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[Radio Address Social Security] 9/24/99

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Final 9/24/99 5pm
Terry Edmonds

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON SOCIAL SECURITY
SURPLUS
WASHINGTON, DC
September 24, 1999

Good morning. With only five days left in the current fiscal year, Congress has a lot of work to do.

~~They must fulfill their fundamental obligation to the American people by passing a budget that adequately funds our national priorities without doing something we all agreed we shouldn't and do not need to do: spend the Social Security surplus instead of preserving it for debt reduction. I have a budget that keeps this commitment.~~

for almost 7 years,

Vice President Gore and I have pursued ^{new} ~~an~~ economic strategy focused on fiscal discipline, expanded trade and investment in our people. ~~And it is working.~~

The results are clear:

In the past six-and-a-half years, it has produced lower ~~interest rates~~, the longest peacetime expansion in history, more than 19 million new jobs, rising wages, the lowest unemployment ^{t was for 25 years} in a generation and ^{the highest} record-breaking levels ^{yet} of home ownership ^{we, and a balanced budget & surplus even.} That means more money in your paycheck, lower interest rates to buy a home or a car, and more help through efforts like the Hope Scholarship to send your children to college. We are on a solid path of progress and prosperity and the American people want it to continue.

Two days ago, I vetoed the Republicans' risky \$792 billion tax plan, because it was too big, too bloated and would place too big a burden on our economy. ^{It didn't add a penny to SST or a dollar to AC, and}

It would have forced cuts of nearly 50 percent in

~~everything from~~ ^{ED to HE to Sec to Vet programs to} ~~air traffic safety to education to~~
~~healthcare to veterans programs to national security.~~
~~cut the traffic safety~~

~~It would have created~~

They've created an untenable choice. On the one hand,

irresponsible cuts. On the other, diverting funds from the

Social Security surplus and debt reduction. We said we

shouldn't ^{spend} ~~touch~~ the Social Security surplus, and today I

say to the Congressional majority ^{again} we don't have to do

it. ^{if you have a plan to reduce life of SSF 50 yrs,}
^{with the 25 and PA coverage, ~~pay down~~ I in 20}
^{e other priorities, priority off target, & still pay down}
^{but & reduce the debt}

^The Congressional majority continues on a track that

does not adequately fund ^{human need} ~~our~~ priorities, while ^{already} spending

^{ignoring} the Social Security surplus instead of preserving it for
debt reduction.

~~Even their own Congressional Budget Office, is~~
~~warning that their plan risks spending Social Security~~
~~surpluses.~~ ^{their own} One month ago, CBO estimated that they
would use \$16 to \$19 billion of the Social Security
surplus and steps taken since then have only made this
number go higher. *They have used what WST, other called*
budget gimmicks to give impression across 176 out of
the 21 —

At the same time they are not providing enough for
education and other vital priorities. In fact, the same day I
vetoed their budget-busting tax plan, they passed a bill out
of committee that would seriously undermine our efforts
to strengthen education. It would eliminate our effort to
hire quality teachers and reduce class size.

It would deny hundreds of thousands of young people

THE WHITE HOUSE

WASHINGTON

access to after-school programs. It would eliminate our

inter ~~program get poor kids college~~
mentoring and youth opportunities efforts. It fails to

improve and expand Head Start, cuts the successful

use of 1000 new kids need

America Reads program and cuts educational technology

one effort to connect all

the kids to 2 by 2000, again it's a plan to be on new 6000 kids
– all at a time when we need to be doing more, not less to

the left group even in school for

prepare ~~our~~ children and our nation for the challenges of

the new global economy.

There is a better way. The Republicans should work

with us to create a budget that pays for itself with straight-

forward proposals like our tobacco policy.

They should work with us to create a real Social Security
lockbox that would devote the entire Social Security
surplus to debt reduction and extend the life of Social
Security until the middle of the next century. *Something
their plan doesn't do*

Thursday, I asked the Republicans to work with me
on a bipartisan Medicare proposal that would modernize
Medicare, provide and voluntary prescription drug benefit
and keep it solvent until at least 2027. I was pleased that
following a meeting with my advisors, The Chairman of
the Senate Finance Committee, Bill Roth, has agreed to
engage in serious discussions with us on meaningful
Medicare reform.

WASHINGTON
THE WHITE HOUSE

I am reaching out to the Republicans to engage with
us on serious negotiations on strengthening Medicare for
the 21st century. *article same on 20, 55, page 12 on 12th*
We owe it to the American people to
give it our best effort.

Thanks for listening.

Draft 9/24/99 3:20pm
Terry Edmonds

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Their budget would take us in the wrong direction. Vice President Gore and I have pursued an economic strategy focused on fiscal discipline, expanded trade and investment in our people. And it is working. In the past six-and-a-half years, it has produced lower interest rates, the longest peacetime expansion in history, more than 19 million new jobs, rising wages, the lowest unemployment in a generation and record-breaking levels of home ownership. That means more money in your paycheck, lower interest rates to buy a home or a car, and more help through efforts like the Hope Scholarship to send your children to college. We are on a solid path of progress and prosperity and the American people want it to continue.

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But so far, the Congressional majority has pursued a path that would force them to break that pledge. In fact, the same day I vetoed their budget-busting tax plan, they passed a bill out of committee that would not only seriously undermine our efforts to strengthen public education, but would also result in the spending of the Social Security surplus. Their education budget would eliminate our effort to hire quality teachers and reduce class size. It would deny hundreds of thousands of young people access to after-school programs. It fails to improve and expand Head Start, cuts the successful America Reads program and cuts educational technology – all at a time when we need to be doing more, not less to prepare our children and our nation for the challenges of the new global economy.

To find a way out the quandary they have created for themselves, the Congressional majority has resorted to all kinds of gimmicks to claim they are not using the Social Security surplus: declaring the annual census an emergency, declaring the program that provides heating assistance for poor people an emergency, even though winter is an annual certainty, and rescinding \$3 billion in money promised to states to help them move more people from welfare to work. [And with the Republican tax plan vetoed, they are putting forth other proposals that would be paid for in only one way, by raiding the Social Security surplus.] These gimmicks are designed to mask one thing – that the Republican proposals would lead to backing away from our commitment to Save Social Security First.

There is a way out of this quandary. I have proposed a fiscally responsible budget plan that eliminates the debt, strengthens and modernizes Medicare, invests in education and saves Social Security. My plan would create a real lockbox that, unlike the Republican plan would devote the entire Social Security surplus to debt reduction and extend the life of Social Security until the middle of the next century. My budget meets the needs of the American people, pays for itself, and offers a far better alternative than the Republican path which leads straight to spending the Social Security surplus. /

Time is short. The fiscal year will end on Thursday. I urge Congress to stop the gimmicks...stop the smoke and mirrors. You can do the people's business, fund our national priorities, without continuing down the path of draining the Social Security surplus.

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**THE PREDICTABLE CONSEQUENCE OF THE REPUBLICAN TAX CUT
WOULD BE TO DIVERT HUNDREDS OF BILLIONS OF DOLLARS FROM THE
SOCIAL SECURITY LOCKBOX AND DEBT REDUCTION**

September 22, 1999

The Republican Tax Cut, With Interest, Would Break the Social Security "Lockbox" After 2004 as shown in the table below.

	2005	2006	2007	2008	2009
Non-Social Security Surplus (CBO)	92	129	146	157	178
Republican Tax Cut*	85	117	140	168	188
Additional Interest From Tax Cut	11	16	24	33	44
Social Security Surplus Diverted From Debt Reduction	-4	-14	-18	-44	-54

*Assumes that the full tax cut is continued after 2008.

To Avoid Using Social Security Surpluses, the Republican Tax and Budget Plan Is Forced To Cut All Domestic Discretionary Spending by Nearly Half in 2009 (assuming that defense is funded at the President's level). This could require cuts of nearly 50 percent in everything from air traffic safety to education to healthcare to veterans programs.

- The Republican budget resolution sets aside \$606 billion for all discretionary spending in 2009. If the Republicans fund defense at the levels requested by the President (\$384 billion in 2009), they would be able to devote only \$222 billion to all domestic spending, including education, healthcare, and veterans programs, in 2009. This is substantially below the roughly \$304 billion spent on non-defense discretionary spending in 1999. This represents a nearly 50 percent cut relative to 1999 levels adjusted for inflation.

If These Unfeasible and Undesirable Cuts Are Not Made, then the Republican Tax Cut Would Spend Hundreds of Billions of Dollars from the Social Security Surplus. Under highly conservative assumptions, even with large discretionary spending cuts, the fully phased in Republican tax cut would divert Social Security surpluses from debt reduction, leaving the debt hundreds of billions of dollars higher than the President's plan.

The Republican Tax Cut, If Continued, Would Leave America Permanently In Debt. It is unrealistic to assume that the Republican tax cut will be reversed. If the tax cuts were continued:

- The cost of the tax bill would explode just when the baby boomers begin to retire, Medicare becomes insolvent (2015), and Social Security payroll revenues begin to fall short of benefits.
- The cost between 2010 and 2019 would be \$2.7 trillion, according to projections by the Treasury Department. The total cost, including lost interest savings, would be over \$4 trillion.
- The total cost over the 20 years between 2000 and 2019, including interest, would be about \$5 trillion.
- The debt held by the public would not be eliminated (assuming defense is funded at the level requested by the President).

The Exploding Republican Tax Cut



Note: Cost with interest, assuming tax cut is continued.

Medicare solvency would be secured for at least a quarter century and Medicare would be reformed to make it more efficient and competitive, and its benefits modernized with a new prescription drug benefit.

The Social Security surplus would be dedicated to paying down the debt and solvency would be extended.

The budget framework would invest in key priorities like education, environment, public safety, and national security, while keeping overall spending at tight but realistic levels.

A fair and responsible tax cut would provide tax relief for middle-class Americans while helping them save for retirement.

*Whether or not SS surplus spent
- OMB -*

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Vice President Gore and I have pursued an economic strategy focused on fiscal discipline, expanded trade and investment in our people. And it is working.

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The Congressional majority continues on a track that does not adequately fund our priorities, while spending the Social Security surplus instead of preserving it for debt reduction.

Even their own Congressional Budget Office, is warning that their plan risks spending Social Security surpluses. One month ago, CBO estimated that they would use \$16 to \$19 billion of the Social Security surplus and steps taken since then have only made this number go higher.

At the same time they are not providing enough for education and other vital priorities. In fact, the same day I vetoed their budget-busting tax plan, they passed a bill out of committee that would seriously undermine our efforts to strengthen education. It would eliminate our effort to hire quality teachers and reduce class size.

It would deny hundreds of thousands of young people access to after-school programs. It would eliminate our mentoring and youth opportunities efforts. It fails to improve and expand Head Start, cuts the successful America Reads program and cuts educational technology – all at a time when we need to be doing more, not less to prepare our children and our nation for the challenges of the new global economy.

There is a better way. The Republicans should work with us to create a budget that pays for itself with straightforward proposals like our tobacco policy.

They should work with us to create a real Social Security lockbox that would devote the entire Social Security surplus to debt reduction and extend the life of Social Security until the middle of the next century.

Thursday, I asked the Republicans to work with me on a bipartisan Medicare proposal that would modernize Medicare, provide ~~and~~ a voluntary prescription drug benefit and keep it solvent until at least 2027. I was pleased that following a meeting with my advisors, The Chairman of the Senate Finance Committee, Bill Roth, has agreed to engage in serious discussions with us on meaningful Medicare reform.

I am reaching out to the Republicans to engage with us on serious negotiations on strengthening Medicare for the 21st century. We owe it to the American people to give it our best effort.

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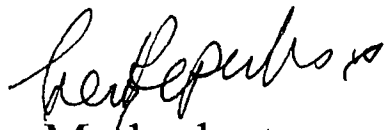
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It would deny hundreds of thousands of young people access to after-school programs. It fails to improve and expand Head Start, cuts the successful America Reads program and cuts educational technology – all at a time when we need to be doing more, not less to prepare our children and our nation for the challenges of the new global economy.

A handwritten signature in black ink, appearing to read "Barack Obama", is positioned above the second paragraph of text.

There is a better way. My budget pays for itself with straight-forward proposals like our tobacco policy. It would also create a real Social Security lockbox that, unlike the Republican plan, would devote the entire Social Security surplus to debt reduction and extend the life of Social Security until the middle of the next century.

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Good morning. With only five days left in the current fiscal year, Congress has a lot of work to do. They must fulfill their fundamental obligation to the American people by passing a budget that adequately funds our national priorities without doing something we all agreed we wouldn't and shouldn't do: spend the Social Security surplus instead of preserving it for debt reduction. ~~One reason for the delay is that,~~ try as they might, the Republican majority is finding it virtually impossible to provide the needed funds for education, health care and other vital areas within the framework of their tax and budget plan. It is becoming increasingly clear – they simply can't do that without spending the Social Security surplus.

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Two days ago, I vetoed the Republicans' risky \$792 billion tax plan, because it was too big, too bloated and would place too big a burden on our economy. It would have forced cuts of nearly 50 percent in everything from air traffic safety to education to healthcare to veterans programs. Without these untenable cuts, hundreds of billions of dollars would have to be diverted from the Social Security lockbox and debt reduction. We said we shouldn't touch the Social Security surplus, and today I say to the Congressional majority – we don't have to do it.

the Congressional majority has
But so far, ~~they have~~ pursued a path that would force them to break that pledge. In fact, the same day I vetoed their budget-busting tax plan, they passed a bill out of committee that would not only seriously undermine our efforts to strengthen public education, but would also result in the spending of the Social Security surplus. Their education budget would eliminate our effort to hire quality teachers, ~~and~~ reduce class size. ~~It~~ would deny hundreds of thousands of young people access to after-school programs. It fails to improve and expand Head Start, cuts the successful America Reads program and cuts educational technology – all at a time when we need to be doing more, not less to prepare our children and our nation for the challenges of the new global economy.

In order for the Congressional majority to find a way out the quandary they have created for themselves, they have resorted to all kinds of gimmicks to claim they are not using the Social Security surplus: declaring the annual census an emergency, declaring the program that provides heating assistance for poor people an emergency, even though winter is an annual certainty, or rescinding \$3 billion in money promised to states to help them move more people from welfare to work. [And with the Republican tax plan vetoed, they are putting forth other proposals that would be paid for in only one way, by raiding the Social Security surplus.] These gimmicks are designed to mask one thing – that the Republican proposals would lead to the spending of the Social Security surplus.

There is a way out of this quandary. I have proposed a fiscally responsible budget plan that eliminates the debt, strengthens and modernizes Medicare, invests in education and saves Social Security. My plan would create a real lockbox that, unlike the Republican plan would extend the life of Social Security ~~several~~ until the middle of the next century. My budget meets the needs of the American people, pays for itself, and offers a far better alternative than the Republican path which leads straight to spending the Social Security surplus.

Time is short. The fiscal year will end on Thursday. I urge Congress to stop the gimmicks...stop the smoke and mirrors. You can do the people's business, fund our national priorities, without continuing your path of draining the Social Security surplus.

Thanks for listening.

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There is a way out of this quandary. I have proposed a fiscally responsible budget plan that eliminates the debt, strengthens and modernizes Medicare, invests in education and saves Social Security. My plan would create a real lockbox that, unlike the Republican plan would devote the entire Social Security surplus to debt reduction and extend the life of Social Security until the middle of the next century. My budget meets the needs of the American people, pays for itself, and offers a far better alternative than the Republican path which leads straight to spending the Social Security surplus.

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Thanks for listening.

Draft 9/24/99 3pm
Terry Edmonds

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON SOCIAL SECURITY SURPLUS
WASHINGTON, DC
September 24, 1999

Good morning. With only five days left in the current fiscal year, Congress has a lot of work to do. They must fulfill their fundamental obligation to the American people by passing a budget that adequately funds our national priorities without doing something we all agreed we wouldn't and shouldn't do: spend the Social Security surplus. One reason for the delay is that, try as they might, the Republican majority is finding it virtually impossible to provide the needed funds for education, health care and other vital areas within the framework of their tax and budget plan. It is becoming increasingly clear – they simply can't do that without spending the Social Security surplus.

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Their budget would take us in the wrong direction. Vice President Gore and I have pursued an economic strategy focused on fiscal discipline, expanded trade and investment in our people. And it is working. In the past six-and-a-half years, it has produced lower interest rates, the longest peacetime expansion in history, more than 19 million new jobs, rising wages, the lowest unemployment in a generation and record-breaking levels of home ownership. That means more money in your paycheck, lower interest rates to buy a home or a car, and more help through efforts like the Hope Scholarship to send your children to college. We are on a solid path of progress and prosperity and the American people want it to continue.

Two days ago, I vetoed the Republicans' risky \$792 billion tax plan, because it was too big, too bloated and would place too big a burden on our economy. It would have forced cuts of nearly 50 percent in everything from air traffic safety to education to healthcare to veterans programs. To pay for their tax cut, the Republicans would also have to divert hundreds of billions of dollars from the Social Security lockbox. We said we shouldn't touch the Social Security surplus, and today I say to the Congressional majority – we don't have to do it.

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But so far, they have pursued a path that would force them to break that pledge. In fact, the same day I vetoed their budget-busting tax plan, they passed a bill out of committee that would not only seriously undermine our efforts to strengthen public education, but would also result in the spending of the Social Security surplus. Their education budget would eliminate our effort to hire quality teachers, reduce class size – it would deny hundreds of thousands of young people access to after-school programs. It fails to improve and expand Head Start, cuts the successful America Reads program and cuts educational technology – all at a time when we need to be doing more, not less to prepare our children and our nation for the challenges of the new global economy.

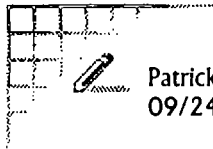
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Patrick M. Dorton
09/24/99 11:17:56 AM

Record Type: Record

To: Terry Edmonds/WHO/EOP@EOP, Samir Afridi/WHO/EOP@EOP

cc:

Subject: Rough radio address themes and info

Republicans are using all kinds of gimmicks to claim that they are not using the Social Security surplus.

--Fixing the books to make it look like \$12.7 billion in spending for next year Delaying/Pushing off next year's spending until for another year - *13th month* -

--Declaring routine \$1.1 billion in heating assistance an emergency

--Going back on a commitment made to the nation's governors Rescinding \$3 billion in welfare money promised to the states for ~~welfare reform~~ - *moving people from welfare to work*

--Even declaring the constitutionally-mandated Census an emergency

The House passed \$4 billion in funding for the census that they have designated as an emergency, even though the Constitution requires that we do a census every ten years like clockwork.

--Congress has directed scorekeeping adjustments - ~~instructions to CBO to count things as costing less - for defense, highways, and mass transit for a total of about \$11 billion according to CBO.~~

--In addition to that, they have chosen to assume spectrum auction sales to be \$2.6 billion more than CBO projected in its baseline.

--Since then, the House Labor-HHS subcommittee has designated the \$1.1 billion Low Income Energy Assistance Program as an emergency, even though winter comes pretty much every year.

--And that same subcommittee shifts from 2000 to 2001 \$3 billion in TANF funds that the States have promised.

--Some in Congress have proposed to rush agriculture money out the door in fiscal 1999 or push it back to 2001 to avoid the appearance of spending in fiscal year 2000.

--At one time some in Congress even proposed to delay needed tax refunds under EITC to low income working families who depend on those funds to .

 --**Proposing a totally unrealistic education budget that if enacted would dramatically underfund our nation's schools.** This education budget would

The bill eliminates our effort to hire quality teachers to reduce class size in the early grades. It denies hundreds of thousands of young people access to after-school programs, fails to improve and expand Head Start, cuts the successful America Reads program, cuts educational technology, and eliminates the GEAR UP program, which helps young people prepare early for success in college. It fails to give public schools the resources to succeed, and does nothing to demand accountability for results.

GOP Spending Bills Face Huge Hurdles

Critics Condemn 'Gimmicks,' Priorities

By ERIC PLANIN
and KAREN DEYOUNG
Washington Post Staff Writers

House Republicans yesterday began work on a giant fiscal 2000 labor, health and education measure that roughly matches this year's spending but guts the Clinton administration's education and job-training initiatives and relies heavily on creative budgetary tactics.

The bill, approved by appropriators along party lines, would torpedo President Clinton's plan to add 100,000 teachers to the nation's classrooms and would eliminate funds for Goals 2000, building improvements and a program to help youngsters prepare for college. Instead, the Republicans trimmed and consolidated those funds in a block grant program that has yet to be fully authorized.

With only a week before the start of the new fiscal year and a raft of difficult spending issues to resolve, congressional negotiators focused on many different fronts: The agriculture bill was deadlocked over whether to lift sanctions on Cuba; the defense bill was stalled over the F-22 fighter aircraft; and the foreign operations bill was hung up over international family planning.

The Republicans' biggest challenge, however, is likely to be striking a deal with the Democrats and the White House over the labor, health and education measure—the single largest domestic spending bill. House Republicans asserted yesterday that the measure addresses the nation's most urgent spending needs while fulfilling a GOP pledge not to dip into the Social Security trust fund.

"We are committed, all of us, to stop bleeding Social Security reserves," said Rep. John Edward Porter (R-Ill.), the subcommittee chairman who drafted the bill. "That takes some discipline."

But the \$315.9 billion bill stands virtually no chance of surviving in its present form, both sides agree, and drew sharp condemnation from congressional Democrats and a veto threat from the president.

Clinton said the bill "is proof that America's highest priority, improving our schools, remains the Republican Congress's lowest priority."

Critics complained that the bill is rife with "gimmicks" to try to skirt the restraints of the 1997 budget agreement and to mask the fact that Social Security surpluses are going to be used to finance some of the spending.

The bill treats \$12.5 billion for education, job training and Head Start as "advance spending" that does not count against the 2000 spending cap but instead would be distributed in the first month of 2001. About \$1.1 billion of energy assistance for low-income families is declared an "emergency."

The measure also frees additional funds by claiming \$3 billion in federal welfare payments the states have not spent. The National Governors' Association complained that Congress is reneging on its commitment to let the states spend that money as they choose.

The bill—which would provide \$89.3 billion in discretionary funds to finance agencies, with the remainder earmarked for entitlements—essentially would freeze discretionary spending at this year's level, or about \$2.2 billion below the president's request. It would provide \$1.1 billion more than Clinton sought for biomedical research at the National Institutes of Health and outspend his plan for community health centers and maternal and child-care grants to states.

Meanwhile, House and Senate conferees struggled to revive negotiations over a compromise agriculture spending bill, including \$8 billion in emergency aid to farmers, after reaching an impasse Wednesday on easing restrictions on food and medicine sales to Cuba. Negotiators rejected a House leadership version of the bill that effectively nullifies the Senate action in the summer to end the decades-old sanctions on Cuba.

Cuba is the only nation in the world for which food sales are under a blanket U.S. prohibition and medical sales are sharply restricted. The GOP leadership's inability to prevail on the Cuba measure—as well as a cross-party disagreement on milk pricing mechanisms—has dashed its hopes that the farm bill could be quickly passed this week.

Staff writer Juliet Eilperin contributed to this report.

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The Washington Post
 FRIDAY, SEPTEMBER 24, 1999

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Gov. Bush Outlines His Defense Policy

GOP Front-Runner Pushes Pay Hikes, High-Tech Weapons

By TERRY M. NEAL
Washington Post Staff Writer

CHARLESTON, S.C., Sept. 23—Texas Gov. George W. Bush (R) outlined the broad themes of his national defense policy today, vowing to accelerate the development of high-tech weaponry, increase military pay, develop an antimissile defense system and end the "back-to-back" troop deployments around the globe.

The speech at the Citadel, a public military college, was Bush's first foray into the areas of defense and foreign policy—areas where Democratic and Republican critics alike have questioned his credentials.

While Bush only mentioned "the administration" once in his 30-minute speech, he implicitly took dead aim at the White House. He said the Clinton administration had sapped military morale and stretched defense resources with a foreign policy that has placed

America in too many regional conflicts without clearly defining national interests.

"If elected, I will set three goals: I will renew the bond of trust between the American president and the American military," Bush said, before a crowd of several hundred cheering, uniformed, students and military officers. "I will defend the American people against missiles and terror. And I will begin creating the military of the next century."

Bush chose to give the speech in South Carolina because it has a large military presence and an early position on next year's primary and caucus calendar.

While Bush has experience in education and social issues as governor of the nation's second-most populous state, he has virtually none in defense or foreign policy, as his opponents have stressed. Bush has relied this year on advice from former advisers to his father, former president George Bush and

former president Ronald Reagan. Among them: Condoleezza Rice, Brent Scowcroft, Colin L. Powell, Richard B. Cheney, Paul Wolfowitz, George Shultz, Richard L. Armitage and Richard Perle.

The speech was designed to portray Bush as a tough, Reaganesque military hawk who would use the U.S. military's dominance to promote peace around the world. He emphasized more than once that he would not use the military as a permanent peacekeeping force and that countries such as China, Iraq, North Korea should be warned about threatening the United States: "Our first line of defense is a simple message. Every group or nation must know, if they sponsor such attacks, our response will be devastating."

The campaign of Vice President Gore responded before Bush had even delivered his speech. Gore spokesman Chris Lehane, playing off of two well-publicized Bush gaffes, said: "I think Governor

Bush's alleged foreign policy and defense expertise begins with Slovenia and ends with Slovakia."

On a more serious note, Lehane alleged that Bush's economic and defense policies would break the bank. Bush proposed committing an extra \$20 billion over five years for research and development of new weapons systems. He also said he would earmark 20 percent of the defense procurement budget for "acquisitions programs that propel America generations ahead

in military technology." And he said he would push for a \$1 billion per year increase in military salaries over the 4.8 percent increase recently approved by Congress.

But Rice, a Stanford University provost who is on leave and serving as Bush's top foreign policy adviser, said during a conference call that the current budget surplus would more than cover the cost of Bush's proposal, plus the proposed GOP tax cuts, with enough money left over to shore up Social Security.

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Bush saved some of his harshest criticism of the White House for U.S. troop deployments around the world. "This administration wants things both ways: To command great forces without supporting them," he said. "To launch today's new causes, with little thought of tomorrow's consequences."

Staff researcher Ben White in Washington contributed to this report.