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elected and reelected. And I think we have the right policy there, where we're trying to advance both our security partnership and our economic interests and still stick up for democracy and freedom that we all believe in. You are responsible for that.

The second point I want to make, very briefly—it looks like the rain is coming again—is that in these elections, we're going to try to elect more Democrats to the House, to the Senate, and to the Governor's office. We're going to try to defend the incumbents that are up for reelection. I honestly believe, and any major national survey will show, that nearly two-thirds of the American people agree with us on virtually every significant question. And the attacks that Republicans have raised against Democrats—that we were weak on the economy; we couldn't be trusted on the deficit; we never met a tax we didn't like; we were weak on welfare and crime; we couldn't be trusted with foreign policy—all that has no salience anymore.

So, if we can convince the American people that by electing more Members to the House and Senate, they can have more of the progress they like instead of the partisanship they deplore in Washington day-in and day-out, instead of letting them get carried away by the kind of emotional, negative, but unfortunately, very powerful tactics that our adversaries used in the last 2 or 3 weeks of every election, you can take pride that the next 2 years can produce even more progress than the last 6 have. That's what I want you to think about. That's what you've been here for. And I am profoundly grateful. Thank you very much.

Now show everybody the Democrats have enough sense to get in out of the rain. [*Laughter*]

NOTE: The President spoke at 12:10 p.m. at a private residence. In his remarks, he referred to Fred and Lisa Baron, dinner hosts. A tape was not available for verification of the content of these remarks.

Statement on the Death of David J. McCloud

July 26, 1998

Hillary and I were greatly saddened to learn of the death in a plane crash of Lieutenant General David J. McCloud, Commander, Alaskan Command. He hosted us several weeks ago at Elmendorf Air Force Base on our way to China and proudly described for us the mission his command carries out in furtherance of our national security interests. General McCloud was a superb airman and an exemplary leader. He helped ensure that our forces from all of the military services were prepared to meet the challenges of the post-cold-war environment. His impact was felt throughout the United States Air Force and the Department of Defense. On behalf of all Americans, we extend our condolences to his family and the men and women of the Alaskan Command that he led so well.

Remarks in a National Forum on Social Security in Albuquerque, New Mexico

July 27, 1998

Shootings at the Capitol

Thank you very much. Ladies and gentlemen, before you sit down, if I might, I want to do something quite serious but, I think, important here at the beginning. I would like to ask Senator Domenici and Senator Bingaman and Congressmen Kolbe and Becerrá to come up and stand with me, and I'd like to ask all of us to offer a moment of silent prayer for the memory and the families of the two police officers who were slain at our Nation's Capitol.

[*At this point, a moment of silence was observed.*]

Amen. Thank you very much.

Let me, now on a somewhat lighter note, say that Mayor Baca was reeling off all of his relatives on Social Security—I'm glad to see one person here who I believe is now

eligible for Social Security, former Governor Bruce King, and his wife, Alice, over there. I point them out for a special purpose. One of the demographic realities we have to confront is that women are living longer than men. Governor King is in a wheelchair because of a fright he received from a rattlesnake, which his wife killed. [*Laughter*] So we congratulate both of them.

Let me also say, I'm glad to see this great and diverse group of Americans here in Albuquerque. You can always depend upon getting an audience that genuinely does look like America if you come to Albuquerque. I thank all the Native Americans here who are in the audience. Thank you very much for coming. I see our friends from the Sikh community over there. I know there are a lot of Hispanic-Americans here. I know there are African-Americans, Asian-Americans, and others. We thank you for coming here. And I also thank all the young people that are in the audience, because this is an issue for all ages of Americans to deal with together.

I would like to acknowledge our Social Security Commissioner, Ken Apfel, thank Bill Gordon, the provost of the University of New Mexico, and all the university family for making us welcome here today. I thank Horace Deets of the AARP for being here, and Harvey Meyerhoff of the Concord Coalition, and Carolyn Lukensmeyer of Americans Discuss Social Security.

I want to say a special word of thanks to the AARP and the Concord Coalition for hosting this forum. And of course, I thank the Members of Congress who are here and the leaders of the Congress for nominating the Members who are on this program.

We are very blessed at this moment to have a strong economy in America. The question for us is whether we will do what societies often do when times are good and sit back and enjoy it or whether we will face the larger challenges that our present prosperity and confidence permit us to face. They are significant and formidable. If you think about the next 50 years, how are we going to build the world's best elementary and secondary education system? How are we going to bring economic opportunity to the people who don't enjoy this prosperity, whether they're in inner-city neighborhoods or rural communities where agriculture is in trouble or Native American communities? How are we going to deal with the challenge of growing the economy and preserving our natural environment? Big, significant challenges.

One of those challenges, clearly, that we must face together is saving Social Security, and I might add, with it, Medicare, for the 21st century. One of our biggest challenges is what I call a high-class problem: We are an aging society. We are living longer and better and healthier, and that imposes costs. The older I get, the more I like that problem. That's a high-class problem.

It wouldn't have been too many years ago that it would have been rather unusual to find a mayor who could stand up and cite 3 of his family members who are over 75 years of age. That's not so unusual anymore. But we know now that because of the demographic challenges facing us, we have to make some adjustments in the Social Security system to strengthen and preserve it in a new century.

As all of you know, I have said since my State of the Union Address that we should set aside every penny of any surplus until we save Social Security first. At the very moment when we have switched from deficits as far as the eye can see to surpluses as far as the eye can see, it's tempting to offer a large tax cut or perhaps a new spending program paid for by the projected surplus. Some have advocated this course, but we must not squander the hard-won legacy of fiscal responsibility that has brought us our present moment of prosperity. Instead, we should use it to tackle the long-term challenges of the United States.

Any new tax cut or spending program done before we save the Social Security system would commit funds that may be needed to honor our commitment to our parents and our commitment to our children. I think those of us who are part of the so-called baby boom generation feel that most acutely because it is in the years when all of us—that is—and I'm the oldest of the baby boomers—those who are between the ages of, roughly, 52 and 34—when we all get into the retirement system. It is then when the greatest

stresses will be placed upon it at present levels of retirement, projected birth rates, and projected immigration rates.

So I am very grateful for the bipartisan spirit in which we have been pursuing this. I'm grateful for the people who are here. I appreciate Senator Domenici's strong leadership and his strong support for taking the responsible course. In an election year, asking politicians to hold off on a tax cut is almost defying human nature, but Senator Domenici and many Republicans have joined our Democrats in saying together, "Let's deal with this problem. The American people waited 29 years to get out of the red ink and look at the black; we can take a year to enjoy the black and deal with the long-term problems of the country before we decide everything we have to do with the surplus. Let's deal with first things first."

Also I want to thank, as I said, Senator Bingaman, Congressman Kolbe, and Congressman Becerra. We have to reach across the lines of party, philosophy, and generation. This will require open minds and generous spirits. We all have to be willing to listen and learn. In preparation for this forum today, I had three different sessions with my staff members briefing me on all the various reforms that have been advocated by the extraordinarily distinguished panel of experts from whom you will hear in a few moments. And I've been doing my best to be open to new ideas and to listen and to learn.

I have asked every Member of Congress not only to support the forums we're having here today but to hold town meetings in every district in America. And we will have a White House Conference on Social Security at the end of this year. Next year I will convene the bipartisan leadership of Congress to craft a solution.

The stakes are very high. Those of you who are older or who have had family members dependent on Social Security know that for 60 years Social Security has been far more than an ID number on a tax form, even more than a monthly check in the mail. It reflects the duties we owe to our parents and to each other, and this kind of society we are trying to build.

Today, 44 million Americans depend on Social Security, and for two-thirds of seniors it's the main source of income. Today, nearly one in three of the beneficiaries, however, is not a retiree. Social Security is also a life insurance policy and a disability policy.

Since its enactment over 60 years ago, it has changed the face of America. When President Roosevelt signed Social Security into law, most seniors were poor. A typical elderly person sent a letter to FDR begging him to terminate the "stark terror of penniless old age." Now, in 1996, the elderly poverty rate was below 11 percent. Without Social Security, today nearly half of all seniors would still live in poverty.

Today, the system is sound, but we all know a demographic crisis is looming. There are 76 million of us baby boomers now looking ahead to retirement age and longer life expectancies. By 2030, there will be twice as many elderly as there are today, with only two people working for every one person drawing Social Security. After 2032, contributions from payroll taxes to the Social Security Trust Fund will be only enough to cover about 75 cents on the dollar of current benefits.

We know the problem. We know that if we act now, it will be easier and less painful than if we wait until later. I don't think any of you want to see America in a situation where we have to cut benefits 25 percent or raise inherently regressive payroll taxes 25 percent to deal with the challenge of the future and our obligations to our seniors.

I can tell you, I've spent a lot of time talking to the people I grew up with. Most of them are middle-class people with very modest incomes, and they are appalled at the thought that their retirement might lower the standard of living of their children or undermine their children's ability to raise their grandchildren. So let's do something now in a prudent, disciplined way that will avoid our having to make much more dramatic and distasteful decisions down the road.

Now, today we're going to discuss one of the most interesting and important issues that will affect how much it will cost to stabilize the Social Security Trust Fund and what the nature of it will be, and that is, whether and how there should be Social Security investments not just in low-risk government bonds, as the investments are made

today but also in the stock market. I think we have to be openminded about these proposals, and we also have to ask the hard questions.

One I'll start with is, in the 6 years I've been President, the value of the stock market has nearly tripled. I'm grateful for that. Can we look forward to having that happen every 6 years from now on? If not, what are the risks? What will it cost to administer such a program? If you don't have individual accounts where administration costs may be higher, what would be the dangers of having the Government, either itself or through some third party independent agency, make such investments?

I think that we just have to look at this and listen, and I hope all of you today will leave with a better understanding of both the appeal as well as the questions in each and every proposal that has been raised. As I said, I have spent a lot of time studying them. I have tried to set out the five principles by which I think we should judge any proposed reforms. And let me just briefly state them again.

First of all, I think we should reform Social Security in a way that protects the guarantee for the 21st century. We shouldn't abandon a program that has lifted our seniors out of poverty and that is reliable.

Second, I think whatever we do we should maintain universality and fairness in the program. For a half century, this has been a progressive guarantee for citizens.

Third, Social Security must provide a benefit that people can count on so they can plan for their future. Regardless of the gyrations of the markets, there must be at least a dependable foundation of retirement security.

Third, Social Security must continue to provide financial security for disabled and low-income beneficiaries. Remember, one in three Social Security recipients is not a retiree, something that is often lost on people when they comment on the relatively low rate of return of the retirement program.

Now, finally, we must maintain our hard-won fiscal discipline in anything that we do. That means, from my point of view, that any change we adopt must not lead to greater long-term projected deficits. We worked awful hard for a generation to get our country out of the deficit mode. It's resulted in a lot of prosperity for our country. I can tell you, as I deal with other nations around the world—with the Asian financial crisis, with all the challenges other countries face—money moves around the world today in the flash of an eye. Investment is important. America will continue to be successful because of our great free enterprise system as long as we have a responsible economic policy in this country. So we should not abandon that.

Now, those are the principles that I will use when I try to evaluate all these proposals. But they don't answer the questions. These are hard questions. And every person who's on this panel of experts has worked hard to answer them. You'll see they have very different answers, but they all deserve a respectful listen from you, and you need to start, as I always try to start, by saying, "What's good about this idea? What are the positives about it? What are the inherent questions that are raised?" Try to work them through for yourself and go back and discuss them with your friends and neighbors. And most of all, let's try to keep an open, positive, old-fashioned American attitude toward this.

We dare not let this disintegrate into a partisan rhetorical battle. Senior citizens are going to be Republicans and Democrats and independents. They're going to come from all walks of life, from all income backgrounds, from every region of this country, and therefore, so will their children and their grandchildren. This is an American challenge, and we have to meet it together.

Thank you very much.

NOTE: The President spoke at 10:30 a.m. in the Johnson Center Gymnasium at the University of New Mexico. In his remarks, he referred to Mayor Jim Baca of Albuquerque; Horace B. Deets, executive director, American Association of Retired Persons (AARP); Harvey M. Meyerhoff, member, board of directors, Concord Coalition; and Carolyn J. Lukensmeyer, executive director, Americans Discuss Social Security.

Teleconference Remarks to Regional Social Security Forums from Albuquerque

July 27, 1998

The President. Thank you, Ken. First of all, let me say I'd like to thank the Older Women's League who are watching in Chicago; Congressman Mike Castle of Delaware and his group; Congressman Earl Pomeroy of North Dakota, who's had such a leading role in this effort, and his group; and Congressman David Price of North Carolina. I thank you all for hosting this forum.

Our economy is the strongest it's been in a generation. We have the lowest unemployment rate in 28 years, the lowest crime rate in 25 years, the lowest percentage of our people on welfare in 29 years, the first balanced budget and surplus in 29 years, the lowest inflation rate in 32 years, the highest homeownership in history, and the smallest National Government in 35 years. But this sunlit moment is not a time to rest. Instead, it offers us a rare opportunity to prepare our Nation for the challenges ahead. And one of our greatest challenges is to strengthen Social Security for the 21st century.

As you know, I believe strongly that we must set aside every penny of any budget surplus until we have saved Social Security first. Fiscal responsibility gave us our strong economy. Fiscal irresponsibility would put it at risk. On whether we save Social Security first, I will not be moved, but on how we save Social Security, that will require us to have open minds and generous spirits. It will require listening and learning and looking for the best ideas wherever they may be. We simply must put progress ahead of partisanship.

The stakes couldn't be higher. For 60 years, Social Security has reflected our deepest values, the duties we owe to our parents, to each other, and to our children. Today, 44 million Americans depend upon Social Security. For two-thirds of our seniors, it is the main source of income. And nearly one in three beneficiaries are not retirees, for Social Security is also a life insurance policy and a disability policy, along with being a rock-solid guarantee of support in old age.

Today, Social Security is sound, but a demographic crisis is looming. By 2030, there will be twice as many elderly as there are today, with only two people working for every person drawing Social Security. After 2032, contributions from payroll taxes will only cover 75 cents on the dollar of current benefits. So we must act and act now to save Social Security.

How should we judge any comprehensive proposals to do this? I will judge them by five principles.

First, I believe we must reform Social Security in a way that strengthens and protects a guarantee for the 21st century. We shouldn't abandon a basic program that has been one of America's greatest successes.

Second, we should maintain universality and fairness. For a half-century, this has been a progressive guarantee for our citizens. We have to keep it that way.

Third, Social Security must provide a benefit people can count on. Regardless of the ups and downs of the economy or the gyrations of the financial markets, we have to provide a solid and dependable foundation for retirement security.

Fourth, Social Security must continue to provide financial security for disabled and low-income beneficiaries. We can never forget that one in three Social Security beneficiaries are not retirees.

And fifth, anything we do to strengthen Social Security now must maintain our hard-won fiscal discipline. It is the source of much of the prosperity we enjoy today.

Now, all this will require us to plan for the future, to consider new ideas, to engage in what President Roosevelt called ''bold, persistent experimentation.'' I thank you for doing your part and for participating in this important national effort to save Social Security.

Now I'd like to hear from all of you. I guess we should start with Betty Lee Ongley of the Older Women's League in Chicago. Then we'll go on to Representative Mike Castle in Wilmington, Delaware; then to Representative Earl Pomeroy in Bismarck, North Dakota; and then to Representative David Price in Raleigh, North Carolina. So let's begin.

[*At this point, the regional discussion began.*]