

jobs, we'll be closer than ever to making equal pay a reality for all Americans.

In my State of the Union Address, when I called on Congress to ensure equal pay for equal work, it brought Members of both parties to their feet in a strong show of support. Equal pay is not a partisan issue. It's a matter of principle, a question of what kind of country we want America to be today, and into the 21st century, when our daughters grow up and enter the workplace.

There's been strong leadership on fair pay from Members in both Houses of Congress, including Senator Tom Harkin and Representative Eleanor Holmes Norton. Today I ask Congress, as one of its first orders of business, to pass the "Paycheck Fairness Act," sponsored by Senator Tom Daschle and Representative Rosa DeLauro. It strengthens enforcement of our equal pay laws, expands opportunities for women, and helps working families to thrive.

If we meet this challenge—if we value the contributions of all our workers—we will be a more productive, more prosperous, more proud, and a more just nation in the 21st century.

Thank you for listening.

NOTE: The address was recorded at 1:22 p.m. on January 29 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on January 30. The transcript was made available by the Office of the Press Secretary on January 29 but was embargoed for release until the broadcast.

Remarks on Submitting the Fiscal Year 2000 Budget

February 1, 1999

Thank you very much, Mr. Podesta, Mr. Vice President, members of the Cabinet, the economic team, and Members of the Congress. I would like to, first of all, thank the Vice President for his invaluable partnership these last 6 years, and for the remarkable address he gave in Davos, Switzerland, just a couple of days ago on the global economy and our responsibilities there. I will say more about that in a moment. But all of you know how much our long-term prosperity is tied to that.

I'd like to thank the large number of Members of Congress who are here. There are so many, we haven't introduced them all, but in view of the Vice President's remarks, I would like to point out that there is one person here in whom I take particular satisfaction. Congressman Jay Inslee from Washington is one of the people who lost his seat in 1994, in no small measure because he voted for the economic plan of 1993. And in 1998 the voters in Washington returned him to the House of Representatives, and I'm delighted to see him. Stand up. [*Applause*] Thank you.

I'd also like to point out that after the first couple of years, when we passed our economic plan in a highly partisan manner, we achieved a bipartisan consensus on a balanced budget which enabled us to continue our progress. And I think I speak for every member of my party in this room—we would like to return to that to pass this budget and keep going in the right direction.

This is our budget for the year 2000. It is the first budget of the 21st century. It charts a progressive but prudent path to our future, a balanced budget that makes vital investments.

Seven years ago, when I ran for President, I committed to put our fiscal house in order. Irresponsible policies had quadrupled our national debt in the 12 previous years. The deficit was \$290 billion in 1992 alone. That brought us high interest rates, low growth, and a Government unable to meet its most basic obligations or to build our bridge to the 21st century.

When I took office we charted a new course, as the Vice President said: fiscal responsibility, smart investments, more trade. Today, following that path, Americans have created the longest peacetime expansion in our history: nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest homeownership in history, the lowest welfare rolls, the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, as all of you know, we had turned red ink to black with a \$70 billion surplus. It is projected to be only the first of many. As I said in the State of the Union, America

is on course for surpluses over the next quarter century. And our estimates, optimistic as they sound, are more conservative than those of Congress.

Our economic house is in order and strong. If we manage the surplus right, we can uphold our responsibility to future generations. We can do so by dedicating the lion's share of the surplus to saving Social Security and Medicare and paying down the national debt. We can. And because we can, we must do it now.

We have a rare opportunity that comes along once in a blue moon to any group of Americans. We see now that balancing the budget, an idea that once seemed abstract, arcane, or impossible, has made a real difference in the lives of our citizens. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates.

When interest rates fall, more Americans can buy and refinance homes, as over 20 million of them have. They can buy cars, retire student loans, start new businesses. When deficits disappear, capital, more than a trillion dollars so far, is liberated to create wealth and jobs and opportunity at every level all over America.

The less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers—by saving and investing, not by running big deficits. This is one reason why this year's budget, as a percentage of our economy, is even smaller than last year's.

Now, the budget I present today keeps us on this path—a progressive, but prudent path to a positive future. It has taken hard work and tough choices. I want to thank the members of the Cabinet for the whole array of difficult, long meetings we had. But with our economy expanding and our surplus rising, we have confidence that we can now look to the long-term challenges of our country, to fulfill our obligations to 21st century Americans, both young and old.

The baby boom, as we all know, will soon become a senior boom. The first budget of the next century is our first big step toward meeting that challenge. I have proposed

committing 62 percent of the surplus for the next 15 years to Social Security and investing a small portion of that in the private sector, just as any private or State government pension would do, so that we can earn higher returns and keep Social Security sound for 55 years.

If we work together across partisan lines and make some tough, but fully achievable choices, we can also save Social Security for the next 75 years, lift the earnings limitation on what seniors on Social Security can earn, and do something to alleviate poverty among elderly women.

Our balanced budget also takes steps to strengthen Medicare. Already we have extended the life of the Trust Fund by 10 years. We can save it for another decade if we use one out of every six dollars of the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a downpayment on that goal. It also commits 12 percent of the surplus—about \$500 billion, more if the Congress turns out to be right—for tax relief to establish Universal Savings Accounts—USA accounts to help Americans to invest, to save for retirement, to share more fully in our Nation's wealth.

This is the economically sound and fiscally prudent course for our country. If we do it—if we lock in the surplus to save Social Security and Medicare—we can fulfill our obligations to older Americans.

But as I said in the State of the Union—and I want to emphasize this in particular today—reform of Social Security and Medicare is equally important to younger Americans for two reasons: First of all, if we take care of this, then when the baby boom retires our children will have their incomes to invest in their lives and the lives of our grandchildren. Secondly, although this, at first glance, may seem far removed from our lives, it is essential to their future. Because if we do this, we will pay down the national debt.

Now, look at this chart. If we set aside 62 percent of the surplus for 15 years for Social Security and we set aside 15 percent for Medicare, we will cut the debt by two-thirds. As a share of our economy, we will cut it by 84 percent. Look, when I took office it was about 50 percent; we've got it down now to about 44 percent. In 15 years, we

will have it down to 7 percent, a third of what it was in 1981 before we started exploding the debt with the deficits. That will give us the lowest share of publicly held debt since 1917, before the United States entered World War I.

Why is this important? Well, we've already made deficit spending a thing of the past, but this huge debt remains. We quadrupled the debt in 4 years. When I took office, we were looking at a future where we'd be spending 20, 25 cents on a tax dollar just to pay interest on the debt—not to pay it down, just to pay interest. We've now got it down to a little over 13 cents on the dollar today. And we can take it, as you see, way down. If we take it down to 7 percent, our successors, 15 years from now, will only have to allocate 2 cents of every dollar the American people pay in taxes to pay interest on the debt—2 cents.

Now, this is especially important now, with all this financial turmoil around the world. We're doing everything we can—and again I want to thank the Vice President, Secretary Rubin, Deputy Secretary Summers; they went to Switzerland. We've been working hard for a year to try to stabilize the global economy, get growth going again. But we know that if things go haywire in other parts of the world, it can have an adverse effect here. This is an enormous insurance policy if we pay down the debt; that no matter what happens elsewhere, we'll be able to keep interest rates low, we'll be able to keep investing.

And I want to point out, if I could put in one plug for another part of our budget, it's also why our whole "invest-in-America strategy," to go into the poorest neighborhoods in our cities and Appalachia and the Mississippi Delta and south Texas and in rural areas, including Native American communities—why that's so important, because these underinvested areas of America have to be seen as new markets—to go along with keeping the interest rates down and freeing up the money. If the waters are troubled overseas, we have to be able to generate more growth here as well.

So I say to all of you, this is something we're doing for our kids. Yes, we're saving Social Security and Medicare; and yes, that

will prepare for the retirement of the baby boomers; and yes, it will save money for our children and our grandchildren; but it will also guarantee them an economy of continuing, enduring stability, and a hedge against the storms that may happen beyond our borders.

So that's why this is so important. This is not just about saving Social Security and Medicare, although that is terribly important. It is also about knowing that when we leave this century and enter the next, we have given our children 20 years or so in which they can worry about the challenges of the future, and they can meet their challenges of their times, things we may not even be able to foresee, unburdened by the unfinished business of the 20th century, unshackled by our profligacy in the latter part of this century.

It is profoundly important, therefore, that all across America people see this budget not just as a budget that saves Social Security and Medicare but the budget that ensures for young Americans the same chance that those of us in the baby boom generation enjoyed in the years after World War II, the same chance to meet the challenges that they will have to face that we don't know yet.

Now, it also invests, as I said. It invests in new markets in America; it invests in the education of our young people; it makes historic investments from quality education and teaching to school modernization, from smaller classes to summer school and after-school programs.

But by saving Social Security and strengthening Medicare and paying down the debt, it meets the critical first test of our obligation to the new century. These are the same challenges that Americans over the coming months and years will have to meet together. It is what we must do in Washington this year.

All over America, most of what happens to Americans are being done by people that don't have anything to do with the Government. They're making their decisions for their families, for their businesses, for their education, for their future. But we can prevent them from making the most of their lives if we do not lift these burdens from

them. And if we do, we will dramatically increase the number of Americans that will be able to live out their dreams and, therefore, keep the American dream going forever.

The decisions we make here and now are going to have a huge impact for a long, long time. We have a special obligation because our predecessors for the last several years never had this opportunity. They never had the option to do what we can now do. It is now here before us, thanks to the hard work of the people of this country, and we had better fulfill our duty. I believe we will.

Thank you very much.

NOTE: The President spoke at 10:50 a.m. in the East Room at the White House.

Remarks to the National Association of School Boards

February 1, 1999

Thank you very much. First of all, Barbara Wheeler, thank you for your remarks. You covered everything I was going to say. [Laughter] You talked about the Capitol Steps. [Laughter] I think they're funny, too, but—[laughter]—you must surely know, having heard them, that it is not the school boards association that is the Rodney Dangerfield in this town. [Laughter]

Let me say I'm delighted to be on this platform with Anne Bryant and your other leaders behind me and to be here with all of you. I see Delegate Member of Congress Robert Underwood from Guam here. I'm delighted to see him. I was in Guam with him recently. If you haven't been, I recommend it.

And I want to thank you for the wonderful, wonderful welcome you gave to Secretary Riley. We have been working on education together since we first met, over 20 years ago, and he is not only the longest serving, I think, clearly, the finest Secretary of Education this country ever had.

We've had a very good day at the White House today, and I thought I would tell you about something we did at the beginning of the day that does not directly, but surely will indirectly impact on you and what you do. This morning I presented my budget for this coming year, and there are a lot of good

things in it for education. But the point I want to make is that we were illustrating today that with last year's surplus and the surplus we project this year, that if the Congress will do what I recommend and set aside over 75 percent of this surplus for 15 years, so that we can secure the retirement of the baby boomers with Social Security and Medicare—since we won't need the money while it's being set aside for about, in the case of Medicare, 11 years, in the case of Social Security, more, we will, while we're saving it, be paying down the national debt.

Now, when I took office, the national debt was 50 percent of our annual income, and it was projected to grow to 80 percent. When I took office, we were spending over 14 cents on the dollar of every tax dollar just servicing the debt. It's now down to 44 percent of our annual income. The debt—we're spending a little over 13 cents on the dollar. But if we set it aside for 15 years, we will take the debt down to 7 percent of our annual income, a third of what it was in 1981 when we started this deficit binge, the lowest it's been since 1917 before we got into World War I. And it will only cost 2 cents of every tax dollar you pay to pay interest on the debt.

That will, as compared with now, free up another 11 cents on the tax dollar every year from then on, that we could be investing in our children and in education and in the future. It's an amazing statistic. It will also keep interest rates low and will free up trillions of dollars to invest in the economy. And all of you know, running local school boards, that if the economy is strong, then you'll have your tax revenues coming in at the local and State level.

So this is a compact among the generations. It's not simply a way to save Social Security and Medicare, although that, too, is good for younger people because it means that when we baby boomers retire, our kids won't have to give money to us that they could be investing in their grandchildren—in our grandchildren.

But it was a very good day. And it is a part of what I am trying to get our country to focus on, which is that we have opportunities now that people who came before us, over the last several decades, could only have