

most fundamental commitments, to always look to the future. I believe our generation has begun to meet that sacred duty, for at the dawn of a new century, America is clearly a nation in renewal.

Our economy is the strongest in decades, perhaps in our history. Our Nation is the world's leading force for freedom and human rights, for peace and security—with our Armed Forces showing once again in Kosovo their skill, their strength, and their courage. Our social fabric, so recently strained, is on the mend, with declining rates of welfare, crime, teen pregnancy, and drug abuse, and 90 percent of our children immunized against serious childhood diseases for the first time in our history.

Our cities, once in decline, are again vibrant with economic and cultural life. Even our rutted and congested interstate highways, thanks to the commitments of this Congress, are being radically repaired and expanded all across America—I must say, probably to the exasperation of some of our summer travelers.

This renewal is basically the consequence of the hard work of tens of millions of our fellow citizens. It is also, however, clearly the result of new ideas and good decisions made here in this city—beginning with the fiscal discipline pursued since 1993, the reduction in the size of Government, and controlling spending while dramatically increasing investments in education, health care, biomedical research, the environment, and other critical areas. The vast budget deficits have been transformed into growing budget surpluses, and America is better prepared for the new century.

But we have to use this same approach of fiscal discipline plus greater investment to deal with the great challenge that we and all other advanced societies face, the aging of our Nation, and in particular, to deal with the challenge of Medicare, to strengthen and renew it.

Today I ask you here so that I could announce the details of our plan to secure and modernize Medicare for the 21st century. My plan will use competition and the best private sector practices to secure Medicare in order to control costs and improve quality.

And it will devote a significant portion of the budget surplus to keep Medicare solvent.

But securing Medicare is not enough. To modernize Medicare, my plan will also create a much better match between the benefits of modern science and the benefits offered by Medicare. It will provide for more preventive care and help our seniors afford prescription drugs. The plan is credible, sensible, and fiscally responsible. It will secure the health of Medicare while improving the health of our seniors. And we can achieve it.

The stakes are high. In the 34 years since it was created, Medicare has eased the suffering and extended the lives of tens of millions of older and disabled Americans. It has given young families the peace of mind of knowing they will not have to mortgage their homes or their children's futures to pay for the health care of their parents and grandparents. It has become so much a part of America, it is almost impossible to imagine American life without it. Yet, life without Medicare is what we actually could get unless we act soon to strengthen this vital program.

With Americans living longer, the number of Medicare beneficiaries is growing faster, much faster than the number of workers paying into the system. By the year 2015, the Medicare Trust Fund will be insolvent—just as the baby boom generation begins to retire and enter the system, and eventually doubling the number of Americans who are over 65. I've often said that this is a high-class problem.

It is the result of something wonderful—the fact that we Americans are living a lot longer. All Americans are living longer, in no small measure because of better health care, much of it received through the Medicare program.

President Johnson said when he signed the Medicare bill in 1965, “The benefits of this law are as varied and broad as the marvels of modern medicine itself.” Yet modern medicine has changed tremendously since 1965, while Medicare has not fully kept pace.

The original Medicare law was written at a time when patients' lives were more often saved by scalpels than by pharmaceuticals. Many of the drugs we now routinely use to treat heart disease, cancer, arthritis, did not