AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Mexico is the largest Spanish-speaking country in the world. Before long, the United States will be the second largest Spanish-speaking country in the world. Almost 15 million United States citizens trace their ancestry to Mexico. Twenty-eight percent of our foreign-born population come from here. Every year our border is legally crossed about 250 million times. With each crossing, we move beyond mere diplomacy, closer to genuine friendship, a human friendship between two peoples who share the same continent, the same air, the same ancestors, the same future.

We are more than neighbors. More and more, we belong to the same American family. Like any family, we will have our differences born of history, experience, instinct, honest opinion. But like any family, we know that what binds us together is far, far more important than what divides us.

Not long after Merida was founded, a Mexican poet described the renewal that comes every year at this time to those who wisely till their fields and plant ahead, in these words: ''Here, by the Supreme Giver, one and all, in stintless grace and beauty, are bestowed. This is their dwelling. These, their native fields. And this, the tide of spring in Mexico.''

This tide of spring has brought a new season of friendship between Mexico and the United States. President Zedillo, people of Merida and Yucatan, I wish you a happy Carnival. For all of us, I pray that we will reap the full harvest of the season. *Agradezco a los Mexicanos de todo corazón.* Thank you, Mexico.

NOTE: The President spoke at 1:45 p.m. in the Teatro Peon Contreras. In his remarks, he referred to President Ernesto Zedillo of Mexico and his wife, Nilda; Gov. Victor M. Cervera of Yucatan and his wife, Amira; Mayor Xavier Abreu of Merida; and President Fernando Cardoso of Brazil. A tape was not available for verification of the content of these remarks.

Memorandum on Waiver of Prohibition on Assistance to the Republic of Montenegro

February 16, 1999

Presidential Determination No. 99–14

Memorandum for the Secretary of Defense

Subject: Presidential Certification to Waive Prohibition on Assistance to the Republic of Montenegro

Pursuant to the authority vested in me by the laws of the United States, including section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), I hereby certify to the Congress that I have determined that the waiver of the application of the prohibition in section 1511(b) of Public Law 103–160 is necessary to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties, to the extent that such provision applies to the furnishing of assistance to the Republic of Montenegro.

Therefore, I hereby waive the application of this provision with respect to such assistance.

You are authorized and directed to transmit a copy of this determination to the Congress and arrange for its publication in the *Federal Register.*

William J. Clinton

Remarks on Legislative Priorities for the Budget Surplus

February 17, 1999

She was great—give her a hand. [*Applause*] Great job. Well, thank you very much, Sharon. You did a great job, and I feel better knowing that you're out at NIH, doing great work there.

I would like to thank Secretary Rubin and Commissioner Apfel and Senator Robb and Representative Baldwin. I'd like to thank Congressmen Levin and Hoyer for being here, and the members of the administration;

all of the young people here from your various organizations. We have young people here from City Year and AmeriCorps. We have young people here from the University of Maryland, from the James MacGregor Burns leadership program. We have young people here who are doing other things with your lives, who consented to come.

I want to talk a little today in greater specifics about the nature of the choice facing our country now. For 200 years, the test of each generation of Americans has been not simply how well they did in their own time but whether they left our country in better shape for future generations. Because of the size of the baby boom generation, to which the First Lady and I and a few others in this room belong, we have a special responsibility to the generation represented by most of you in this room and by Sharon in particular, as she spoke.

We have rarely had both a clearer picture of the large challenges facing our future and more resources to meet them. And I don't just mean money although we do have a strong position in that budget. But our country is doing well. We have a lot of confidence. We have a lot of access to information. We have a lot of tools for dealing with our challenges that many of our predecessors did not have. Since we have a pretty good idea of what the challenges are and we have an extraordinary array of opportunities and resources to meet them, I would argue to you that we have an even greater obligation than our predecessors did to do just that.

We now have embarked on a great debate as a result of our surplus, on the one hand, and the evident financial challenges to Social Security and Medicare on the other. We have clearly two different strategies through all the complexities for moving into the future: one offered by our administration and many members of our party and the Congress, on the one hand; and on the other, by the leaders of the majority party in Congress. We're debating how best to seize this moment, how best to provide a better future for you.

This is a truly historic opportunity. And it is very important that as a people we choose wisely. It is a substantive debate. It is an honest debate. It is a debate worth having.

Underlying all the details and all the complexities you will hear this year about how you do the accounting on the surplus, how we should increase the rate of return on Social Security, what exactly we should do on Medicare, how much money will be required in the future for defense, should we also be investing more in medical research and education and other things over the long run, what should be the size of the tax cut and who should get the tax cut—all of these questions are quite complex, particularly when you try to mesh them together in one plan. But underlying all of it, there is fundamentally a very simple choice: Will our first priority be spending the budget surpluses we have worked so hard to create on a terrifically appealing tax cut in the moment? Or, will our first priority be investing whatever the necessary amount of the surplus is for at least the next 15 years to strengthen Social Security and Medicare, to cut taxes in a way that help people not so much today but to save for their own retirement and to pay down the national debt as much as we possibly can, so that we can guarantee longer term prosperity into the 21st century?

That is really what the simple choice underlying all the details will be. What is our first priority? It's no secret what I think it should be. I think we should move forward with the economic strategy of the last 6 years, to put a priority on investing in our people and the future. I do not believe we should go back to a version of the policy that dominated the United States in the 12 years before this administration came to office and gave us a decade-plus of deficits and quadrupling the national debt and underinvestment in our future.

The proposed new tax policy of the majority party in Congress, I believe, would spend too much of the surplus now and invest too little of it for tomorrow. I believe it would target the lion's share of the benefits away from the middle class who need the money the most to prepare for the future of their children and their own retirement. I believe it would reward consumption over savings when we should be doing the reverse.

Our plan would put priority on investing for the future. And I'd like to say, in defense of our plan, I think we ought to be at least

entitled to the benefit of the doubt, based on the last 6 years.

Seven years ago, when I was running for President and going from college campus to college campus, there was a lot of anger, a lot of frustration. There were a lot of young people who felt that they had been betrayed by their parents' generation, because we had just allowed things in this country to get out of hand. The deficit was out of control, the debt had quadrupled, interest rates were high, unemployment was up, social problems were growing worse, and the division—the sense of anxiety and division in the country was intensifying. And there was really a lot of doubt about whether our country was up to meeting these challenges. I didn't doubt that very much because it seemed to me that it just simply required people in positions of responsibility to make a few clear decisions. And remember, in every complex debate the details really matter, but they only matter after you make the big, simple decisions.

We now have the longest peacetime expansion in our history; 18 million new jobs, almost; wages are going up at nearly twice the rate of inflation. We have the highest homeownership in history: the lowest percentage of our people on welfare in history; the lowest recorded rates of our minority unemployment since we've been keeping those statistics, for about 27 years now; the lowest peacetime unemployment in our country since 1957. Last year, for the first time in three decades, as Senator Robb noted, the red ink turned to black with a surplus of $70 billion. We project a slightly larger surplus this year, with more to come.

Now, of course, over the next 15 or 20 years, there will be fluctuations that we can't predict exactly from year to year. If we have a recession, there will be fewer people paying taxes, and there will be more money going out to the unemployed. But the point that has to be emphasized is that the long-term projections are good because we have eliminated the permanent structural deficit. We now have a permanent, structural balanced budget and surplus.

And that is what has brought us to this moment of decision, that and the evident financial crisis which will be imposed on Social Security when the baby boomers retire and on Medicare even sooner, because we're living longer and there's more technology and because the older you get, the more it costs to maintain a state of wellness.

Now, I would say again, I realize that the path we have recommended and the path that I personally, passionately, believe in, will not be the most popular one at first hearing. But I ask you to at least look at the last 6 years and say, maybe they ought to be given the benefit of the doubt.

I was very moved when Sharon talked about being a nurse and learning from dealing with all different kinds of people that no one can predict what will happen to you in life. My mother was a nurse, and she used to tell me those stories over and over again. By pure coincidence, less than an hour before I came over here, I got word that a young woman whose family has been close to Hillary and me over the last several years, who has two young children, just found out that she has cancer. Now, she may be fine; there's wonderful treatment available; the tests are just being done. But the point is, a week ago such a thing would have never crossed her mind. She is the picture of health; she is a fitness fanatic; she has no conduct that would indicate propensity to develop it. These things happen.

And the great dilemma for all of us, both in our family and our work lives and in our national life, is that we really have to always be planning for the future as if we're all going to be all right from now on, because as a country and as a people and in our families, most of us are, most of the time. But we also have to plan for a future in which we recognize our shared responsibility to care for one another and to give each other the chance to do well, or as well as possible when the accidents occur, when the diseases develop, when the unforeseen occurs, or when time takes its toll and we get older—which looks younger every day to me. [*Laughter*]

And that is the question. This is—it's hard to imagine a more profound subject, really, with which to be dealing. Tammy was talking about her grandmother and her niece. This is something that affects us all, and as time and chance occurs, and we try to fulfill our responsibilities, we have to make it work out so that, at the end of the day, our families

are stronger and our Nation is stronger and your future is brighter.

Now, what I want you to think about today is what we should do as our first priority with this surplus. When I took office in 1993, we were spending 14 cents of every dollar you paid in taxes paying interest on the national debt—$200 billion—15 times more than we were spending on education, training, and employment services, just to make the interest payments. By the year 2014, when I took office, it was projected that we'd be spending 27 cents of every dollar you pay in taxes making interest payments on the debt—$1.28 trillion.

Now, just by eliminating the deficit over the past 6 years and going into these surpluses, we now know that we'll be able to meet our Social Security obligations between now and 2032, because the Trust Fund will be available—actually, it will be in about 14 years that the taxes will not cover the payments on a monthly basis, but the Trust Fund, the savings account, will carry to 2032.

Now, that's a lot of progress. But we've still got some real challenges. Number one, 2032 is not that far away, and when you're dealing with money this big, the sooner you start to deal with the problem, the easier it is to deal with it. And the longer you take to deal with it, the more difficult, the more painful, the more expensive it will be and the more unpleasant our choices will be. Number two, we're still carrying a $3.7 trillion publicly held debt on our books.

Now, I believe if we were to use the budget surpluses overwhelmingly, to pay down the national debt for 15 years and target that money to Social Security and Medicare, it would dramatically improve your economic future, and it would be a great safety protection against the possibility of adverse economic developments beyond our borders, which could affect us here. We can also save Social Security and Medicare. We can keep the promises that have already been made. We can provide substantial tax relief, targeted heavily to the middle-class families to save for retirement.

You know, half the seniors in this country would be in poverty today if it weren't for Social Security. But the poverty rate among elderly women is still twice the overall poverty rate of our seniors. Women have longer life expectancies than men. They're more likely to—I expect NIH to change that, by the way, with all the investment we put in. [*Laughter*] They're more likely, therefore, to spend more years alone and more likely to be in poverty.

We need to have a tax relief package that encourages people to save for their own retirement—you, now. And we can increase Government savings and do it in a way that provides tax relief that also increases private savings for your future, which I think is very, very important. And parenthetically, as you pay down the debt, that leads to lower interest payments for college loans, for mortgage loans, for car payments, for credit card payments. It leads to lower interest rates for business loans, which leads to higher investment and more jobs and a brighter future. So you get a two-for-one thing if you do it. But to be fair, the choice is, you have to give up some of the tax cut that the congressional majority would offer you today, which sounds nice.

Now, my proposal is, save 62 percent of the surplus for Social Security for the next 15 years and invest a modest portion in the private sector so we can increase the rates of return on the Social Security Trust Fund. That takes us to 55 years for the soundness of the program.

Next, I want to extend the life of Social Security to 75 years, which is where we have traditionally thought it should be, so that young people living in college today—college students today, if we do that, would be covered well into their nineties. I think we should do more to reduce poverty among elderly women. I think we should lift the limits on what people on Social Security can earn for themselves, without having to give back their benefits, in effect. We can do this if we make some other choices and work together. They're clear, and they're not complicated, really. They'll be somewhat unpopular, but we have to do some things to get this done.

Second thing I want to do is to give another 15 percent of the surplus for 15 years to Medicare. If we do this, we can keep it safe and sound until 2020, and I hope we can go further. I think that we should, at a

very minimum, cover the greatest growing need of seniors, which is for affordable prescription drugs. This is a big deal. Anybody involved in medical research will tell you that we can actually keep seniors out of the hospital and out of trouble and, therefore, lower the aggregate costs of health care over the long run, if we can work Medicare out so we can absorb the front-end investment of a prescription drug benefit.

And by the way, by the time your parents—those of you in your twenties—are on Medicare, it will be more true. And by the time you are there, it will be even more true. So the quicker we get to a health care program that allows people to manage their own health care and stay healthy and use whatever modern medicine develops to do so, the better off we're going to be.

Now, the third thing I propose is that we have a tax cut of over $500 billion to create USA accounts, Universal Savings Accounts, that would be targeted to middle class families to help them save for their own retirement. Social Security alone is not enough for people to maintain their standard of living. Many people in the years where they're working hard and raising their kids and worrying about sending them to college do not have the resources to save. We want to make it possible through the tax cut to have more people save for their own retirement.

So where are we with all this? The Republican leadership has said that generally it supports setting aside 62 percent of the surplus until we save Social Security. That's good, and I appreciate that. So we have national unity on that issue. Then we can argue about the details about what the best way to do that is. But that's where the agreement ends. And I think it's important—they still really haven't made a commitment to extend the life of the Social Security Trust Fund from 55 to 75 years, and you should demand that all of us do that. Everybody here in your twenties, you should demand that we not walk away from this session of Congress without extending the life to 75 years and doing something about the poverty rate among elderly women and letting our seniors get out from this earnings limitation.

Now secondly, they do not agree that we should set aside 15 percent of the surplus to save Medicare and to pay down the national debt even further to lower future interest rates even more, to spur even more economic growth. I think this is a terrible mistake. That does not mean that we won't have to make some tough choices to reform the Medicare program. But we're going to be better off saving more of this surplus, paying down the debt more, and saving Medicare along with Social Security.

Third, we differ on the tax relief. I believe that tax relief is appropriate. I don't think that the whole surplus should be retained by the Government, even for Social Security and Medicare. But when you've got a country with a savings rate as low as ours is and when you know right now that working families need to be saving more for their own retirement, it seems to me wrong to have a tax cut where a disproportionate amount of the benefits will go to people in very high income categories, who have taken care of their retirement fine and who have made a good deal of money in the stock market over the next 6 years, and not target even greater tax relief to middle income families who need to do more to save for their own retirement.

So those are the basic differences. But I just want to hammer to the young people here home the following things: You should want us to save Social Security and Medicare, not only for yourselves but for your families. You heard Tammy Baldwin talking about that. I can tell you that the baby boom generation is really worried, as I said in the State of the Union, that our retirement will cause undue burden on our children and on our children's ability to raise our grandchildren.

So if you don't have to worry about that, that is also a direct financial benefit to you. If you don't have to worry about the medical bills of your parents because we save Medicare, it could be worth a lot more to you if your parents get sick than a short-term tax cut would today—a lot more. And if we continue this debt reduction and we go as far as Secretary Rubin said—just think about it—having public debt the smallest percentage of our economy that it's been since before we went into World War I.

I'll tell you what that will mean in 15 years, just 15 years. And believe me, 15 years passes in the flash of an eye. What it means is that

we will only be spending 2 cents of every dollar you pay in taxes on debt service. And 15 years from now, if the Congress wants to give more tax relief, let them do it; 15 years from now, if we're on the verge of a comprehensive cure for cancer and they want to give it to the National Institute of Health, let them do it; 15 years from now, if we have some other big crisis and we want to have a major investment in education, as we did when we got into the space race, let them do it.

We should be willing to give some of these decisions to the future, instead of taking it now, when it looks easy, but we'd be squandering a historic responsibility. I am quite willing to leave a decision like that to the future. A lot of you may be here then. I'd like for you to have the option to do what is necessary.

So again I say, underneath all these complexities, there is a fundamentally simple choice. Should our first priority be an across-the-board tax cut now, of a size which will keep us from dedicating a lot of this surplus to Medicare and will reduce our ability to pay down the debt and keep down interest rates and keep up investments over the long run and tie the hands of future decision-makers? Or, should our priority be to save Social Security and Medicare and have targeted tax relief to help retirement savings be built up in middle class families that have not been doing it or that need more, in a way that maximizes our ability to pay down the debt?

Some people in this room have heard me tell this story too many times, but I want to say it one more time. When I was a freshman in college and I took a course in the history of civilization, in the last lecture of the year, my professor at Georgetown said that the distinguishing characteristic of Western civilization was that we had always, at critical junctures, been driven by what he called "future preference," the idea that the future can be better than the present and that each individual and society as a whole have a personal, moral responsibility to make it so.

Now, that's really what this is about. Their idea sounds simpler, sounds good, even sounds fair: 10 percent for everybody. Our idea will give you a stronger economy, will save Social Security and Medicare, will stabilize families, will strengthen the ability of the United States to lead the world, and will make you feel a whole lot better 15 years from now when you're dealing with both the opportunities and the pain of time and chance that affects us all.

You know, I see a few of the young people here today with ashes on their foreheads. Yesterday was Mardi Gras; for Christians, today is Ash Wednesday. For people all over the world this is about to be springtime and a season of renewal. This is a time for renewal. I hope we make the right decision, mostly for your sake. And I believe we will.

Thank you, and God bless you.

NOTE: The President spoke at 3 p.m. in the East Room at the White House. In his remarks, he referred to Sharon Brigner, clinical nurse, National Institutes of Health, who introduced the President.

Statement on Senator Frank R. Lautenberg's Decision Not To Seek Reelection

February 17, 1999

Senator Frank Lautenberg has been a great public servant and a principled champion of the people of New Jersey and the children of America. He has done as much as any other citizen to protect our young people from tobacco, was the author of the national law raising the drinking age, and passed legislation barring those convicted of domestic abuse from owning guns. He has led our efforts to pass a clean environment on to the next generation. With his hard-headed business sense, he has helped bring balance to the books of the Federal Government, working with me to craft a balanced budget that invests in the education and health care of our people. Frank Lautenberg has been tough, tireless, and tremendously effective. And more than that, he has been a great friend. Hillary and I wish him the best.