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The President. I ought to be late more often. [*Laughter*] Well, let me thank you for the wonderful welcome. And Gerry, Bill, Glenn, Charles, Carol, ladies and gentlemen, it was—it's hard to believe; it's been 7 years ago when I first began talking to Gerry and Bill and other members of your union. I spent about 5 minutes with Gerry McEntee, and I thought, boy, this is going to be a hard sell. [*Laughter*] But I also thought to myself, I believe this guy would be for me; he'd stick. And boy does he stick. [*Laughter*] I tell you.

Even though I was a dues paying member of AFSCME when I was Governor, I never—therefore, I knew who Gerry McEntee was, you know, and I sort of felt like I was getting my money's worth. [*Laughter*] There are a lot of things I didn't know. Like, I never knew why green was the official color of AFSCME. [*Laughter*] Until I saw the smile on McEntee's face on Saint Patrick's Day. [*Laughter*] And I realized that was not a democratically arrived at decision. [*Laughter*] And being Irish, I liked it that way.

In a way, public employees and the Irish are a lot alike. They're integral to everything that's really important in our country, and both have had to fight real hard to get the necessary respect in the United States. And so I came here also to say thank you, thank you, thank you. I should be thanking you, not the other way around. All I did was what I told you I would do, but if you hadn't helped me, I wouldn't have been here in the first place. And I thank you.

I would also like to remind you that we have almost 25 percent of the life of this administration still left, and it ought to be the best part for America if we do the right things.

Now, you all know why I'm late today. I've been in a meeting with a very large number of Members of Congress in both Houses and both parties, including the leadership, to talk about the problem in Kosovo. And one of the Members who was there, a man from my part of the country, he said, ''You know, Mr. President, I support your policy, but most of my folks couldn't find Kosovo on a map. They don't know where it is, and they never thought about it before it appeared on CNN. And you need to tell people what you're doing there and why—why it's important to us.''

So I need to talk about that today. But I also need to talk about the domestic issues that we're working on—about Social Security, about Medicare, about education. And so I would like to begin by going back to 1992 and to try to ask you to do something that most of the time I can't persuade the American people to do, which is to think about our foreign policy and our domestic policy as two sides of the same coin in a world that is growing smaller and smaller and more and more interconnected.

Most Americans think about politics in terms of putting bread on the table, educating their children, owning a home, being able to have health care, looking forward to a secure retirement, dealing maybe with environmental issues that are immediate and real, like clean air and clean water. And we're all that way about everything, even our own jobs. The further something gets away from us, the harder it is for us to imagine that it is directly important to us.

But when I ran for President in 1992, one of the things I said over and over and over again was that in the 21st century the dividing line between foreign and domestic policy would blur. Now, I'd like to just take you back 7 years to what ideas I brought to this job, talk a little bit about this matter in Kosovo, and then move into the domestic issues that we're so concerned about that are being debated in the Congress now.

I ran for President in 1991 and 1992 because I believed our country lacked a unifying vision and strategy for 21st century America. And I knew what I wanted America to look like and to be like. I wanted an America where the American dream was alive and well for every citizen responsible enough to work for it. With all of our increasing diversity in America, I wanted an America that really reaffirmed the idea of community, of belonging; the idea that none of us can pursue our individual destinies as fully on our own as we can when we want our neighbors

to do well, too; and that there is some concrete benefit to the idea of community that goes beyond just feeling good about living in a country where you're not discriminated against because of some condition or predisposition or anything else that has nothing to do with the law and nothing to do with how your neighbors live their lives; and that what we have in common is more important than what divides us.

I still believe that's going to be one of the major questions facing this country in the 21st century, which is why I devoted so much time to that initiative on race, and why I keep fighting for passage of the hate crimes legislation, the employment nondiscrimination legislation—all these things. Because I am telling you, you look all over the world—that's what Kosovo's about—look all over the world. People are still killing each other out of primitive urges because they think what is different about them is more important than what they have in common.

So I wanted a country where opportunity was real for every responsible citizen. I wanted a country where community was real and we were growing closer together, not further apart. And I wanted America to be a leading force in the world for peace and freedom and prosperity in a world that was becoming more of a community, where we were sharing more burdens and responsibilities.

And so I set to work. And at home, I had an economic policy that was partly domestic and partly foreign. The economic policy was: fix the budget, get the deficit down, get interest rates down, get investment up, create jobs, grow the economy, invest in education and technology, so everybody could be a part of it. And, since we were only 4 percent of the world's population, with 22 percent of its income, we had to sell more around the world if we wanted to keep growing our economy. And we worked hard at that for 6 years now with, I think, nearly everybody would admit, reasonably good results, although we have more to do. And I'll say more about that in a minute.

In foreign policy, what I wanted to do is to say, look, okay, the cold war is over, but we're more interconnected with all parts of the world than ever before. How are we going to create a world that is more peaceful, prosperous, and free?

Now, one of the things that we had to do was to look at Europe. Why? Because the whole 20th century is, in large measure, the story of slaughter that started in Europe. World War I started in the Balkans—in Bosnia, next door to Kosovo. World War II engulfed the Balkans. The cold war saw the Balkans, where Kosovo is, at the edge of the Communist empire and the clash of Slavic civilization with European Muslims and others. Now, if we have learned anything after the cold war, and our memories of World War II, it is that if our country is going to be prosperous and secure, we need a Europe that is safe, secure, free, united, a good partner with us for trading—they're wealthy enough to buy our products—and someone who will share the burdens of taking care of the problems of the world.

We're working hard to have that kind of Europe. I supported the union of the European countries, economically, the union of Germany. I supported very strongly the expansion of NATO. Next month we're going to have all these countries come here; we'll have the largest number of world leaders ever assembled in Washington, DC, next month for the 50th anniversary of the NATO summit. And we're bringing in Poland, Hungary, and the Czech Republic.

And I supported the idea that the United States, Canada, and our European allies had to take on the new security challenges of Europe of the 21st century, including all these ethnic upheavals on their border. Why? Because if this domestic policy is going to work, we have to be free to pursue it. And if we're going to have a strong economic relationship that includes our ability to sell around the world, Europe has got to be a key. And if we want people to share our burdens of leadership with all the problems that will inevitably crop up, Europe needs to be our partner.

Now, that's what this Kosovo thing is all about. And so I want to talk to you about Kosovo today, but just remember this: It's about our values. What if someone had listened to Winston Churchill and stood up to Adolph Hitler earlier? How many people's

lives might have been saved? And how many American lives might have been saved?

What if someone had been working on the powder keg that exploded World War I, which claimed more lives than World War II for most European countries, what would have happened? What if we had not been there in the cold war, when it cost Americans a lot of money to go over there and to say, okay, we're not going to let communism go any further—what do you think would have happened? And wouldn't we have been drawn into another war that would have been a shooting war? And wouldn't more Americans have died? And wouldn't it have cost even more?

What I want you to think about—you may not know a great deal about Kosovo, and I'll try to talk a little about that today—but I want you to see this in terms of the big picture. I want our children to have a Europe—I want this young girl here to grow up in a world that is safer and more secure and more prosperous. To get that done, we need a Europe that is undivided, democratic, and free. I want us to live in a world where we get along with each other, with all of our differences, and where we don't have to worry about seeing scenes every night for the next 40 years of ethnic cleansing in some part of the world.

I have worked against ethnic and religious warfare in Africa, in Asia, in the Middle East, in Northern Ireland. But today its most virulent manifestation is right there in Europe. So that is what I am trying to do here. I don't ask you to agree with every decision I make. I am responsible for it; if I turn out to be wrong, I bear the responsibility for that. But you have to understand what the big picture here is.

There are three big obstacles to an undivided, democratic, free Europe that is totally secure. One is, we've got to build the right kind of partnership with Russia, and we've got to help them come back economically. They have kept their democracy alive. They are suffering terribly economically. Some of it, of course, is like everybody else's problems; some of it's their own doing; some of it beyond their control. We've got a big stake in that. They've got 40,000 scientists that were part of their cold war arsenal. We'd like them to be doing peaceful, good things, not bartering their services to other countries to cause trouble. So it's in our immediate interest, and they could be great partners for us, economically and otherwise.

The second is the problem of Greece and Turkey. Why should that matter to you, unless you're Greek or Turk? Because Turkey has been a moderate Muslim state, a buffer between the West and radical, revolutionary—and I think, perverted—theories of Islam that are bubbling up in the Middle East, which is right next door. And we've got a lot of difficulties working all that out. We've got to keep working until we get it done.

And the third is all this turmoil in the Balkans, where all of it comes together. And I'll try to explain it, so you can understand what we're trying to do. But there is a humanitarian reason why I believe we need to take a stand there. There is a practical reason. If we don't do it now, we'll have to do it later, more people will die, and it will cost more money. And there is a long-term, strategic reason for the United States: Our children need a stable, free Europe.

Okay. So let me just go through the facts. The leader of Serbia, after the cold war ended and Yugoslavia began to break up—keep in mind, Serbia, Croatia, Bosnia, Montenegro, all these places were part of Yugoslavia—Tito dies; the cold war ends; Yugoslavia begins to break up. There are Serbs, Croats, Bosnians, Albanians, Montenegrans, and Hungarians, all kinds of different ethnic groups in what was the former Yugoslavia. They also—the Croats are basically Roman Catholic, predominantly. The Serbs are basically Orthodox Christian; they're part of the Greek and Russian and other Eastern Orthodox Churches. The Bosnians have all three ethnic groups, but there are a lot of Muslims in Bosnia; and the Kosovar Albanians are predominantly Muslim. And so there was a religious and ethnic difference there.

Now, the source of the problem has been that the leader of Serbia has tried to dominate the former Yugoslavia by starting wars in Croatia and Bosnia in the last decade, and stripping from Kosovo, which is legally a part of Serbia, but constitutionally autonomous—it means they're entitled to self-government and to preserve their culture, their religion,

their institutions. He sought to reassert his authority by starting wars in Croatia, wars with Bosnia, and repressing the autonomy of the Kosovars.

Now, you know we had a lot of problems there over the last year and there were all these refugees building up in Kosovo, just like you saw in Bosnia a few years ago—ethnic cleansing, people being driven out of their villages and their homes. You've been seeing it on television, if you've been watching, the houses being burned and all that.

We negotiated a cease-fire last year—late last year—that saved thousands of people from starvation and freezing because they'd left their homes and they'd gone up into the mountains and the winter was coming. And we did it because we were not just the United States; it was we and our NATO allies, and Russia supported us. And we said, ''Look, here's the deal.'' And NATO said, ''We'll use force if you don't do this.'' So they withdrew some of their security forces, and the thing calmed down, and we got some folks back in their homes. And we thought we were on the way to getting this solved.

Then the tensions flared again recently—another 30,000 refugees, people being driven from their homes and villages. So we had this peace conference in Rambouillet, in France, just a few days ago, in March, that had the potential to end the fighting for good. But we had to get both sides to sign it. And like any fight, you know, nobody is totally pure and everybody has got their own axe to grind. But the Kosovar Albanians signed the agreement last week. They signed the agreement last week. Even though it doesn't give them everything they want—they wanted a referendum on their own independence, as opposed to autonomy, I think largely because even though they are afraid they may be too small and economically weak to be an independent country, they're afraid that the Serbs will never honor their autonomy.

But they didn't get that. Even though their people are still being savaged, in violation of the agreement that Mr. Milosevic made, they still said a just peace is better than a long and unwinnable war. Milosevic, on the other hand, President Milosevic refused even to discuss key elements of the agreement. The Kosovars said yes to peace; Serbia put 40,000 troops and 300 tanks in and around Kosovo.

Now, if you've been watching on the television, you know they've now started rolling from village to village, predominantly in north central Kosovo, shelling civilians, torching their homes so they can't come back. In a number of villages, Serbian police have dragged the male members of Kosovar families from their homes, lined up fathers with sons, and shot them in cold blood.

This is not a traditional war. It is a conflict between artillery and heavy weapons on the one hand, against, essentially, a guerrilla war for independence. And when the guerrillas disappear, the Kosovar guerrillas, what the Serbian police and military do is come in and just take it out on defenseless people, whose representatives have already agreed to a peace. And let me say this: If we don't do something—they have 40,000 troops there, and a bigger offensive could start any moment.

This is not the first time—let me remind you—this is not the first time we've faced this kind of choice. When President Milosevic started the war in Bosnia 7 years ago, the world did not act quickly enough to stop him. Let's don't forget what happened. Innocent people were herded into concentration camps. Children were gunned down by snipers on their way to school. Soccer fields and parks were turned into cemeteries. A quarter of a million people—in a country with only 6 million population—were killed. And a couple of million refugees were created—not because of anything they had done, but because of who they were, and because of the thirst of Mr. Milosevic and his allies to dominate, indeed, to crush people who were of different ethnic and religious affiliations.

Now, this was a genocide in the heart of Europe. It did not happen in 1945; it was going on in 1995.

Now, at the time, a lot of people said, ''Well, there's nothing you can do about it, Mr. President. That's the way those people are. They've been fighting for hundreds of years.'' So I heard all that, and I actually started reading up on the history of that area. And I found out that in fact they had been fighting on and off for hundreds of years, but

there was more off than on. And it was an insult to them to say that somehow they were intrinsically made to murder one another. That was the excuse used by countries and leaders for too long— ''Well, they're just that way.''

Gerry and I, that's what they said about us, about the Irish in Northern Ireland. They said, ''Oh, they've been arguing over things for 600 years.'' And they have, but they're not arguing all the time.

You just think about that. Every one of you who ever raised a child that misbehaved, think about if you just said, well, that's—they're just that way. Right? [*Laughter*] They're just that way. Well, if every parent said that, the jails would be 5 times as big as they are.

Audience member. They already are. [*Laughter*]

The President. They're too big because some people think they're just that way. That's not true. I just don't believe that.

So you've got to decide what you believe. I don't believe that. And I know what happened in Bosnia. The United States and our allies, along with courageous people in Bosnia and in Croatia who refused to be subdued and fought back, found the unity and the will to stand up against the aggression, and we helped to end the war. And later, to make sure the peace would last, we agreed to send troops in, with our allies—including the Russians, Ukrainians, others. We've got people from all over Europe and the United States and Canada in Bosnia.

And everybody said, oh, it was going to be just like Vietnam. It was going to be a bloody quagmire, even though there was a peace agreement. And now we've withdrawn 70 percent of our troops. And there are still difficulties, but we've preserved the peace, and the slaughter hasn't come back. And I think it was a good investment. And I hope the American people are proud of what they did to end the war in Bosnia. They should be.

So what do we learn from Bosnia? We learned that if you don't stand up to brutality and the killing of innocent people, you invite the people who do it to do more of it. We learned that firmness can save lives and stop armies.

Now, we have a chance to take the lessons we learned in Bosnia and put them to work in Kosovo before it's too late. But make no mistake about it, this is a country that already has a quarter of a million refugees. This is a country that's had 30,000 refugees since they stopped the peace talks, just a few weeks ago. One in eight of the people who lives in this little country have already been run out of their homes.

Now, I think if the American people don't know anything else about me, they know that I don't like to use military force, and I do everything I can to avoid it. But if we have to do it, then that's part of the job, and I will do it.

We have done everything we could do to solve this issue peacefully. Sunday, Secretary Albright dispatched Ambassador Dick Holbrooke to Belgrade to talk to President Milosevic one last time. I believe Mr. Holbrooke is on his way back, because I can tell you as of last night, as of this morning, as of an hour ago, we got nowhere. He is still denying his responsibility for the crisis, defying the international community, and destroying the lives of more people. Not just the United States, but all our NATO allies have warned him that he will have to honor the commitments he has made one more time. All this stuff he's doing is in violation of commitments he made to withdraw his forces.

And we said if he didn't do it, we would have to take action. NATO is now united and prepared to carry out its warning. If President Milosevic is not willing to make peace, we are willing to limit his ability to make war on the Kosovars.

What we are trying to do is to limit his ability to win a military victory and engage in ethnic cleansing and slaughter innocent people and to do everything we can to induce him to take this peace agreement, which is the only way in the wide world over the long run he's going to be able to keep Kosovo as an independent part of this country, or an autonomous part of this country.

Now, I want to level with you. You've been very good. You've listened to me very closely. You've let me make my argument to you about why this is a humanitarian issue and

why it is an issue that is in the personal interest of the United States.

Now, let me tell you that this is like any other military action. There are risks in it, if we have to take this action. There are risks every time our young people get up and fly jet airplanes at very high speeds. Most of us could not begin to do that. Most of us don't even have the reflexes or the eyesight or the hearing, never mind the skills to do it. We lose a substantial number of our men and women in uniform every single year in training operations. It is inherently dangerous work. Plus, the Serbs have an air defense system and it has a considerable capacity. There are risks to our pilots and there are risks to people on the ground who, themselves, are innocent bystanders.

But the dangers of acting must be weighed against the dangers of inaction. If we don't do anything after all the to-and-fro that's been said here, it will be interpreted by Mr. Milosevic as a license to continue to kill. There will be more massacres, more refugees, more victims, more people crying out for revenge. And they'll be spreading out to these nearby countries, where they have their own ethnic tensions. So instead of just this problem in Kosovo, you'll have the same sort of instability and tensions and the financial burden of refugees in the places around it.

The firmness of our allies and ourselves now, I believe, is the only hope the people of Kosovo have to be able to live in their own country without having fear for their own lives. We asked them to accept peace on terms that were less than perfect, and they said yes. We said if they would do it, we would stick by them—not ''we,'' the United States, ''we'' 19 countries in NATO. We cannot run away from that commitment now.

And we ought to consider what would happen if we and our allies were to stand aside and let innocent people be massacred at NATO's doorstep. That would discredit NATO because we didn't keep our word. But that's not important, except insofar as what it means to you. You've got to decide, my fellow Americans, if you agree with me that in the 21st century, that America, as the world's superpower, ought to be standing up against ethnic cleansing if we have the means to do it and we have allies who will help us do it in their neighborhood. And you have to decide whether you agree with me that we have a clear interest, after what we saw in World War I, World War II, in the cold war and all the people who died, in a Europe that is united, not divided; democratic, not dictatorial; and secure and at peace, not racked by ethnic cleansing—and if you believe that's good for us economically and politically, over and above the humanitarian issue.

I do. I believe the case is clear. Especially when you remember—let me say one more time—if you go home and look at a map tonight, you ought to get down and look at it. This is a conflict with no natural boundaries. If it continues, it could spread to neighboring Albania, just to the south. Most of the Kosovars are Albanians. What if they flood Albania with refugees? Albania has a Greek minority. What are they going to do? Are we going to recreate this all over again?

Then it could put massive numbers of refugees in Macedonia, where you have both a Slavic majority and a Muslim minority; a country now with a President and a Prime Minister that have worked with us and taken our NATO troops in and worked with us, putting enormous pressure on them. Believe me, it could draw in even Greece and Turkey.

So, apart from the humanitarian issue and apart from our interest in Kosovo, this thing has no natural boundaries. The whole Balkans area have all these people of different ethnic and religious groups, and if we just say, ''Well, that's just the way they are,'' then that's they way they'll be. And there's a good chance when this young woman is an adult, voting citizen of this country, that she will have to be worried still about whether the politicians are going to deal with innocent people getting killed in that part of the world. I would like to lift that burden from their generation because I think it is morally right and in the vital interest of the United States. And I hope you will support me.

Now, I will say again, this is not a slam dunk. This is a difficult issue. This is a difficult decision. I believe that the position I have taken is the best of a lot of bad alternatives. But you didn't just hire me to make the easy decisions. And so I just would say

to you—I ask you to talk to your friends and neighbors about this. I ask you literally to go get down an atlas and look at the map, pay a little closer attention to the news reports, think about the arguments that I've made. Think about whether you really agree with me, and say a prayer for the young men and women in uniform who are going to be there to do what I, as their Commander in Chief, order them to do.

Now, let me go back to the point I started with, and I'll get to the domestic issues. We're living in a global society where there is no easy dividing line between what is foreign and what is domestic. I'll give you another issue: Social Security. You think, what in the world could be more of a domestic issue than Social Security? But the truth is, every wealthy country in the world is suffering the challenge of an aging crisis. Japan is facing it even more than we are, because their life expectancy is higher, and their birthrate is lower, and their immigration rate is much lower. A lot of the European countries are facing it because their life expectancy is more or less the same, and their birthrate is lower.

So we're not the only country in the world facing this Social Security issue. And I would argue to you, my fellow Americans, that this is a high-class problem. I hear people wringing their hands about Social Security; I say, hallelujah, give me more of those problems! Why do we have this problem? Because we're living longer. The older I get, the better that looks. [*Laughter*]

This is a high-class problem. But by 2030, we'll only have two people working for every one person drawing Social Security. And so, we've either got to put more money in the system, cut benefits, increase the rate of return on the investment we're making in Social Security, or do a combination of all three if we want to maintain a system that, today, keeps one-half of the people in this country over 65 out of poverty.

And I would argue that we ought to start, since we have reduced the deficit, and we now have a surplus, and we are projected to have surpluses for the indefinite future—of course, it will go up or down with the condition of the economy, but the structural deficit has been eliminated. What I have said to the American people is that we ought to set aside the majority of this surplus, 62 percent of it, for the next 15 years to stabilize Social Security. We can extend the life of the Trust Fund to about 2050 if you do that.

If we invested just a small percentage of it in the stock market or other private sector options—just a small percent—through a completely independent body, insulated from politics, you could put another 5 years on it. And I'll guarantee you, every State, county, and local worker represented by AFSCME that has a retirement plan, that that pension fund is doing some investing in the private sector. They don't have it all in government securities, and they've probably invested a whole lot more than I suggest in the private sector. And that's probably why your retirement funds are all in good shape, because the stock market has been doing well.

Now, the stock market doesn't always do well historically throughout the country, but over any 30-year period, it always outperforms just 100 percent guaranteed government investments. So what I've tried to do is get a little bit of the best of both worlds.

Now, what we've tried to do with Social Security, historically, is to have 75 years of life on the Trust Fund, which is what I would like to do. I would also like to lift the earnings limitation because as people live longer, more and more people will want to work. If they pay in, they ought to be able to draw out, I think. And eventually that will bring money into Social Security. And I think we have got to provide greater benefits to elderly, single women who still have a poverty rate of over 18 percent—almost twice the overall poverty rate of the senior population. That's very, very important.

So we need to get together in a decent, open, honest bipartisan fashion and figure out what other steps we need to take to close that gap. But believe me, you can't get there unless you first set aside 62 percent of the surplus to save Social Security.

The second thing I want to do is set aside 15 percent of the surplus for the next 15 years for Medicare. And again, there are a lot of those who don't want to do that. But keep in mind, you may not agree with everything I do, but at least I ought to have some

credibility on this. We did have a $290 billion deficit when I took office, and we do have a $70 billion surplus now. You've got a big stake in this. A lot of the people that are members of your union deal with people who depend upon Medicare to survive. A lot of you have parents who depend upon Medicare to survive.

Now, again, Medicare is falling victim to the aging of America, because the older you get the more you need some kind of health care, right? I mean, I have to stretch for 20 minutes or more just to get up and get around anymore. [*Laughter*] I mean, it's a big deal. The older you get—you do. We know that. And also modern medicine and technology—we're living longer. And if we really do finish this genome project by 2000, 2001, unlock all the secrets of the human gene, you're going to see life expectancy go up exponentially.

But anybody in this room today that's over 60 years old, is still in good health, and if you know that—if you don't know of any health problem you have, you have a life expectancy right now of over 80 years. The life expectancy in America today is over 76 years, and that includes everybody that gets killed by accidents, violence, early childhood disease, everything else. So again, this is a high-class problem, folks. This is not the end of the world. It's good news. We're living longer, and there are medical advances.

But we cannot sustain Medicare; it's going to run out of money in 2010 or a couple years after that, 2 or 3 years after that. We've done our best to manage it. We've added years to it. But we need to take it out for another decade or so. And we need also to make some provision for seniors on Medicare to get some help to buy prescription drugs.

Now, again, that will be a costly program, although, you know, we have to ask people who can afford to pay to pay what they can afford to pay. But think about it over the long run. Over the long run, you can buy a lot of drugs in a year for what a week in a hospital costs you.

So if we get the right kind of system in place and we don't encourage over-utilization, and we ask people to pay what they can afford to pay, but we help them, you'll get out of these horror stories where you've got seniors in America still making a choice between the food they eat and the drugs they need, without bankrupting the system.

Now, there have been a lot of proposed reforms to Medicare. There was that Commission, you know, and they had different approaches and they didn't—issued a report—Senator Breaux's Commission. They had some pretty good ideas about making the system more competitive and all that. But my issue there is, I want a defined set of benefits, first of all. I want to make as much provision as we can for prescription drugs.

And secondly, I don't want to do something that will, in effect, break down the system, because there is no set of reforms that will meet the financial needs of Medicare without putting some more money in it. I've not seen any; I have not seen any independent expert who says that. And since I don't think we should raise taxes when we have a surplus, we ought to dedicate 15 percent of the surplus to Medicare and make some reforms which would enable us to lengthen the life of Medicare and begin to deal with this prescription drug issue. And so I ask you to work with me on that.

Now, there are some people who believe that these programs ought to be more privatized, who won't support the money for that reason. But there are some people—most of them in our party—who believe that since we've got this money, we don't have to make any changes in the program. Both sides are wrong. So we're going to have to work together—and you all need to listen to me—we're going to have to work closely together.

For example, I'm against raising the retirement age for Medicare to 67 because—let me tell you why—because the fastest-growing group of people without health insurance are people between 55 and 65. And so I can't imagine why we would want to have more elderly people without health insurance.

Now, I've offered Congress a proposal to help plug that gap a little bit, and I hope they'll take it this year. But that does not mean we can be against all reform. We have to be prepared to eat a few lemons, too. But we ought to do it with our goals in mind: preserving the integrity of Medicare, the guaranteed set of benefits; doing something

on the prescription drugs that will really make a difference; and making sure that we have held together a program that has been a lifesaver for this country for 30 years.

So that's what we've got to do. Now, let me just say one third thing about this. Again—and there's another—this is why I tell you all this foreign business and the domestic business are all related. If we put aside 62 percent for Social Security and 15 percent for Medicare, we can do it in a way that enables us to pay down the national debt for 15 years.

If we pay down the national debt, here's what will happen: Interest rates will be lower; more investment will come; there will be more jobs created; incomes will stay up; it will protect us from bad things that happen overseas and it will make it more likely that good things will happen overseas—because if we don't have to borrow this money for our own debt, then other people around the world will be able to get money at lower rates. They will grow more; they'll buy more of our products. And you'll be better off because in all your States and cities, people will be earning more money, paying more taxes, more money for AFSCME employees who work for the public—all this stuff is connected.

All this is connected. You have to see the connection between what we do and what it impacts on us and how it impacts around the world. So I ask you to support that.

Finally, I believe we should have a tax cut, but I think it ought to be targeted to middle-income families and lower-income working families. In my balanced budget, we've got tax cuts for child care—very important; substantial—for long-term care, to help people pay for long-term care expenses for their families, very important; for training costs and any number of other things. And then, in this balanced budget, I propose to set aside about 11 percent of the surplus to help people set up their own savings accounts so they can save for their retirement, and have the Government take this money and give it back to people, so over and above their Social Security and their retirement plans and their pensions, they can save more money for their future. Now, I think this is a good idea.

Now, let me say we have some agreement and a lot of disagreement with the Republican majority on this. They have agreed we should invest more money in education, which I think is good, but we differ about how to spend it. They have agreed that they should set aside some money for Social Security, but they haven't agreed to do it in a way that will pay down the debt yet. They have not agreed to devote any of this surplus to Medicare, which I think is a terrible mistake.

Now, they say I'm going to use the surplus so we don't have to make any of the hard choices on Medicare. I will say again, that is not true. You heard me tell you, we're going to have to get together and make some changes in the Medicare program. But we could make every change they propose and the thing would still not last very long unless we put some more investment in it. And every expert knows that.

So, the third thing I want to say is, as usual, for the last, now more than 16 years, the bulwark of their plan is a large tax plan that disproportionately benefits people like me who don't need it, and that will explode, in the out-years—the very years that I want us to be paying that debt down, keeping interest rates down.

You talk to any person who's made a lot of money in America in the last 6 years, and they'll tell you that they'd a lot rather have a growing stock market and low interest rates than a tax cut, because we already—not because everybody wouldn't like to have a tax cut. The people we ought to be focusing on cutting taxes for are the people that cannot pay their kid's way to college and take care of their parents who are sick and make ends meet. That's what we ought to be doing.

So I say again, I'm somewhat encouraged by where we are with the Congress now, because there is a general feeling we're going to do something about Social Security. But we ought to do it in a way that brings the debt down. We've got to do something about Medicare. We ought to have the right kind of tax cut, and it shouldn't be so big it keeps us from making the economy strong.

I want to work with you on this. You've been good to me. You helped me get elected.

We've done a lot of things together. And believe me—the 25 percent of our time we've got left together—if we save Social Security and Medicare for the 21st century, if we agree to pay down the national debt, if we make a historic commitment to the education of our children, if we do something about long-term care, if we do something about child care—the best is yet to come.

Thank you, and God bless you.

NOTE: The President spoke at 12:10 p.m. in the Presidential Suite of the Omni Shoreham Hotel. In his remarks, he referred to Gerald W. McEntee, international president, William Lucy, international secretary-treasurer, Glenard S. Middleton, Sr., international vice president, Charles M. Loveless, legislative department director, and Caryl Yontz, legislative affairs specialist, American Federation of State, County, and Municipal Employees; President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro); and U.S. Special Envoy Richard Holbrooke.

Remarks at a Democratic National Committee Dinner

March 23, 1999

Thank you so much. Walker, if I had any sense, I'd just quit while I'm ahead. That was a wonderful introduction. Thank you for your years of support and for being there for us when we couldn't have had such a successful dinner.

I thank my longtime friend Governor Roy Romer who like me, put in a dozen years as the Governor of a State, and on the bad days I still think it was the best job I ever had. [*Laughter*] But there aren't many of them.

I thank my longtime friend Mayor Archer, whom I met when he was an august judge working with my wife with the American Bar Association, for his service and, in her absence, Congresswoman Sanchez. And I know Congressman Matsui and Congressman Menendez meant to be here tonight, but they're still voting. And we're glad Congressman Menendez's daughter joined us. She'll be more affected by the decisions we make this year than most of the rest of us will.

I'm glad all the young people who are here tonight are here. I would like to thank our new officers, Joe Andrew, Andy Tobias, Beth Dozoretz. I thank Janice Griffin, who is the vice chair of our Women's Leadership Forum. And I was glad that Roy acknowledged the presence of former Congressman Dave McCurdy here, and also our former DNC chairman Chuck Manatt who, if everything works all right, will be an Ambassador pretty soon. And you ought to talk to him tonight. I'm sure once he gets the title he'll be insufferable, but anyway—[*laughter*].

Let me say, when Walker was up here talking and Roy mentioned Dave McCurdy, I thought about the years when some of you in this room worked with Dave and me and others on the Democratic Leadership Council. One of our goals was to try to prove that the Democrat Party could be a genuinely progressive party and be good for American business. But I want to make a larger point here and try to just talk for a few moments tonight.

When I ran for President in 1991 and '92, I did so because I thought that the natural rhetoric of Washington, DC, had become increasingly polarized and divorced from the real experiences of ordinary Americans, and that there was—and I felt a lot of sympathy because I had spent enough time here as a Governor to know that Members of Congress, even the President—Congressman Menendez, welcome; I didn't know you were back. We're glad to see you. Thank you. But anyway, I spent enough time up here and then going back home to Arkansas to know that it was so hard on a daily basis for people in public life to get their message out, that you knew maybe you would get your 10 seconds on the evening news.

And it led to the sort of natural impulse to sharpen the rhetoric and to stay within the comfortable contours of conflict that had defined the two parties for so long, that it maybe worked for individual people in public life, but it wasn't working very well for America. And it didn't really match up to the world we were living in, and certainly not to the world that these young people will dominate when they come of age.

And yet I saw people like Roy Romer in Colorado, a predominantly Republican State, mayors like Dennis Archer, finding ways to pursue progressive politics that try to include