to reduce class size all across America. Studies con-

firm what every parent already knows: smaller classes make a big difference, from improved test scores to improved discipline. The Senate should pass the Kennedy-Murray amendment and give our Nation's children the individual attention they deserve in the classroom and the better future only a good education can bring.

NOTE: The President's remarks were recorded at approximately 2 p.m. in the Tucson Convention Center in Tucson, AZ, for later broadcast. These remarks were also made available on the White House Press Office Radio Actuality Line.