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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

September 24, 1998

REMARKS BY THE PRESIDENT
ON INCOME AND POVERTY REPORT

The Rose Garden

12:20 P.M. EDT

THE PRESIDENT: She was terrific, wasn't she? Let's give her another hand. I thought she was great. Congressman Cardin, welcome. I know you're proud of your constituent here. Jessica, welcome. We're glad to see you. I think Congressman Blagojevich is here. We welcome him, along with Senator Ephraim Gonzalez, who is the President of National Hispanic Caucus of State Legislators; and Councilman Robert Cantana of Buffalo. Let me once again thank Monique for her remarkable statement and her even more remarkable life. I'm delighted to be joined here by our economic team -- by Erskine Bowles and Secretary Rubin, Secretary Herman, Gene Sperling, Jack Lew, Janet Yellen, Larry Summers. Their tireless, often literally sleepless work has been very instrumental in sparking and maintaining what soon will be the longest peacetime boom in American history.

Officials of the Census Bureau who are here today, I want to thank all of you. We're going to be talking a little bit about some Census Bureau statistics. Sometimes we take your hard work and statistics for granted. The fact is that you ensure that our democracy is truly representative. And let me say in that connection once again, Congress must not hamstring the Census Bureau's efforts to maintain the most up-to-date, accurate scientific methods to produce the year 2000 census. They deserve the chance to succeed. Monique Miskimon has shown us today once again that every American counts. That means that every American deserves to be counted.

Now, before I get into the details of the very positive economic report, which Monique and her daughter so vividly represent, I think we all want to say just a few words and reflect on the powerful impact of Hurricane Georges. In the Caribbean islands, businesses and homes have been swept away; tragically, many lives have been lost. Meanwhile, the projected track of the storm places the hurricane center over or near the Florida Keys late tonight or early tomorrow morning. As we speak, we're helping the people of Florida prepare for the hurricane. We've already sent assistance to Haiti and the Dominican Republic. Obviously, we're working with the officials in Puerto Rico and the Virgin Islands.

James Lee Witt, the Director of the Federal Emergency Management Agency, has informed me that FEMA's Region Six Emergency Response Team arrived in Tallahassee, Florida, at 10:00 a.m. this morning. Here in Washington, the FEMA Emergency Support Team is operating at Level One, its highest level, on a 24-hour basis.

Our support teams and our prayers are with those in the Caribbean as they begin to rebuild, and those in the Florida Keys as they brace for the impact of the storm. Now, as President, from my first day here, I have done my best to fulfill a commitment I made to the American people: first of all, to restore the reality of the American Dream -- of opportunity for all responsible citizens, of a community in which we all count and work together -- and secondly, to reclaim the future for our children, to strengthen our country for the century ahead.

To accomplish that mission, we began first with an economic strategy to shrink the deficit and balance the budget, to invest in the education and skills of our people, and to expand the export of American goods. The census report released this morning represents one more year's worth of compelling evidence that this economic strategy is working, and that there are lots more people out there like Monique Miskimon.

The report shows that last year the income of the typical American household grew at nearly twice the rate of inflation. Since we launched our economic plan in 1993, the typical family's real income has risen by more than \$3,500. That's an extra \$3,500 that hardworking families can put toward their children's education or a down payment on a first home. Income for typical African American and Hispanic families increased by more than \$1,000 last year alone.

This report also shows that our growing economy is giving more and more families a chance to work their way out of poverty. The poverty rate fell to 13.3 percent, and while we still have plenty of room for improvement, the African American poverty rate fell to another record low. Hispanic poverty saw the largest one-year drop in two decades. Child poverty has dropped in the past four years, more than in any four-year period in the last three decades. And the Earned Income Tax Credit, which Monique spoke of a moment ago, has raised more than 4 million people out of poverty in the last year alone.

The report this morning shows that economic growth continues to raise incomes, lift millions out of poverty, and extend opportunity. It also shows that we have more to do. Since 1993, every income group has benefitted from our nation's economic growth and the lowest 20 percent of our people in terms of income have had the highest percentage increases. That's the good news, after over 20 years of increasing inequality.

But that inequality is still too high, and it simply means there are too many American families out there working hard, doing everything we could possibly ask of them, and still having a hard time getting ahead. We have to use our prosperity and the confidence that it inspires to help our hardest pressed families and our hardest pressed communities to ensure economic growth for all Americans.

The most important thing we have to do, of course, is to maintain the economic strategy that got us here in the first place -- above all, the strict fiscal discipline that has given us low interest rates, low inflation, big investments and more jobs.

Exactly a week from today, we will have the first balanced budget and surplus since Neil Armstrong walked on the moon in 1969. Unfortunately, this week in the House of Representatives, the Republicans are moving forward with a proposal that drains the new surplus to pay for their tax plan. We can cut taxes. Indeed, my balanced budget includes targeted tax cuts for child care, for education, for environmental clean-up. But tax cuts must be paid for in full if we are to expand opportunity in the years to come.

I say again, we have been waiting for 29 years to see the red ink turn to black. We have a huge baby boom challenge coming when all the baby boomers retire. Social Security, as presently constituted, cannot sustain that retirement. We have to reform Social Security if we want to have it for our parents -- that's me, when the baby boomers retire -- without undermining the standard of living of our children and grandchildren.

So I say again, let us not get into this surplus we have worked for 29 years for -- or we've waited for 29 years for and worked for 6 years for. Let's don't get into that and spend it in an election year tax cut until we have saved Social Security for the 21st century, for the sake of our children and our grandchildren.

Second, we have to continue to invest in our people and lift them all up. I was deeply disappointed this week when 95 percent of the Republicans in the Senate voted not to raise the minimum wage. To reject an increase in the minimum wage when there are still so many people working full-time and raising children in poverty, when the unemployment rate and the inflation rate is so low, I believe is a mistake and sends the wrong signal to the American people.

I thank the 95 percent of the Democratic Caucus in the Senate who voted for the increase in the minimum wage. Working Americans deserve it. I'm disappointed, with only a week left in the fiscal year we rejected this, and I haven't quit fighting for it. I think eventually we will get it in the next several months; if we have to wait until next year, we will get it.

But I'm also disappointed -- as I said, a week from today we end the fiscal year and we start a new one. And there's still been no action in the Congress on our vital education investments. Indeed, what action there has been in the House of Representatives has been negative, has been a setback for education.

Congress should work with us to enact my plan, paid for in the balanced budget, to reduce class size to an average of 18 in the early grades; to hire 100,000 teachers to teach those children in smaller classes; to rebuild or to construct or repair 5,000 schools so our kids will have good, adequate, safe schools to attend; to hook up all of our classrooms -- all of them, even in the poorest neighborhoods -- to the Internet by the year 2000; to improve early literacy by funding the program to send volunteers in to make sure that every eight-year old can read; to lift our children's sights with voluntary national standards and clear means of measuring them.

Now, if we hope to maintain our economic growth well into the next generation, we have to give every American child a world-class elementary and secondary education.

So I say again, we've been here for months and months; there's just a week left in the budget year -- let's finally have action to improve our public schools and give all of our kids a world-class education.

The third thing I'd like to say is we have to continue to lead in the global economy if we want the American economy to continue to grow. We're enjoying unsurpassed economic prosperity, but all of you read the papers every day, you see the news at night, you know there are troubles elsewhere in the world. You know our friends in Asia and Russia are facing great turmoil. You know we're trying to keep our big trading partners and friends in Latin America from having the negative effect of that turmoil reach them even though they are pursuing good policies.

That's why it's important for Congress to fund our America's share of the International Monetary Fund, because the International Monetary Fund helps the countries that are helping themselves to return to growth, and serves as an insurance policy against having the financial crisis spread to the countries that are doing the right thing and keeping Americans at work by buying our products.

Again I say, there is no reason not to do this. We've only got a week left in the budget year. We've been talking about it all year long. The problem has only gotten worse. It is time now to say, we're doing this because it's what America owes as the world leader; and more importantly, we're doing it because it is absolutely necessary to keep American economic growth going.

Finally, let me say that with just a week left in this budget year, I'd still like to see the Congress pass a decent patients' bill of rights, one that covers -- (applause). Our bill would provide protections to all Americans, simple ones. If you get in an accident, you can go to the nearest emergency room, not be hauled to one halfway across town. If your doctor tells you you need to see a specialist, you can see one. If it comes down to a dispute about whether a medical procedure should or should not be applied, the decision should be made by a doctor, not an accountant. Your medical records ought to be protected in privacy. If your employer changes health care providers, it shouldn't affect you if you happen to be in the middle of a pregnancy or a chemotherapy treatment, or some other thing that would be entirely disruptive and dangerous and damaging to your health care if you had to change doctors in the middle of the procedure.

Now, we do that for everyone. The House passed a bill on a partisan vote, completely party-line vote, that doesn't protect 100 million people and doesn't provide any of those protections to the people that are covered. The Senate Majority Leader actually shut down business in the Senate a few days ago to keep them from voting for it, so they wouldn't be recorded -- they wouldn't be recorded as killing the patients' bill of rights -- but they could kill it and still satisfy the insurance companies that are doing their best to do it.

There's still time. We haven't broken for the election yet. We can still do the right thing by the American people. But we have to think about it, we have to focus on it, and we have to put our priorities where they ought to be.

I think it's worth fighting for the patients' bill of rights in the closing days of this congressional session.

Again, I want to thank the economic team here and our supporters in the Congress, including those who are here today, for giving more Americans a chance to live the story that Monique has told us about. I want to thank her for coming today and bringing her beautiful daughter. I know we all wish them well.

Our prayers are with the people who are about to be affected and those who have been affected by the hurricane. And I ask that all of us focus on using these last days of this congressional session to think about the American people, to think about our responsibilities, to think about what got us here over the last six years, and instead of departing from it, to bear down and build on it. That is my goal and that's what we ought to do.

Thank you very much.

Q Mr. President, do you see any way out of an impeachment inquiry?

THE PRESIDENT: Well, let me answer you this way: the right thing to do is for us all to focus on what's best for the American people. And the right thing for me to do is what I'm doing. I'm working on leading our country, and I'm working on healing my family.

And if you look at what we announced today, what does it tell you? It proves, number one, that the course we have followed has been the right course for America. That's what it proves. After six years, it can't be an accident anymore.

But the second thing it proves is that it is utterly foolish for people to be diverted or distracted from the urgent challenges still before us. I told you that we had a record -- a record low in African-American unemployment and poverty; a record low in the poverty rate for children, of African-American children. Do you know what that record low is? It's about 39 percent. In other words, it's breathtakingly high. That's just one statistic.

So what does that tell me? It tells me that the right thing to do is, if we all put progress over partisanship, put people over politics, put the American people first -- what would we do? Well, we would keep the budget balanced. We would save Social Security before we squandered the surplus. We would improve our schools. We would clean up our environment. We would pass the patients' bill of rights. And we would keep the economy going. That's what we would be focused on. That's what I am focused on. That's the way out.

The way out here -- and the only way out is for people in Washington to do what the folks in America want them to do, which is to take care of their concerns, their children, and their future. That's what I mean to do, and I'm going to do my best.

END

12:38 P.M. EDT

DRAFT

SEPTEMBER 29, 1999

5:30PM

Terry Edmonds

**REMARKS BY PRESIDENT WILLIAM J. CLINTON
INCOME AND POVERTY PROGRESS AND THE
SIGNING OF THE CONTINUING RESOLUTION
WHITE HOUSE BRIEFING ROOM
SEPTEMBER 30, 1999**

Good morning. Today, I want to talk about two developments affecting our economy and the progress we have made in making it stronger and more robust than it has been in a generation.

First the good news. Today, we have further evidence that our economic strategy of fiscal discipline, investment in our people, and expanded trade is working. In the 12 years before I became President, irresponsible policies in Washington quadrupled the national debt. Interest rates and unemployment were too high. Wages were stagnant and growth was slow. Vice President Gore and I came to office determined to change all that. And with the help of the American people we have seen a remarkable turn-around. In the past six-and-a-half years we have produced the longest peacetime expansion in history: 19.4 million jobs; the lowest unemployment in a generation, record-breaking levels of homeownership and low interest rates.

Today, I am pleased to announce that our strategy has led us to another economic milestone. In its annual report on income and poverty in America, the Census Bureau documents that typical household income rose \$xxxx in just one year – from \$xxxx in 1997 to \$xxxx in 1998, adjusted for inflation – resulting in the highest real median household income in history.

This is a xx percent increase over 1997, but more importantly, it means that American families now have more money in their paychecks and pockets for the things that matter most: sending their children to college, buying a home or purchasing a car.

The report also shows that since we launched our economic plan in 1993, median family income is also the highest it has ever been: It increased from \$xxxx in 1993 to \$xxxx in 1998. That's an extra \$xxxx that hardworking families can put towards their children's education or a downpayment on a new home.

There is also good news for those families working hard to lift themselves out of poverty. The report shows that the poverty rate fell to xx percent – that's the lowest poverty rate in America since 1979. While we still have room for improvement, the African American poverty rate is now at its lowest level since these statistics were first collected in 1959. It declined from xx percent in 1997 to xx percent last year.

Hispanic families are also faring better. The report shows the Hispanic poverty rate at its lowest level since 1979 – down from xx percent in 1997 to xx percent in 1998. In addition,

thanks to our expanded Earned Income Tax Credit, which is now under attack by some in Congress, more than xx million Americans have been lifted out of poverty.

It is clear, our economy is working for the American people and they want it to continue. Which brings me to my second point.

Today is the last day of the current fiscal year. But the Congress has not finished its work and sent me spending bills that reflect the commitments we have made to the American people – paying down the debt to keep interest rates low, protecting and strengthening Social Security and Medicare, and making vital investments in education, the environment, national security, biomedical research and other critical national priorities. Instead of sending me bills that reflect those priorities, yesterday they sent me a temporary spending measure that would keep the government running for three weeks.

A few minutes ago, before coming out here, I signed that bill. Not because I wanted to, but because it was the only way to prevent another government shutdown. The problem is that the Congressional majority simply cannot find a way to adequately fund America's real priorities, without spending large amounts of the Social Security surplus – something we all agreed we shouldn't and didn't have to do. A month ago, the Congressional Budget Office estimated that the Republicans had used at least \$16 billion of the surplus for Social Security and steps they have taken since then have only made it go higher.

At the same time, they are still not providing nearly enough for education and other vital priorities. Their budget would turn its back on our efforts to hire 100,000 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 program which is designed to get poor children into college. It cuts the successful America Reads program, which now involves students from a thousand colleges helping tens of thousands of our young people with reading. It cuts our efforts to connect all our classrooms and schools to the Internet by the year 2000. And it fails to fund our plan to fix up and modernize 6,000 schools.

Now, I want to say to the Congressional majority, you don't need to take three more weeks to do this right. Let's not forget, we work for the American people. They sent us here to do a job. The average American worker gets paid every two weeks. I believe, if we put aside partisanship and gamesmanship we can finish our work before their next pay day.

So, today, I am renewing my call for the Congressional majority to work with us to create a budget that pays for itself with straightforward proposals like our tobacco policy. Abandon budgetary gimmicks like designating the fully predictable census as "emergency spending." Or delaying Earned Income Tax Credit payments to nearly 20 million families. This is tantamount to a tax increase on working families.

There is a better way. We can build on our historic economic prosperity by eliminating the public debt by the year 2015, while strengthening Social Security and Medicare and maintaining key investments like education and providing targeted tax relief to help working families save for retirement.

As I have said before, we must do first things first. That means protecting the Social Security surplus and shoring up its trust funds so that this vital program is there for generations of older Americans to come. A week ago today, when I vetoed the Republicans' risky and bloated tax bill, I called for the Congress to work with me to meet our nation's long-term challenges, the first of which is saving Social Security. I noted then that the Congressional majority's current plan and its so-called lock box would fail to protect the Social Security surplus from being spent, and it would not add a day to the Social Security Trust Fund. I asked the Congress to work with me to construct a real lockbox that not only devotes the entire surplus to debt reduction, but that would also extend the life of Social Security until the middle of the next century. Today, I am sending legislation to the Congress to accomplish that goal.

My plan calls for devoting all current-law Social Security surpluses – an estimated 3.1 trillion – to be devoted solely to debt reduction and national savings. As an added protection, the receipts and outlays of the Social Security Trust Fund would be taken out of the budget. And there would be tough protections to ensure that the Social Security surpluses can not be used for any purpose other than Social Security. This is something the Republican lockbox plan fails to do.

So, I say to the Congress, go back to work. Take the next two weeks to finish the job the American people sent us to do. Then send me a budget that honors our priorities and protects Social Security. If we can work together to meet these objectives, we can also work together to pass affordable middle class tax relief that reflects the priorities of both parties and the values of the American people.

Thank you.

9/29/99
5:30 PM

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There is a better way. We can build on our historic economic prosperity by eliminating the public debt by the year 2015, while strengthening Social Security and Medicare and maintaining key investments like education and providing targeted tax relief to help working families save for retirement.

As I have said before, we must do first things first. That means protecting the Social Security surplus and shoring up its trust funds so that this vital program is there for generations of older Americans to come. A week ago today, when I vetoed the Republicans' risky and bloated tax bill, I called for the Congress to work with me to meet our nation's long-term challenges, the first of which is saving Social Security. I noted then that the Congressional

majority's current plan and its so-called lock box would fail to protect the Social Security surplus from being spent, and it would not add a day to the Social Security Trust Fund. I asked the Congress to work with me to construct a real lockbox that not only devotes the entire surplus to debt reduction, but that would also extend the life of Social Security until the middle of the next century. Today, I am sending legislation to the Congress to accomplish that goal.

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So, I say to the Congress, go back to work. Take the next two weeks to finish the job the American people sent us to do. Then send me a budget that honors our priorities and protects Social Security. If we can work together to meet these objectives, we can also work together to pass affordable middle class tax relief that reflects the priorities of both parties and the values of the American people.

Thank you.

**REMARKS BY PRESIDENT WILLIAM J. CLINTON
INCOME AND POVERTY PROGRESS AND THE
SIGNING OF THE CONTINUING RESOLUTION
WHITE HOUSE BRIEFING ROOM
SEPTEMBER 30, 1999**

Good morning. Today, I want to talk about two developments affecting our economy and the progress we have made in making it stronger and more robust than it has been in a generation.

First the good news. Today, we have further evidence that our economic strategy of fiscal discipline, investment in our people, and expanded trade is working. In the 12 years before I became President, irresponsible policies in Washington quadrupled the national debt. Interest rates and unemployment were too high. Wages were stagnant and growth was slow. Vice President Gore and I came to office determined to change all that. And with the help of the American people we have seen a remarkable turn-around. In the past six-and-a-half years we have produced the longest peacetime expansion in history: 19.4 million jobs; the lowest unemployment in a generation, record-breaking levels of homeownership and low interest rates.

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The report also shows that since we launched our economic plan in 1993, median family income is also the highest it has ever been: It increased from \$xxxx in 1993 to \$xxxx in 1998. That's an extra \$xxxx that hardworking families can put towards their children's education or a downpayment on a new home.

There is also good news for those families working hard to lift themselves out of poverty. The report shows that the poverty rate fell to xx percent – that's the lowest poverty rate in America since 1979. While we still have room for improvement, the African American poverty rate is now at its lowest level since these statistics were first collected in 1959. It declined from xx percent in 1997 to xx percent last year.

Hispanic families are also faring better. The report shows the Hispanic poverty rate at its lowest level since 1979 – down from xx percent in 1997 to xx percent in 1998. In addition, thanks to our expanded Earned Income Tax Credit, which is now under attack by some in Congress, more than xx million Americans have been lifted out of poverty.

It is clear, our economy is working for the American people and they want it to continue. Which brings me to my second point.

Today is the last day of the current fiscal year. But the Congress has not finished its work and sent me spending bills that reflect the commitments we have made to the American people – paying down the debt to keep interest rates low, protecting and strengthening Social Security and Medicare, and making vital investments in education, the environment, national security, biomedical research and other critical national priorities. Instead of sending me bills that reflect those priorities, yesterday they sent me a temporary spending measure that would keep the government running for three weeks.

A few minutes ago, before coming out here, I signed that bill. Not because I wanted to, but because it was the only way to prevent another government shutdown. The problem is that the Congressional majority simply cannot find a way to adequately fund America's real priorities, without spending large amounts of the Social Security surplus – something we all agreed we shouldn't and didn't have to do. A month ago, the Congressional Budget Office estimated that the Republicans had used at least \$16 billion of the surplus for Social Security and steps they have taken since then have only made it go higher.

At the same time, they are still not providing nearly enough for education and other vital priorities. Their budget would turn its back on our efforts to hire 100,000 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 program which is designed to get poor children into college. It cuts the successful America Reads program, which now involves students from a thousand colleges helping tens of thousands of our young people with reading. It cuts our efforts to connect all our classrooms and schools to the Internet by the year 2000. And it fails to fund our plan to fix up and modernize 6,000 schools.

Now, I want to say to the Congressional majority, you don't need to take three more weeks to do this right. Let's not forget, we work for the American people. They sent us here to do a job. The average American worker gets paid every two weeks. I believe, if we put aside partisanship and gamesmanship we can finish our work before their next pay day.

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There is a better way. We can build on our historic economic prosperity by eliminating the public debt by the year 2015, while strengthening Social Security and Medicare and maintaining key investments like education and providing targeted tax relief to help working families save for retirement.

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Thank you.

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

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

WSJ headline
month ago
CBO -
showed
\$16 billion
from
SS surplus
going deeper
no surpluses

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. 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.

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. 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.

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.

WSJ - sink

nothing is
clear -
they are

even their
own CBO -
Rep committed

to me
they
won't spend
SS surplus
even their
own CBO

Better way.
3 things

1. do up
2. SS

3. Medicare

lawyer please
Chair with
alcohol
discussion
no one
should

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.

Thanks for listening.

this year, with growing surpluses projected for years to come.

The American people understand that these are not simply numbers on charts. The progress we've made is something they see and feel every day -- in more jobs, higher paychecks, HOPE scholarships that help send their children to college, lower interest rates for owning a home and buying a car. This is the right course for our people, and our nation. It is making a difference in the lives of Americans. And they want us to stay on it.

Our hard-won prosperity gives us, also, the chance to do something few people ever have -- the chance to invest our surplus to meet the long-term challenges of America. We can lift the burden of debt from the shoulders of the next generation. We can secure the future of Social Security and Medicare. We can ensure a first-rate education and modern schools for our children.

Unfortunately, the tax bill Congress has sent me would deny those opportunities to the American people. The bill is too big, too bloated, places too great a burden on America's economy. It would force drastic cuts in education, health care and other vital areas. It would cripple our ability to pay down the debt. It would not add a day to the Social Security trust fund. It would not add a day to the Medicare trust fund, or modernize Medicare with prescription drug coverage. Nearly a trillion dollars in tax cuts, but not one dollar for Medicare. I will veto this bill because it is wrong for Medicare, wrong for Social Security, wrong for education, and wrong for the economy.

Now, in the face of my determination to do this, many in Congress seem ready to throw in the towel. That would be a disservice to the American people. They sent us all here to get things done. And we have proved in the past, with the Welfare Reform bill of 1996 and the Balanced Budget Act of 1997, that we can work together to get things done and bring good results to our country. So, instead, I ask Congress not to go home until we have worked together once again, in a good-faith effort to meet the long-term challenges our people face.

First, let's reach a bipartisan agreement to save Social Security. The congressional majority's current plan and its so-called lockbox would fail to protect the Social Security surplus from being spent, and it would not add a day to the Social Security trust fund. Instead of this weak lockbox and no additions to the trust fund, I ask Congress to work with me to construct a real lockbox that would keep Social Security solvent until the year 2050.

Second, let's work together to save Medicare. With Medicare facing insolvency in just 16 years and with three out of four seniors lacking dependable, affordable prescription drug coverage, we know we must not put off this challenge. Months ago, I put forth a detailed plan for Medicare that would reform and modernize it with a voluntary prescription drug benefit. It would address the immediate, critical needs of teaching hospitals, skilled nursing facilities and other priorities while extending Medicare's solvency to the year 2027.

Now, I don't expect the Republican majority to agree with me on every detail of my plan; I never thought that would be the case. But I do expect, and the American people have a right to expect, that we will work together in good faith to meet these long-term objectives.

Third, we should fulfill our obligations to the future by producing a real budget that pays down the debt, brings down interest rates, and makes vital investments in education, the environment, national security, biomedical research, health care, and other areas so vital to our future.

If we do this, within the framework I have outlined, we can not only invest in our future, we can

pay down America's debt over the next 15 years and make our country debt-free for the first time since Andrew Jackson was here and planted that big magnolia tree in 1835. (Applause.)

So I say again, let's do first things first: pay down the debt, save Social Security, save and modernize Medicare, invest in education.

In the days ahead, I will ask the Republican majority to work with me to fulfill these fundamental obligations we have to our children and to our future. If we can work together to meet these objectives, we can also work together to pass tax relief we can afford -- affordable, middle-class tax relief that reflects the priorities of both parties and the values of the American people. That would be a good bill I would happily sign.

Every generation of Americans is called upon to meet the challenges of its time. But few have the unprecedented opportunity we have -- to meet the challenges not only of our time, but the great challenges of our future. We must seize that opportunity.

Thank you very much. (Applause.)

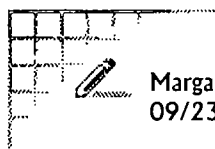
(The veto is signed.)

Thank you. (Applause.)

END

11:23 A.M. EDT

Message Sent To: _____



Margaret M. Suntum
09/23/99 11:47:08 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: remarks of the President at signing of veto of tax bill

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 23, 1999

REMARKS BY THE PRESIDENT ON SIGNING VETO OF TAX BILL

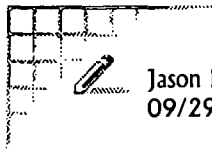
The Rose Garden

11:10 A.M. EDT

THE PRESIDENT: Good morning. Thank you very much. Please be seated. Thank you and good morning. As all of you know, Congress has sent me the tax bill I have repeatedly pledged to veto. In a moment, I will do that because, at a time when America is moving in the right direction, this bill would turn us back to the failed policies of the past.

In the 12 years before I became President, irresponsible policies in Washington piled deficit upon deficit, quadrupling the national debt, leading to high interest rates, eventually bringing us the worst recession since the Great Depression. Interest rates and unemployment were too high, wages were stagnant, growth was slow.

Vice President Gore and I came into office determined to change all that with a new economic strategy focused on fiscal discipline, expanded trade, investment in our people. The strategy has worked. In the past six and a half years, it has produced lower interest rates and ushered in the longest peacetime expansion in our history, with more than 19 million new jobs, rising wages, the lowest unemployment in a generation, and record-breaking levels of home ownership. And by balancing the budget for the first time in a generation, we have changed red ink to black, turning a deficit of \$290 billion into a budget surplus of \$99 billion



Jason Furman
09/29/99 01:13:33 PM

Record Type: Record

To: Terry Edmonds/WHO/EOP@EOP
cc: Patrick M. Dorton/OPD/EOP@EOP
Subject: Draft Podesta letter on Lockbox

This was never sent. It did get lots of input from Gene, Joel, OMB, and many others. You can probably



steal stuff from it. podestaletter.9.16c.doc

Also OMB sent me the following sentences on EITC delay. They're not very poetic, but they explain the main points:

EITC Refund Delay. There are reports that the House Appropriations Committee might offset Labor/HHS spending by paying EITC refunds on a monthly basis rather than as a lump sum. The Administration strongly opposes any proposal to delay EITC refunds. Delaying these refunds amounts to a tax increase on those least able to afford it -- working families who rely on EITC payments to meet basic expenses. EITC refunds belong to taxpayers, not the government, and should be paid promptly to up to 20 million working families who are entitled to them.

September 17, 1999

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515-6501

Dear Mr. Speaker:

Thank you for your letter on behalf of the Republican Leadership. I appreciate this opportunity to respond to the matters you raised.

As you know, it was the President who initiated the national challenge to "Save Social Security First" in his 1998 State of the Union Address. While the President agrees that a "lockbox" is the most effective way to ensure that the Social Security surplus is not spent, he prefers a proposal free of loopholes such as those contained in some congressional proposals. The President's budget plan would extend the solvency of Social Security by dedicating the interest savings from debt reduction to the Social Security Trust Fund. The fact is that by itself your lockbox would fail to extend Medicare or Social Security solvency by a single day.

Worse still, the very credibility of your lockbox is strained beyond repair by an exploding tax cut that would cost \$1 trillion over the next decade and, if continued, would cost \$4 trillion just when the first baby boomers retire, Medicare becomes insolvent, and Social Security comes under strain. This exploding tax cut would inevitably drain hundreds of billions of dollars from the Social Security surplus at just the time when the Nation can least afford it.

Today we have a historic opportunity to eliminate the debt by 2015, while strengthening Social Security and Medicare, investing in priorities like education, and providing targeted tax relief to help working families save for retirement. We have this opportunity because of the tough decisions made by President Clinton and Congress in 1993 and 1997. As a result, today the debt is \$1.7 trillion less than it was projected to be when President Clinton assumed office. Continuing balanced and responsible policies, is the only credible way to build on our progress and pay down the debt. Your exploding

tax cut would reverse our course of fiscal discipline and risk leaving America permanently in debt.

A central tenet of the President's approach is not only extending the life of the Social Security Trust Fund in the future, but protecting the Trust Fund today. The President's plan does both. By contrast, although professing a desire to protect the Social Security Trust Fund, some Republicans have even confessed to a conscious strategy to force the use of the Social Security surplus this year purely in order to gain partisan political advantage.

We can and should meet our obligations without spending from the Social Security Trust Fund. The President has proposed responsible offsets to prevent spending the Social Security surplus. For example, by increasing the price of tobacco, we can maintain our fiscal discipline while preventing millions of children from becoming smokers. Instead of adopting this proposal, you reportedly are considering a measure that effectively raises taxes on millions of working families by delaying their Earned Income Tax Credit. In addition, Congress is resorting to the use of budgetary gimmicks -- including the designation of the fully predictable and constitutionally-mandated census as "emergency" spending.

Your letter inquires specifically about funding for Kosovo. Just as we have protected the Social Security surplus in the President's FY 2000 budget, we will not put forth policies -- on Kosovo, or any other additional needs for 2000 -- which would result in spending the Social Security surplus.

The President has proposed a budget plan that would strengthen Social Security for the 21st century. We remain committed to reserving the entire Social Security surplus for debt reduction and Social Security and to working with you on a budget that accomplishes this goal while strengthening and modernizing Medicare.

Sincerely,

John Podesta
Chief of Staff to the President

SOCIAL SECURITY LOCK BOX PROTECTS TRUST FUNDS AND STRENGTHENS SOLVENCY

Building on a Commitment To Save Social Security First: In the State of the Union Address, the President called for locking the entire amount of the Social Security surplus over the next 15 years for debt reduction and higher returns for Social Security. Stronger budgetary numbers now allow us to lock in the entire amount of the Social Security surplus *each and every year*, while still maintaining enough funding to strengthen and extend the solvency of Medicare, make needed discretionary investments, and provide targeted tax cuts.

A Basis To Build On: While the President's framework extends Social Security solvency to 2053, he remains committed to working together with Congress in a bi-partisan fashion to enact reforms to make Social Security solvent for 75 years.

The President therefore calls for a new Social Security lock box that:

- ensures that each year all payroll taxes go to savings and debt reduction for Social Security;
- after a decade of debt reduction from the Social Security lock box, dedicates the interest savings resulting from that debt reduction to extend the solvency of Social Security; and
- provides the basis for bipartisan agreement on debt reduction and Social Security.

How the Social Security Lock Box Would Work:

- (1) All current-law Social Security surpluses – an estimated \$3.1 trillion -- would be devoted solely to debt reduction and national savings.
- (2) As an added protection, the receipts and outlays of the Social Security Trust Fund would be taken out of the budget.
- (3) There will be tough protections, including maintaining the pay/go rules to ensure that the Social Security surpluses can not be used for any purpose other than Social Security.
- (4) After a decade of fiscal responsibility, annual interest savings from that cumulative debt reduction would be transferred to the Social Security Trust Fund, instead of being diverted to other spending and tax priorities. For example, by 2011 we will have reduced the debt by a projected \$2.1 trillion, yielding projected interest savings in that year of \$107 billion. This amount will be transferred to Social Security.

EITC Guidance
September 29, 1999

What is your reaction to the Republican EITC proposal to delay EITC payments

- The proposal to spread out payments of refunds of the EITC to working families over 12 months is tantamount to a tax increase.
 - Families that would have saved their refunds will lose the interest that they would otherwise have earned.
 - Families that would have used the money to pay off debt will be able to retire less debt because they will incur more interest expense.
 - Families that would have used the money to purchase a consumer durable such as a car will have to take out larger loans to do it.
- To get themselves out of the budget mess they created, Republicans are taxing nearly 20 million working families across the country. This is a real statement of their priorities.

Background On Congressional Proposal to Delay EITC Refunds

- News reports quote Arney as saying that reports that House Republicans plan to delay EITC payments next year as part of the Labor-HHS appropriations bill.
 - Details of the proposal are sketchy, but apparently the IRS would be required to pay EITC refunds in monthly installments over a twelve-month period. According to Congressional aides, taxpayers would also not be allowed to claim advance payments of the EITC through their employers for tax year 2000.
 - As a result, about a quarter of EITC refunds – roughly \$7 billion – for tax year 1999 would be pushed into FY 2001, according to Treasury. (Press reports cite an estimate of \$8 billion.)
- The proposal would impose a **tax increase on up to 20 million working families** who expect to receive the full amount of the credit when they file their tax return next winter and spring. No other group of taxpayers is being asked to delay receipt of their tax refund.
- **It would be very difficult, if not impossible, for the IRS to implement this proposal.** At this late date, the IRS may not be able to change its computer programs for the next filing season in order to pay out EITC refunds separately or any tax refund in installments.
- Nearly 20 million low and moderate-income taxpayers will claim the EITC on 1999 tax returns. They will claim an average EITC of \$1,610. Those with children will receive, on average, an EITC of \$1,890. Most EITC claimants have income below \$30,000. Nearly all EITC payments are made during the filing season.

- Most claimants chose to receive the EITC at the end of the year in a lump-sum payment, rather than advance payments during the course of the year. They have made decisions about personal saving and consumption on the expectation of a large refund this spring.
- Some may have planned to purchase a car or move to a better apartment when they receive their EITC refunds. Others have borrowed money in the expectation of receiving an EITC refund at the end of the year. Receiving the EITC in monthly payments will disrupt those plans, and in some cases, impose further costs on taxpayers who do not have other resources to fall back upon.
- By choosing to receive the EITC at the end of the year, low-income taxpayers have already made a significant interest-free loan to the government. Delaying the refund further is, in effect, demanding that low-income taxpayers extend the loan to the government.
 - Many low-income taxpayers, caught by surprise by the delay of their refund, may have to borrow money from private sources. There is already a sizable refund-anticipation loan market, which often charges high interest rates to low-income taxpayers who seek to receive their EITC refund in advance. Delaying refunds will push more low-income taxpayers into the refund anticipation loan market.
- The IRS may not be able to cut twelve separate refund checks for EITC claimants.
 - Right now, the IRS is completing its testing of computer programs for the next filing season. These programs are not set up to pay out the portion of refunds attributable to the EITC separately or to make installment payments of any refund amount. At this late date, there is not sufficient time to develop and adequately test new programs.
 - These programming changes would come on top of IRS efforts to meet the Y2K challenge.
- The IRS will have special problems tracking down EITC recipients who move during the course of the year. Under the proposal, there will be 12 opportunities for a refund check to be misdirected, causing further hardship for the EITC recipients and increasing the IRS's processing costs.
 - Low-income working people are more apt to move during the course of the year than those with higher incomes.

A Tax Increase on Working Families

The proposal to spread out payments of refunds of the EITC to working families over 12 months is tantamount to a tax increase.

- Families that would have saved their refunds will lose the interest that they would otherwise have earned.
- Families that would have used the money to pay off debt will be able to retire less debt because they will incur more interest expense.
- Families that would have used the money to purchase a consumer durable such as a car will have to take out larger loans to do it.

Examples:

1. A couple with two children earning \$10,000 is planning to use their \$3,816 EITC to purchase a used car to get to work. Because the payments will be delayed over 12 months, they will have to get a loan at 10 percent interest. As a result, they will only be able to afford a car costing \$3,617. Spreading out the EITC is tantamount to a tax of almost \$200 to this family.
2. A single parent with one child and income of \$20,000 expects to use their \$1,103 refund to pay off her credit card debt. If she receives the EITC in installments, she will have to pay interest at 18 percent. As a result of the interest costs, she will end the year with \$208 of unpaid debt. That \$208 is effectively an additional tax.
3. For the typical EITC household, which receives a credit of \$1,890, the interest free loan to the government costs them almost \$100 assuming a ten percent interest rate. At higher interest rates, it costs them even more.

LINDA RICCI

09/24/99 08:30:02 PM

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 **Megan C. Moloney**

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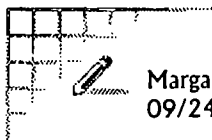
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 25, 1999

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Hill Passes Temporary Spending Bill

By Eric Pianin and Juliet Eilperin
 Washington Post Staff Writers
 Wednesday, September 29, 1999; Page A1

The Republican-controlled Congress voted yesterday for a temporary spending measure that would keep the government open for another three weeks as it tries to resolve internal differences over defense and education spending and other issues in next year's budget.

But lawmakers remained locked on a confrontational course with President Clinton, who has indicated he would veto five or more spending bills because of concern over GOP spending and policy priorities. Just yesterday, the president vetoed the D.C. appropriations bill because of restrictions on local officials added by congressional Republicans.

As they struggle to put together a spending plan for next year, the White House and GOP lawmakers are far apart on numerous issues. Perhaps the biggest differences involve Republican efforts to attack the president's signature education and social policy initiatives, such as hiring 100,000 new teachers and the AmeriCorps public service program.

Numerous other presidential irritants litter the spending bills under consideration in Congress: The GOP has axed Clinton's request for funding for the Wye River peace accords, cut funds for low-income housing, inserted numerous provisions that



Sen. Ted Stevens (R-Alaska).
 (The Post)

From The Post
Bargaining Minimum
Wage Hike for Tax Cuts
(Sept. 28)

House Panel Backs Popular
Tax Credits' Renewal (Sept. 25)

Clinton Vetoes GOP Tax
Cut Bill (Sept. 24)

Hill GOP Leaders Try to
Avoid Shutdown (Sept. 23)

As Surplus Grows,
Agencies Feel Pinch as
Never Before (Sept. 21)

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Transcripts:
GOP Reps. Ehrlich, Watts,
McIntosh, Portman and
Thune on the Republican
tax plan.

Democratic Reps. Frost and
Cardin discussed the
Democratic side.

presidential aides say would weaken environmental protections and revived a plan to delay the benefits of an earned income tax credit for the working poor.

**White House spokesman
Barry Toiv discussed the
White House position.**

Negotiating over such issues may prove especially troublesome this year because of GOP determination to avoid a massive year-end spending bill. Convinced that they gave away the store to Clinton during budget talks last year, congressional leaders stressed yesterday they would take a piecemeal approach this time, responding to specific concerns of the administration without seeking any comprehensive budget deal.

"Last year was a horrendous mistake of sitting down the president in a summit situation," House Majority Whip Tom DeLay (R-Tex.) said during an appearance at the conservative Heritage Foundation. "He's trying to push us there right now. We're not going."

But House and Senate Democratic leaders said the Republicans are making a serious mistake by trying to pass the spending bills on their own, and urged them to meet with White House officials and the Democrats to fashion a more bipartisan spending approach.

"We need to stop the music" and work out a new budget plan, declared House Minority Leader Richard A. Gephardt (D-Mo.). Senate Minority Leader Thomas A. Daschle (D-S.D.) said the Republicans are "digging themselves a hole that gets deeper and deeper."

Yesterday the House and Senate approved a "continuing resolution" to keep the government afloat through Oct. 21. The House approved the measure 421 to 2, and the Senate followed with a 98 to 1 vote -- with Sen. John D. Ashcroft (R-Mo.) voting no and Republican John McCain (R-Ariz.) absent. The White House said Clinton will sign the resolution.

With the new fiscal year scheduled to begin Friday, the move essentially buys more time for all parties to come to a consensus on next year's spending bills, without a politically embarrassing government shutdown. Congress has finished work on only five of the 13 annual spending bills, and only one of them, military construction, has been signed into law.

Complicating the effort to reach agreement on such bills is the looming 2000 election, in which control of Congress and the presidency will be up for grabs, and both parties are maneuvering for maximum political advantage.

House Republicans, for instance, are considering a multimillion-dollar ad campaign attacking Clinton and the Democrats for raiding the Social Security program to finance their

spending initiatives. To try to buttress that point, the House voted 417 to 2 for a nonbinding, Republican measure urging lawmakers not to spend surplus Social Security funds on the other operations of government.

But Democrats belittled the GOP efforts, repeatedly touting a letter from the nonpartisan Congressional Budget Office indicating that the Republicans' spending policies already have eaten into next year's Social Security surplus and that as much as \$27 billion may be consumed.

Rep. John M. Spratt Jr. (S.C.), the ranking Democrat on the House Budget Committee, said the Republicans' claim to be safeguarding the Social Security surplus was a "subterfuge" and a vain effort "to shift blame for failure."

Congress did make some progress on spending measures yesterday, reaching a compromise on the agricultural appropriations bill that would include \$8.7 billion in emergency aid and drought relief for farmers. GOP leaders, however, did not go along with two provisions sought by farmers in some parts of the country, one lifting sanctions on food exports to Cuba and the other trying to help dairy farmers in the South and Northeast. A federal judge in Vermont, however, temporarily stopped new milk price rules that are opposed by the southern and northeastern dairy producers from taking effect on Friday. (Details, Page A16).

The decision on the dairy issue by House and Senate leaders, who declined to even call negotiators back in session to approve the agreement, left such northeastern lawmakers as Rep. James T. Walsh (R-N.Y.) bitter.

"They just said, 'We're going forward, with or without you,' " Walsh said. "It's insulting." While spending differences between the two branches pose the greatest obstacle toward reaching a compromise, other factors could complicate a final budget agreement.

Lawmakers have attached an array of provisions affecting the environment to several bills, including measures preventing the administration from collecting higher royalties from oil companies, allow mining companies to dump more waste on federal lands, defunding international efforts to fight ozone depletion, and giving agencies the right to allow logging and road-building in national forests without first conducting wildlife surveys.

The administration has indicated it will veto the Interior and VA-HUD bills because of these provisions, known as "riders," and Democrats predicted Clinton would follow through on these threats.

"The administration is determined this year to be very tough," Rep.

David R. Obey (D-Wis.) said of the environmental disputes. "They'll give when they don't think it hurts, but they're not going to give when they think they've got something important to defend."

House Majority Leader Richard K. Arney (R-Tex.), however, questioned why Clinton would risk jeopardizing the otherwise popular transportation spending bill by objecting to a provision blocking stricter emissions standards for light trucks and sports utility vehicles.

"We've already denied every soccer mom in the world her station wagon. Now we're going to deny her an SUV?" Arney asked.

Staff writers Helen Dewar and Charles Babington contributed to this report.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 29, 1997

REMARKS BY THE PRESIDENT
ON INCOME AND POVERTY REPORT

The Briefing Room

11:03 A.M. EDT

THE PRESIDENT: I don't know if I can go on. (Laughter.)

Good morning. This Friday will mark the sixth anniversary of the day I announced my intention to run for President of the United States. On that day, I challenged America to embrace an urgent mission for the 21st century, to preserve the American Dream, restore the hopes of the forgotten middle class, and reclaim the future for our children.

As President, I have worked hard to set America on that track, to fulfill that mission, putting in place a bold strategy to shrink the deficit, invest in our people, and expand the sales of America's products and services abroad. I am pleased to announce today that we have more evidence that our economic strategy is succeeding.

This morning, the Census Bureau released its annual Survey of Income and Poverty in America. It shows that last year the typical family benefitted from a significant increase in income for the third year in a row. Since we launched our economic plan in 1993, the typical family's annual income has risen by nearly \$2,200 a year. That's an extra \$2,200 that hard-working families can put toward their children's education, a down payment on a home, or even a much needed vacation. After years and years of stagnant family incomes, today's report proves that America's middle class, no longer forgotten, is rising fast.

It should be noted that these figures do not reflect several other dividends of prosperity we have delivered for the American people. They don't reflect the \$500 per child tax credit, the \$1,500 HOPE Scholarship, the education IRAs, the real benefits of lower interest rates and mortgage costs worth \$1,000 a year or more to millions of homeowners.

And rising incomes are also lifting families out of poverty. The report shows that while there is clearly much more to be done, the African American poverty rate has fallen to its lowest level ever; the income of the typical Hispanic household grew more last year than in any single year on record; the child poverty rate has dropped in the past three years, more than in any three-year period since the 1960s. And the earned income tax credit, which we have dramatically expanded and then fought hard to preserve, has raised more than 4 million people out of poverty last year.

The report also shows we have more to do to extend opportunity to all Americans. Starting in the 1970s income inequality rose sharply. Now, it has stabilized. Since 1993, every income group has seen its income rise, with those in the lowest 20 percent showing the fastest gains -- thanks, in part, to the minimum wage, to more jobs, and to the

earned income tax credit, which is not measured in the statistics. But we still have to do more to grow together in the 21st century.

Let me say that this report also underscores another important challenge, one that I have been concerned about for a long time. Last year, there were 800,000 more children without health insurance than the year before. However, thank goodness, many of these children will now be eligible for coverage under the balanced budget's historic \$24 billion child health initiative, which takes effect this week.

Two years ago we were fighting hard to save Medicaid's guarantee to 4 million children. Now we're looking forward to extending child health insurance to another 5 million children. We have to work together to encourage the states to take full advantage of this opportunity and to make sure that the funds are spent actually insuring children who do not have health insurance today.

To ensure that all our people benefit from the growing economy we also have to make sure that our people have access to the world's best education, with high standards in the basics. And we have to address the pressing issue of child care. That is another thing that would help to alleviate pressures on middle and lower income working families' households.

The first ever White House Conference on Child Care will be held later this fall. It will focus on how we can help parents to succeed at home and work through quality, affordable child care. In all these ways we can continue to fulfill what I started out to do six years ago -- preserving the American Dream, restoring the middle class, reclaiming the future for our children. But this is good news. And now, Janet Yellen and Gene Sperling will be able to answer questions about the details of the proposals. Thank you.

Q What do you think is the chance of getting campaign finance reform through this session this year?

THE PRESIDENT: Well, I hope it's good. It's certainly better than it was a month ago. Obviously, there is still strong opposition to it in the leadership of the Republican Party and they're in the majority in Congress. But I've seen some encouraging signs in the Senate and, frankly, I've seen some encouraging signs in the House with some Republican members willing to speak up and say that we ought to do something. So I'm quite hopeful that we will get something.

I know this -- if we just -- the way these things work, if we can succeed in keeping the public spotlight on the debate, then the pressure will build to come out with something positive. And I have done what I could and I'm very proud of our caucus in the Senate for doing what it has done. The Democrats have clearly come out unanimously for some -- for campaign finance reform. And we've just go to keep the public spotlight on this and keep going until we get legislation.

Q Mr. President, many states -- California, Texas, Florida -- acknowledge that they're going to fail the first real test of the new welfare law, the requirement that they have 75 percent of two-parent welfare families in jobs and job training by this week. Will HHS impose fines that -- on the states? And what does it shake your confidence, this failure -- shake your confidence in the new welfare law?

THE PRESIDENT: No, because, first of all -- let me answer the second question first. It doesn't shake my confidence in the law, because we have succeeded, I think, beyond anybody's expectations, partly from the growing economy and partly from welfare reform efforts, in reducing the welfare rolls more than they have ever been reduced in a comparable time period, ever.

We've had 20 years of immigration in our country at high levels. Many of the immigrants coming here come without many resources and they want to work their way into the American Dream, so we've had a lot of people coming in here, and yet we've been successful in having the smallest percentage of our people on welfare since 1970.

So my answer to you is, I want to keep high standards and I want them enforced, because we've block-granted the money to the states they asked for. After all, they supported the law. They said we could keep the federal guarantee for health care and food stamps, nutrition, which I insisted on, but they pointed out they already had the freedom to set different welfare reimbursement levels every month, so they wanted control of that pot of money so they would have more flexibility to move people from welfare to work. And in return, they agreed to these targets.

So I think we just need to keep pushing ahead. In terms of what should be done, obviously I want to consult with our people at HHS and others to do what is best. But I think most states really are working hard and in good faith to try to do this. I think that they know that's what the voters want and most importantly, that's what the people on welfare want. So we don't want to just forget about our high standards, especially when we've proven we can hire a lot more people than we ever thought we could.

Q You mentioned Republicans in the House. This weekend, Speaker Gingrich was unusually caustic, accusing your staff and your lawyers of blocking pursuit of the truth in law. Have you looked back at your records and the phone calls that you have made and come to any new conclusion about your own involvement?

THE PRESIDENT: First of all, I think -- no, I have not come to any new conclusion. But I think the remarks this weekend were an attempt to divert the public attention from the fact that the leadership of the Republican Party in the House opposes campaign finance reform, and has consistently, and continues to do so.

But I am encouraged that along with our Democrats who are supporting it, there are an increasingly vocal band of brave Republicans willing to stick up and be for it. And again, this is our chance to pass this bill and I think we'd all be making a mistake to be diverted. I don't intend to be.

Thank you.

Q Mr. President, any reason to believe Arafat is moving against Hamas?

THE PRESS: Thank you.

END

11:13 A.M. EDT

6TH STORY of Focus printed in FULL format.

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FDCH Political Transcripts

October 11, 1998, Sunday

TYPE: STAKEOUT

LENGTH: 1672 words

HEADLINE: MAKES REMARKS ON BUDGET NEGOTIATIONS; WASHINGTON, D.C.

SPEAKER:

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES

BODY:

PRESIDENT CLINTON MAKES REMARKS ON THE ONGOING BUDGET

NEGOTIATIONS

OCTOBER 11, 1998

SPEAKER: WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES

*

CLINTON: In only 447 days when the 21st century begins, a century in which our nation's children will matter more than ever before. Yet far too many of our schools are not ready for that new century. We've all seen the news story about teachers teaching classes in subjects they didn't major in in college; about schools so over crowded they have trailers out back to handle their over flow; about class rooms with 35 or more students, all dying for a minute of attention from the teachers; about schools so old they can't be connected to the Internet.

This can be changed, but we can not afford to wait and we all wait for the Republican majority in Congress to bring the issue of education investment bill to the floor. The delay must end on education and Congress must choose progress over partisanship. We need a strong bipartisan bill.

Just a few days ago, I had the honor of signing into law such a bill to open the doors wider to higher education and in just the last two days, Republicans and Democrats have worked together to pass strong charter schools and vocational education measures and I'd like to thank Senator Jeffords, Senator Kennedy, Senator Coats, Congressman Goodling and Clay and Roemer for that.

Now it's time once again for Congress to cross party lines and send me an education budget that I can sign that is worthy of our children and their future. This bill must make the right investments in our children's future. It must include a strong down payment on my request for 100,000 teachers for smaller classes in the early grades. It must invest in academically enriched after school and summer school programs to keep kids in school and out of trouble.

" We must invest in modernized schools for our children. We can not raise students up in buildings that are falling down. Any budget that does not do anything to help modernize our schools, to give our children safe and clean places to learn, does not fully prepare them for the 21st century. Tomorrow night, defending to keep the government open expires again.

Senator Daschle, Congressman Gephardt, the Democratic colleagues and I will work with the Republican majority to do the right thing for our country. We must pass the budget to explicitly responsible, that honors our values that invest in the education of our children. That is the most important thing we can do in this long running Congress.

QUESTION: Mr. President, the Republican leaders are saying this morning that if you were serious about reaching this budget deal, that you were stay in Washington instead of going on to fundraisers tomorrow and the following day?

CLINTON: Well let me first of all say that in the State of the Union in January, I sent a program to Congress to save the surplus until Social Security is fixed, to invest in education as I just described, to pass the patient's bill of rights, to keep our economy going amidst all this economic turmoil in the world.

In February I sent them a balanced budget with the same education program in it. This is the first time in 24 years they did pass a budget in 24 years. Now they have turned their attention to this and we're making progress in that. I worked on it yesterday, I am prepared to do whatever it takes to work with them now that they have turned their attention to this to get the job done, but in the end it is their votes -- we are progressively working with them to resolve this -- but they have to decide that they will agree with us after this whole year, that it is a priority, that we are going to do it and that we're going to do it now.

QUESTION: Mr. President, will you sign another continuing resolution if Congress passes one? Dick Armey said today that he felt one was needed.

CLINTON: You mean for a couple of days?

QUESTION: That's right.

CLINTON: Well, sure. We're not going to shut the government down if we're working on this, of course. No one's interested in doing that and I just want to get this job done.

U.S. REPRESENTATIVE RICHARD GEPHARDT (D-MO), HOUSE MINORITY LEADER: Mr. President, can I add an answer, this Congress has been here probably less than most Congress' but what I'm worried about is not when they're not here -- what I'm worried about is when they are here. They've killed campaign reform, they've killed the tobacco bill, they've killed all the education legislation the president has sent, they've killed patients' bill of rights, they tried to spend the surplus on a tax cut rather than saving it for Social Security.

* They shouldn't be worried about whether the president is here or not. The president's here, the president sent the bills. I'm worried about what they do when they are here. They kill everything that the American people want and that's what they've got to work on to do the things people want done.

QUESTION: Mr. President you characterize this as a do nothing Congress, do you think, with the results of the upcoming election, will it be a referendum on your presidency? You're going to run against this Congress, do you think the election results will be a referendum on your presidency?

CLINTON: Well first of all, I intend to -- I'm not running, but what I do intend to do is to bring the issues to the American people. The American people will have to decide if they believe that Social Security should be saved before this surplus is spent for other things.

The American people will have to decide whether they really want a patients' bill rights that guarantees people in HMOs the right to see a specialist or go to the nearest emergency room or have their medical records private or finish a treatment for chemotherapy or pregnancy before they can forced to change doctors.

These are the kinds of decisions the American will have to make about what they want for their future. What I'd like to see is this election to be about the American people in the near future -- not about Washington, D.C. because I think this last year could have been and should have been about the people in America and not about Washington, D.C. That is the decision for them and I trust them, I think they'll make the right decision.

END

NOTES:

???? - Indicates Speaker Unkown
- Could not make out what was being said.
off mike - Indicates Could not make out what was being said.

LANGUAGE: ENGLISH

PERSON: WILLIAM JEFFERSON 'BILL' CLINTON (94%); DANIEL R COATS (50%); EDWARD M KENNEDY (50%); JAMES M JEFFORDS (50%);

LOAD-DATE: October 11, 1998

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 27, 1999

REMARKS BY THE PRESIDENT
UPON DEPARTURE

The Rose Garden

8:11 A.M. EDT

THE PRESIDENT: Good morning. In a few moments I will be leaving for Louisiana. But before I depart, I want to say a few words about the course we're charting for America's future.

Seven years ago when I ran for president, it was a time of low growth, high interest rates and high unemployment, a vicious cycle, driven by deepening deficits. Irresponsible policies had quadrupled our national debt and risked our future.

Vice President Gore and I took office determined to change all that. We put in place a new strategy for the new economy -- one founded on fiscal discipline, expanded trade and investment in our people and modern technology. The success of that strategy now is clearer than ever. By balancing the budget, we put in motion a virtuous cycle of budget surpluses, low interest rates and low unemployment.

For business, this makes it easier to invest, to create jobs, wealth and opportunity. And for working people, lower interest rates makes it easier to own a home, afford a car, send a child to college.

Today, we received more good news that our strategy is working. According to the Office of Management and Budget, this year's budget surplus will be at least -- I'm going to write this in, enjoy it -- at least \$115 billion. This triple-digit surplus is larger than projected, larger than last year's, and larger, in fact, than any dollar surplus in the history of the United States. It is a landmark achievement for our economy. And when you consider where we were just seven years ago, it's as great an American comeback as the Ryder Cup was yesterday. It is further proof that we're on the right road to prosperity.

Our nation has come a long way in a short time. In 1992, the budget deficit was \$290 billion, projected to rise above \$400 billion this year. Instead, as you can see, we have posted back-to-back surpluses for two years in a row and, believe it or not, that's the first time this has happened since 1957. Now, in 1957, well, that was the year John Lennon first met Paul McCartney, and the Braves won the World Series -- not the Atlanta Braves, the Milwaukee Braves.

Our prosperity now gives us an unprecedented opportunity and an unprecedented responsibility to shape America's future by putting first things first, by moving forward with an economic strategy that is successful and sound, and by meeting America's long-term challenges.

In that spirit, I have asked the Republicans in Congress not to throw in the towel, but to work with me and congressional Democrats to do the work the people elected us to do -- to save Social Security with a lockbox that extends in solvency until 2050, to strengthen and modernize Medicare with a long-overdue prescription drug benefit, to

invest in world-class education for our children, and to protect important priorities, from national security to the environment and agriculture, to medical research and modern technology, to investment incentives for rural and urban areas that have not yet been touched by our prosperity.

We can do all that and still have an affordable tax cut for the middle class, and pay down our debt so that by 2015, we are debt-free for the first time since 1835 when Andrew Jackson was President. I will work with members of both parties to fulfill these fundamental obligations to our people and to our future. I hope they will work with me.

Thank you very much.

Q Mr. President --

Q Will you veto Republican spending bills if they exceed the caps?

THE PRESIDENT: Well, I gave them a budget, of course, that did not break the caps, but it would require them to raise some revenues from tobacco. But the main thing that I would say is, I want them to work with me to meet our fundamental priorities. We can give the American people an honest, credible budget that extends the life of Social Security and Medicare, meets our responsibilities in education and other important areas, and leaves us free to pay down that debt and to put America on a target to be debt-free in the next 15 years. I hope they will work with me in that spirit.

We have to come together and work together to get anything done, and we can do that. I cite these examples over and over again, but the Welfare Reform Act in 1996, coming on top of the initiatives we had taken in the previous three years has now given us the lowest welfare rolls in 32 years. And the Balanced Budget Act completed the work of the economic package of 1993, and we now have this \$115-billion surplus. So the American people know we can do things together, and that's how we're going to have to do this.

Q Do you still plan to offer a plan to reform Social Security? The White House had promised more than a year ago that there would be one after the last election.

THE PRESIDENT: We have met several times, as you probably know, at various levels with members in the House, and we have tried to get close to an agreement on that. The reason I said what I said today is that if they would just agree to my plan on paying down the debt and then dedicating a few years of the interest savings by locking up the Social Security taxes, which would happen a few years in the future, but if they would agree to do that, then that, alone, would extend the life of Social Security to 2050, which would take us out beyond the life expectancy of all but the most fortunate baby boomers. So I would hope that at least we could do that.

Obviously, I would like to do more, and we're still working on that. But at the minimum, we could do this.

Q Sir, there's every indication Republicans will not work with you. But in the meantime, where does the American taxpayer stand in this battle between your rock and their hard place?

THE PRESIDENT: Oh, I think if the past is any measure, one way or the other, the taxpayers are going to be all right, because we can do pretty well by conflict, I suppose, and eventually drag this out to where we've at least got a decent education budget and we're still

paying down the debt. But they have to work with me if we're going to extend the life of Medicare and Social Security and do some of these other very important things.

I'm not pessimistic; we've still got plenty of time. I know it's almost the end of the fiscal year, but they know how to extend that; they've done that several times by passing a continuing resolution, and there's still plenty of time to do this and I hope they'll do it with me. .

Q Mr. President, will our relations with Indonesia remain the same while they're torturing the villages?

THE PRESIDENT: Will their what?

Q Will relations with Indonesia remain the same as the villages are being torched -- torched, sorry.

THE PRESIDENT: They've already been somewhat altered, as you know, by the cessation of military cooperation, and obviously, our relationships with them will have to be dictated by the course of their conduct. As you know, they have a somewhat unusual system where they have elections. They had elections several weeks ago, but they still haven't settled on who the new leader of the country will be.

This is a time of great instability and uncertainty for them. We should stand against those actions which violate human rights and which are wrong, but we should also hope that both stability and humane policies will be returned to Indonesia as soon as possible. It is a very large country with 200 million people, the largest Muslim country in the world and capable, as we have seen periodically over the last few years, of enormous progress and capable of playing an important, positive role in the future of Asia, and that's what I hope and pray will happen. But it will require responsible leadership from Indonesia, as well as appropriate responses from the United States and others.

Thank you very much.

END 8:22 A.M. EDT

ADDRESSING OUR REMAINING CHALLENGES

September 24, 1998

TODAY'S CENSUS REPORT ON INCOME AND POVERTY IS GOOD NEWS FOR AMERICA. WHILE WE HAVE MADE MUCH PROGRESS IN THE LAST 5½ YEARS, TODAY'S REPORT HIGHLIGHTS SOME OF THE CHALLENGES THAT REMAIN.

- **Typical Family Income Stagnated For 20 Years.** During the 20 years before President Clinton took office, median family income stagnated. Since 1993, the typical family's income has increased \$3,517, adjusted for inflation. *But this is not enough. That is why President Clinton fought -- and will continue to fight -- for policies that help raise incomes and families' take-home pay.*
- * **\$500 Child Tax Credit For 26 Million Families with Over 40 Million Children Under Age 17.** The balanced budget legislation that the President negotiated with the Congress includes a \$500 per-child tax credit for children under age 17, which will benefit 26 million families with over 40 million children. For the typical American family with two kids, this child tax credit will mean \$1,000 more per year in take-home pay.
- * **Education Tax Breaks.** The balanced budget deal also includes a \$1,500 Hope Scholarship to make the first two years of college universally available, and a 20-percent tuition tax credit for college juniors, seniors, graduate students, and working Americans pursuing lifelong learning. For a student attending the average four-year college, these education tax incentives will provide tax savings of up to \$5,000. [Source: Department of the Treasury]
- * **Lower Mortgage Rates Saved Families Thousands.** President Clinton's 1993 Economic Plan cut the deficit more than 92 percent before the Balanced Budget Act even took effect. Experts -- including Alan Greenspan -- agree that this deficit reduction led to a drop in interest rates. And according to the *New York Times* and *Money*, these lower interest rates saved the 10 million families who refinanced their home mortgages \$1,000 to \$2,000 per year, on average. [Source: *New York Times*, 8/3/96; *Money*, 8/96]
- **While Every Income Group Has Experienced A Real Income Increase Under President Clinton, Income Inequality Remains a Problem.** After 20 years of rising, income inequality has stabilized under President Clinton. Since 1993, every income group -- from the most well-off to the poorest -- experienced a real increase in their income. But, in 1997, the Gini coefficient -- a measure of inequality -- has increased slightly, even though the change was not statistically significant. *That is why President Clinton fought -- and will continue to fight -- for policies that help low-income families make ends meet, while they rise up the economic ladder.*
- * **Expanded EITC Puts Money Back in Working Families' Pockets.** The President fought for a substantial expansion in the Earned Income Tax Credit in 1993 -- the average family with two kids that received the EITC got a tax cut of \$1,026. In 1997, the EITC lifted 4.3 million out of poverty -- that's 2.2 million more people than were lifted out of poverty by the EITC in 1993.

- * **Minimum Wage Hike Increases Pay By \$1,800 for Full-Time Worker.** The President fought for and won a minimum wage increase to \$5.15 per hour for nearly 10 million workers. For someone working at \$4.25 per hour, that was a raise of 90-cents per hour -- or \$1,800 per year for a full-time worker. Now, the President is fighting for another minimum wage increase -- \$1 over two years -- to raise the wages of 12 million workers and help ensure that parents who work hard and play by the rules can raise their children out of poverty.
- * **Fought To Ensure Low-Income Families Benefitted from Child Tax Credit.** Because of the President's efforts, 12 million children from families with incomes below \$30,000 will receive the tax credit -- up to 7.5 million more than under the House plans. Families making under \$30,000 -- such as young teachers, police officers, farmers, nurses and others who work hard and play by the rules -- will now receive the child credit. [Source: Department of the Treasury]
- * **AmeriCorps College Support.** AmeriCorps has given nearly 100,000 people the opportunity to receive college support by serving their communities and their country.
- * **Expanded Head Start By Nearly 60 Percent -- Over \$1.5 Billion Higher Per Year.** Since 1993, President Clinton and Congressional Democrats have expanded Head Start by 57 percent, from \$2.8 billion in FY93 to \$4.4 billion in FY98. The program now serves an estimated 830,000 children and the President's budget goes further on the way to his target of one million children in Head Start. The budget increases Head Start funding by \$313 million for FY99, which would mean Head Start funding would be 68-percent higher in 1999 than in 1993. The evidence shows that Head Start increases test scores and improves performance for white and Hispanic children.
- * **Increased WIC -- \$1 Billion Higher.** Under President Clinton, participation in WIC has expanded by 1.7 million -- from 5.7 million in 1993 to 7.4 million women, infants, and children in 1998, with funding rising from \$2.9 billion to \$3.9 billion. The President's budget proposes \$4.1 billion in WIC funding to serve 7.5 million women, infants, and children in 1999, fulfilling his goal of full participation in WIC. Research shows that every \$1 increase in the prenatal care portion of the WIC program cuts between \$1.77 and \$3.90 in medical expenses in the first 60 days following childbirth.
- * **More than Doubled Dislocated Worker Funding.** President Clinton have more than doubled funding for dislocated workers, from \$517 million in FY93 to \$1,351 million in FY98. The program will assist over 600,000 workers, up almost 100 percent since FY93. The FY99 budget increases dislocated worker funding by \$100 million, so that we would provide nearly triple the amount of dollars as in 1993.
- * **Expanded Pell Grants.** President Clinton and Congressional Democrats have increased the Pell Grant maximum grant amount from \$2,470 in FY96 to \$3,000 in 1998. The FY99 budget proposes \$249 million more for Pell Grants, which would help increase the maximum by another \$100 to \$3,100 -- the highest ever. This would reach 3.9 million low- and middle-income undergraduates. If the President's budget were enacted, the maximum grant would be 25-percent higher than in 1996.

KEY FACTS on CENSUS INCOME AND POVERTY REPORT

September 24, 1998

TODAY, THE CENSUS BUREAU RELEASED THEIR ANNUAL REPORT ON INCOME AND POVERTY IN AMERICA FOR 1997. HERE ARE SOME OF THE RESULTS:

Broad-Based Income Gains:

- **Typical Household Income Up 1.9 Percent in 1997.** Income for the median household rose \$699, from \$36,306 in 1996 to \$37,005 in 1997, adjusted for inflation.
- **Typical Family Income Up \$3,517 Since 1993.** Another measure of income -- family income, which excludes single individuals and counts only related members in any household -- shows a similar trend. Last year, the median family's income, adjusted for inflation, increased 3.0 percent (or \$1,297) -- the fourth consecutive annual rise. Since President Clinton's Economic Plan passed in 1993, median family income has increased from \$41,051 in 1993 to \$44,568 in 1997 -- that's a \$3,517 increase in income, adjusted for inflation. From 1988 to 1992, median family income *fell* \$1,835, adjusted for inflation.
- **Under President Clinton, The Typical African-American Household's Income Is Up \$3,354.** The median income of African-American households rose 4.3 percent (or \$1,029) last year. And since 1993, the median income of African-American households has increased from \$21,696 to \$25,050 -- that's \$3,354 or a 15-percent increase, adjusted for inflation, between 1993 and 1997.
- **Income of Typical Hispanic Household Up \$2,553 in Past Two Years.** In 1997, the income of the median Hispanic household, adjusted for inflation, increased from \$25,477 in 1996 to \$26,628 in 1997 -- that's an increase of \$1,151 or 4.5 percent. Over the past two years, the income of the typical Hispanic household has risen \$2,553 -- or nearly 11 percent -- the largest two-year increase in Hispanic income on record.
- **After Rising Sharply for 20 Years, Inequality Has Stabilized.** After rising for nearly 20 years, income inequality has not changed significantly over the past four years. Since 1993, every income group -- from the most well-off to the poorest -- experienced a real increase in their income.
- **Earnings for Typical Workers Up.** Last year, the earnings of the median full-time, year-round male rose 2.4 percent, from \$32,882 in 1996 to \$33,674 in 1997 and the earnings of the median full-time, year-round female rose 3.0 percent, from \$24,254 in 1996 to \$24,973 in 1997. This means that the female-to-male ratio remained at 74 percent -- its all-time high.

Reductions in Poverty:

- **Poverty Rate Fell To 13.3 Percent in 1997 -- Down from 15.1 Percent in 1993.** In 1997, the poverty rate dropped to 13.3 percent from 13.7 percent the year before. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 13.3 percent last year. That means that there are 3.7 million fewer people in poverty today than in 1993. (In 1997, the poverty threshold was \$16,400 for a family of four.)
- **The African-American Poverty Rate Down To Its Lowest Level on Record.** While the African-American poverty rate is still far above the poverty rate for whites, it declined from 28.4 percent in 1996 to 26.5 percent in 1997 -- that's its lowest level recorded since data were first collected in 1959. Since 1993, the African-American poverty rate has dropped from 33.1 percent to 26.5 percent -- that's the largest four-year drop in African-American poverty in more than a quarter century (1967-1971).
- **Last Year, Largest Hispanic Poverty Drop In Two Decades.** Last year, the Hispanic poverty rate dropped from 29.4 percent to 27.1 percent -- that's the largest one-year drop in Hispanic poverty since 1978. While there is still more work to do, since President Clinton took office, Hispanic poverty has dropped from 30.6 percent to 27.1 percent.
- **Under President Clinton, Largest Four-Year Drop in Child Poverty Since 1960s.** While the child poverty rate remains high, in 1997, it declined from 20.5 percent to 19.9 percent. Under President Clinton, the child poverty rate has declined from 22.7 percent to 19.9 percent -- that's the biggest four-year drop in nearly 30 years (1965-1969).
- **Elderly Poverty Rate As Low As It's Ever Been.** In 1997, the elderly poverty rate dropped to 10.5 percent, from 10.8 percent in 1996. The elderly poverty rate is now as low as it's ever been -- it was also 10.5 percent in 1995.
- **Child Poverty Among African-Americans Down To Lowest Level on Record.** In 1997, the African-American child poverty rate fell from 39.9 percent to 37.2 percent -- its lowest level on record (data collected since 1959). Since 1993, the child poverty rate among African-Americans has dropped from 46.1 percent to 37.2 percent -- that's the biggest four-year drop on record.
- **Hispanic Child Poverty Dropped More Last Year Than Any Year on Record.** In 1997, the Hispanic child poverty rate dropped from 40.3 percent to 36.8 percent -- that's the largest one-year drop on record (data collected since 1976). Since 1993, the child poverty rate among Hispanics has declined from 40.9 percent to 36.8 percent.
- **4.3 Million People Lifted Out of Poverty By EITC -- Double The Number in 1993.** In 1993, President Clinton expanded the Earned Income Tax Credit, providing a tax cut for low-income working families. In 1997, the EITC lifted 4.3 million people out of

poverty -- that's double the number of people lifted out of poverty by the EITC in 1993. In 1997, the EITC lifted 2.2 million children, 1.1 million African-Americans, and nearly 1.2 million Hispanics out of poverty.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

October 23, 1997

STATEMENT BY THE PRESIDENT

CR

I am pleased to have signed into law today House Joint Resolution 97, the second short-term continuing resolution for fiscal year 1998.

The resolution provides 1998 appropriations for continuing projects and activities of the Federal Government through November 7, 1997, except those funded by the five bills that I have already signed into law.

I urge the Congress to approve the remaining 1998 spending bills that include the items contained in the Bipartisan Budget Agreement and to provide funding for other priority programs. To give the Congress time to adopt such bills, I have approved this second continuing resolution.

WILLIAM J. CLINTON

THE WHITE HOUSE,
October 23, 1997.

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THE WHITE HOUSE
Office of the Press Secretary

OK

For Immediate Release

September 30, 1997

STATEMENT BY THE PRESIDENT

I am pleased to have signed into law today House Joint Resolution 94, a short-term continuing resolution for fiscal 1998.

The Act provides 1998 appropriations for continuing projects and activities of the Federal Government through October 23, 1997, except those funded by the Military Construction Appropriations Act, 1998, which I signed into law earlier today.

On May 2, 1997, I reached agreement with the congressional leadership on an historic Bipartisan Budget Agreement that balances the budget while honoring our values. Over the next few months, my Administration worked closely with the leadership to translate the agreement into law. On August 5, I was proud to sign two key elements of the agreement -- the Balanced Budget Act of 1997 and the Taxpayers Relief Act of 1997. As the current fiscal year comes to a close, we must work together to enact the third element of the agreement, the appropriations bills for fiscal 1998.

But to date, in a number of important instances, the Congress has failed to address matters specifically called for under the agreement. In certain other instances, the Congress has addressed policy issues in ways that make the pending appropriations bills unacceptable. I urge the Congress to approve 1998 spending bills that include the items contained in the agreement and to provide funding for other priority programs.

To give the Congress time to adopt such bills, I have approved this continuing resolution.

WILLIAM J. CLINTON

THE WHITE HOUSE,
September 30, 1997.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 25, 1996

REMARKS BY THE PRESIDENT
AT THE RECEPTION FOR THE
U.S. CONFERENCE OF MAYORS

The East Room

CR

3:02 P.M. EST

THE PRESIDENT: Mayor Rice; Mayor Daley; Mayor Helmke, my old classmate, it's good to see you here. Mr. Vice President, you are the only person in the country that could have transformed a straight man routine into the best comedy act in America. (Laughter.)

I used to be able to be on a platform with someone I liked, and when they cracked a joke I'd just write it down. And when no one else was looking I would use it. (Laughter.) All of his jokes are now so carefully bound to the persona he has created -- (laughter) -- they aren't stealable. They don't even need to be patented anymore. (Laughter.)

We are, all of us, very glad to have you here. I speak for Secretary Cisneros, Secretary Pena, for Carol Browner. We're glad to have you here in your house.

I want to say a word of thanks to Tom Cochran for being a good representative of your interests and your concerns and of working so closely with Marcia Hale and others here in the White House. I want to thank you for the work you do every day and for, so many of you, who have made me feel welcome over the last three years as I've come to your cities.

As I said in the State of the Union a couple of days ago, the state of the Union is strong. We have the lowest combined rates of unemployment and inflation we've had in 27 years. We've had 7.8 million new jobs. Those big numbers don't mean much to people; they really want to know how they are doing in their communities, how is it on my block. But I think we can take some encouragement from knowing that the unemployment rate has dropped 3.5 percent in Detroit; it's about 4.5 percent total in Chicago; it's dropped to under 5 percent in Philadelphia; 2 percent decline in Los Angeles; 2.5 percent decline in New York. We could go through city and city and community after community to say that. That is good news.

It is good news that our country is helping peace to take root around the world, from the Middle East to Bosnia. It is good news that all over our country we see a lot of the social indicators that have troubled so many of us for so long turning around -- the crime rate, the welfare rolls, the food stamp rolls, the poverty rate, the teen pregnancy rate -- all down over the last two to three years. That is very, very good news.

But we also know that we've got a lot of work to do. And we know the world is changing very quickly. And we know that there are an awful lot of Americans that have not been privileged to participate in this recovering economy. And we know that saying that all these things are going down masks the fact that the crime rate, the welfare rolls, the food stamp rates, the poverty rolls, the teen pregnancy rates, they're all still far too high, unacceptably high.

In the State of the Union address, as I was preparing for it, I really tried to say to myself, if I were in anybody's living room, what would I say to them. If I were just talking to one family about what the future of our country would be like five years from now, 10 years from now, 20 years from now, what is it I would say that we have to do to keep the American Dream alive for all of our people; to keep this country coming together and moving together around its basic values, and to maintain the leadership of the United States in the world?

That is what I tried to talk about on Tuesday night. I think we should start with our families because we know now that families that work together and stay together are almost never in poverty. We know that their children are far less likely to have the problems which have consumed so much of our time and our emotions and so much of the public treasure.

An important part of helping our families is passing the right kind of welfare reform, not the wrong kind of welfare reform. I believe, since almost every parent in America has to work to make ends meet, whether in a one- or a two-parent household, it is perfectly acceptable to require people on welfare who can work to work. I think we ought to do that. We ought to be moving people from dependence to independence. But it's also important to remember that we want people to succeed as parents and as workers, and that all of us have -- our first job is to our children.

That's why I say that I hope we can reach a bipartisan agreement on a welfare reform bill that will be very tough when it comes to work requirements and time limits and child support enforcement, but will understand we need adequate child care, and we need adequate support for those children because, what we really want in America is for every single parent to be able to succeed at home and at work.

The second great challenge we have is to provide our people with the educational opportunities they need for the 21st century. The 1990 Census had, if you went through all of the data, it had one stunning piece of information that I personally felt was the most important information I got out of the '90 Census. It was the first time we could see from 1990 to 1980, looking backward, one clear reason for the growing inequality in America. Why were so many middle class people working harder and harder and not getting ahead? Why was the rising tide not lifting all boats? If you look at the '90 Census, you will see Americans who had at least two years of education after high school tended to get jobs that they were able to keep, where the incomes tended to grow; those who didn't were in the other boat.

We have got to create a whole set of opportunities in education that will sustain the American Dream for everyone. We've got to get more parents and teachers able to run their own schools and able to have flexibility from red tape, but they ought to have national standards of excellence and a recognized way of measuring it. And people should be held accountable for results -- more flexibility to meet higher standards. And one of the things that we can do together, one of the things the national government can do is to implement this initiative that the Vice President has worked with the

telecommunications industry to develop to hook up every school in every library in America to the Internet by the year 2000 -- every single classroom -- and make sure that we not only have a hook-up, but that we have good software and skilled teachers, so that every single one of our children will be part of the information age. We're committed to that.

The third thing I think we have to recognize is that in this increasingly mobile economy we have to redefine what security means to a working family. It's amazing, the Fortune 500 companies keep laying off people, but there have been more people hired by just -- only by businesses owned by women in the last three years than have been laid off by the Fortune 500. Interesting statistic. There is that much dynamism in this economy. And all this change is real exciting, unless -- except in the times when you come out on the short end. Golly, elections are exciting, unless you don't win them. (Laughter.) Then they're less interesting.

So the big picture is very exciting. But we have always recognized that the American people who are working hard and playing by the rules, obeying the law and doing the very best they could were entitled to some level of security.

Let me just give you one example about how the old security systems don't work. And a lot of you, particularly before you became public officials, I'm sure were involved in unemployment system as employers or employees, where you paid -- if you were an employer you paid tax to the unemployment system. The unemployment system was a great idea the way it worked for decades. You paid the money in, and then when times were tough and you had to lay your workers off they could at least draw a living wage, a little less than they were making, but a living wage until you called them back.

For decades, 85 percent of the people who were laid off from work were called back to the job from which they were laid off. Today, over 80 percent of the people who are laid off are not called back to the job from which they were laid off because of the changes in the economy. So how do we deal with that?

For decades people had a pension they could rely on in addition to Social Security if they worked for a big company because they knew they'd go to work for one company and they'd stay there until their work career was over. And the same thing with health insurance. But a million people in America lost their health insurance in the last two years, and we've had real trouble trying to maintain the integrity of pension systems. In December of 1994, and almost unanimous vote of the Congress in both parties basically stabilized the pensions of 8 million Americans that were in real trouble and 32 million more that could have gotten in trouble.

So how are we going to define this kind of security for the working families that you represent? I think, at a minimum, we have to do the following things: We have to give people access to affordable health insurance that they don't lose when they change jobs or when somebody in their family gets sick. And there's a bipartisan bill before the Congress today which they could adopt which would do that.

Secondly, we ought to recognize that people know their own best interests when they're laid off and we ought to do what we can to move help to them as quickly as people. And what I favor doing is collapsing is 70 of the government's training programs, which were each developed for little problems -- collapse them, put the big pot of money there, and when somebody in your community is laid off or is grossly underemployed and they would qualify for these training programs, instead of having to figure out what training program for which they

should sign up, just send them a voucher and let them go to the local community college or whatever training institute is there.

Then the third thing I think we have to do is to figure out a way to make it easier for small businesses, and farmers particularly, to take out their own pension plans for themselves and their employees. There's a bill in the Congress today -- it hardly costs any money, but it would make some changes. I think it was on of the top of the three or four priorities of the White House Conference on Small Business. It would make some changes which would make it possible for almost every business that could possibly afford to do it, including a lot of them that cannot even afford the legal costs today, to begin a pension program.

So these are good beginnings. And they would strengthen your communities by enabling your families that are working out there in this more dynamic economy to succeed.

The fourth thing we have to do is do a better job of helping you to bring the crime rate down. But you -- this is a great success story in America. The crime rate is going down in most communities in this country, thanks to the efforts that you, and your police chiefs, your police officers, and your community leaders are making. Finally, a couple of weeks ago there was a big cover story in one of our major magazines acknowledging that, saying, we can have some hope that we can drive crime down.

Yesterday I was with Mayor Abramson in Louisville, and we sat and talked to the citizens and the community police officers that were working together in Louisville. Just a few days ago I was with Mayor Lanier in Houston. We were conducting a funeral service for our friend Barbara Jordan. And he was telling me about the work that they have done there to drive down juvenile crime. They have 3,000 young people in a soccer program. And 2,500 of them get their uniforms and shoes from the city. They are kids that would never otherwise be able to afford to participate in that sort of activity.

These things are going on all over our country, and we are taking our streets back. And I want to say a little bit about this -- because this is -- the model we've had together in fighting crime is the model that I believe we should try to replicate in other places. We've worked together. We passed the Crime Bill of 1994. We passed the Brady Bill. That needed to be a national law -- uniform standards; 44,000 people with criminal records have not gotten handguns as a result of it. We passed the assault weapons ban. That needed to be a national law. It wouldn't be worth -- you know, a city ordinance on assault weapons? A state law on assault weapons? It wouldn't have worked.

We passed the Crime Bill and we said, okay, this money can only be used for police, but that needed to be a national standard. Why? Because for 30 years we saw the violent crime rate triple and the aggregate size of America's police force only went up 10 percent. But the Attorney General worked very hard to clean away all the sort of bureaucratic hassles to getting the money. No one said -- the cities decided whom to hire, how to train them, where they'll be deployed, how they'll work. The cities decide what the relationship with the communities are. You make all the decisions of any significance within the framework of saying, we've got to go to community policing, we've got to drive this crime rate down.

That is the kind of community-based partnership that I think ought to be the model. And the results are pretty hard to quarrel with, as all of you know. Now, the only thing I want to say about that is we have made progress bringing the crime rate down, but everybody

knows it's still too high. You go out and interview any 20 citizens in America, and they'll tell you it's still one of their deepest concerns.

We have to keep working on this. What should our goal be? Our goal should be to make the crime the exception rather than the rule. It's a simple goal. Our goal should be to make crime the exception rather than the rule so that people feel comfortable when their kids are on the street playing, people aren't afraid to walk down the street to the movie. We know that we will never abolish crime in America. You will never take -- we can't transform what is inside every human being, but we could go back to a time when it's the exception rather than the rule. And we have to keep working until we achieve that goal.

The other challenges that I put before the country were, obviously, the important ones that you've worked on -- to make sure that we continue to protect the environment and that we find even more ways to grow the economy while we're cleaning up the environment instead of the reverse; to maintain our country's leadership in the world and to give our government greater and greater and greater capacity to do more while it costs less and serve the people better.

And we don't have -- the era of big government is over, but the era of strong, effective government in partnership with people is not over. We're not going back to a time when people can fend for themselves. Why do people come to cities in the first place? What do cities give people? The ability to make more of their lives together than they could if they were apart. I mean, the whole concept of cities is the symbol of what it is we all be trying to do in America. People live together because they think they'll all be better off than if they were all out somewhere else by themselves.

That is the idea. And that is, to me, the model that we ought to all have in our minds of what the role of government ought to be as we move into the 21st century, to make people to make more of their own lives. Not to do anything for anybody that they ought to do for themselves, but to help people make more of their own lives.

And that is the kind of partnership we have tried to have with you. It is very difficult to do that and to say you're doing it in Washington because everything here compulsively is filtered out to you through party politics, no matter how hard we try to avoid it. You don't have to worry about that quite as much as we do. I think it was Mayor LaGuardia who once said, there is no Republican or Democratic way to clean the streets. (Laughter.) And I believe we need to take some of that wisdom and bring it back here. There is, yes, a Democratic and a Republican way to balance the budget. I understand that. But there is also a whole lot of overlap, and that's what we ought to be focused on.

So let me just mention four things very quickly that I know you'll be discussing here that I think ought to be the basis of our partnership within this framework that I outlined in the State of the Union.

First of all, I want to thank again the Vice President and Secretary Cisneros for the work they've done on empowerment zones and the enterprise communities. We are trying to find ways to take the lessons we learned there and apply them to other communities. And as we work through this budget and next year's budget, I believe that there should be a bipartisan consensus to find ways to use the power of the federal government in ways that essentially help build public-private partnerships to redevelop our cities. And I would urge you to support that and to give us any other ideas you have for that.

We have the HOME initiative, which all of you are familiar with, which provides funds for you to build and rehabilitate houses for your citizens. We continue to strongly support the community development block grants. They've been around a long time, but they really are the symbol of what it is we're trying to do. Here are the subjects; you do it, be accountable at the end. If you mess up, we'll tell you, but otherwise why should we be telling you how to do all this.

Those community development block grants have worked well for America. This is a stronger country because of the way that program worked. We have, secondly -- let me just make one other comment. I believe that the way the Secretary of Housing and Urban Development has worked with you on the problem of homelessness has worked well, too. You know how to move the homeless people off your streets. Every community has a slightly different homeless problem. And one of the things I would like to say is, when we do this budget, I know we're going to have to cut a lot of things, but I think we've made some real progress in dealing with homelessness in the last few years, and I think it would be a great mistake if we reverse that progress. I think it would be a great mistake if we reverse that progress. We need to continue to reduce the number of homeless people on our street. This, again, should not be a partisan issue. I don't believe there is a single person in America that really believes that we should weaken our effort to do that.

The second thing we've done is to work on these community development banks. They're quite controversial now in the Congress because they seem like an easy thing to cut because they haven't been fully implemented. But if you look at the experience of the South Shore Development Bank in Chicago, or if you look at the experience of any of the other microenterprise loan programs that have been done in the United States, or if you look at how much our aid program has done in other countries, setting up development banks in places where they would be a lot harder to start than it would in most of your cities, it is obvious that if we had a source of capital to start more new businesses and small businesses, no matter if they're just one-person businesses, in a lot of our poorest areas, we could grow the economy more quickly there than anywhere else.

What's the greatest opportunity for American business today? The distressed neighborhoods in our urban and rural areas. Where do the largest number of people live in America that we could use to expand the work force in a hurry, or to expand the number of our consumers in a hurry? In the distressed neighborhoods of our urban and isolated rural areas.

AID gave a \$1-million grant several years ago to a Central American country to set up a loan program. An average loan was \$300 apiece. That loan program now accounts for one percent of all of the jobs in that country, and the \$1-million fund that AID put down there now has -- there's \$4 million in that bank account now. Those loans have been paid back several times with interest over and over again.

If we really believe that free enterprise and not government spending is the answer to the problems of the inner city, we're going to have to give them some free enterprise. And free enterprise begins with capital. And there is lots and lots and lots of evidence that this can be successful. So I urge you to support that.

The third thing that I know is very important -- I think more mayors have mentioned this to me than any other single issue is our Brownfields initiative, and I want to thank Carol Browner for the work she has done on it. We were getting ready to come over here, and I was preparing it and I said we ought to call this Browner's brownfields.

(Laughter.) It sounds like a kids softball team, you know? It was great.

This is a very important thing. If we can get these vacant spaces that you have to put fences around, that basically divide neighborhoods and are inviting targets for all kinds of destructive things, to turn back into safe, sustainable economic endeavors we could do more in less time, with less money to move our cities forward than nearly anything else we can do. So we want to help communities clean up old waste sites by giving tax incentives to those who will buy and clean them up. We want to clear away regulatory burdens. We want to do whatever we can to support you.

But I know that the mayors have been on this issue, and I just want to assure you that we want to be there with you. And I believe, again, we can go broad bipartisan support for the brownfields initiative.

The fourth thing that I want to comment on is the reinvention of HUD that Mayor Cisneros is overseeing. I call him "Mayor" when he starts talking to me about this. HUD has now got 81 field offices. They've moved huge numbers of people out of Washington. They're collapsing their divisions down to four basic programs. For communities of over 150,000 there will be a single point of contact in the community so you can do all your business in one place. Grants that once required 12 separate applications will now require only one.

So that's the kind of flexibility that I think we ought to have. Our goal is to reach, by the year 2000, 67.5 percent homeownership in America. We're already at a 15-year high right now. We're moving. And if we can keep going in this direction and you'll help us and we work together we can get up to the point where 67-and-a-half percent of the people are in their own homes. That has never happened in the United States before. And that, again, will carry with it a certain amount of economic growth and development in all your communities.

And let me just say one other word since Secretary Pena is here. We have been quite successful and, again, have had a good support from the Congress in our efforts to maximize the amount of money we're putting out through the Department of Transportation in communities for infrastructure development. That's one place where we have worked together with hardly a hitch. And because we have it's attracted hardly any notice. (Laughter). But we're moving in the right direction and I want to thank you for doing that.

So these are the things that we believe we can do with you. And I hope that they will be symbolic and will exemplify the kind of partnership that will take this country along way down the road.

Let me just say one other thing about the budget. Since I gave the State of the Union address, there have been some encouraging things said by the congressional leaders about the prospects of our getting a budget agreement and continuing to work to bring the deficit down. But I would remind you that we still have some roadblocks in the way that I think need to be cleared away.

I urge Congress to keep the government open and to pass the straightforward continuing resolution until we pass the rest of the appropriations bills for this year. (Applause.)

We've also seen news that just today of the serious consequences that could result if the Congress was to default on the debt limit. No mayor would ever consider doing such a thing. The

repercussions would be far too harmful. And the Congress should not, either. Congress must choose not to shut the government down again, and must choose to honor the full faith and credit of the United States.

We are a very great nation, and we are a very great nation not just because we're big, not just because we're wealthy, and not just because we've got a powerful military. It's because people know that we stand for certain things. They know we can be trusted. They know we keep our word.

When the United States of America borrowed that money, the United States gave its word it would honor its obligations. And we should not, under any circumstances, for any reason, ever, ever, not a single one of us, break the word of the United States of America. (Applause.)

Let me say, too, to all of you, I have been very honored to fight the battles that we have fought together, across party lines, for the Crime Bill, to end unfunded mandates. You have been a source of great inspiration to me. But this organization has been a source of inspiration for progressive, positive change ever since you convinced a reluctant President Hoover to sign a municipal assistance bill in the Depression.

So I ask you to keep working with us. Help us to pass the Community Flexibility Act. Help us to protect the community development banks. Help us to support the reform of HUD. Help us to get real welfare reform. Help us to keep the crime rate coming down. Help us to do these things. We can do these things if we do them together.

The cities are the model. Why did people begin to live in cities? Because they knew instinctively they could do things together that they could never do on their own. America can do what we have to do if we do it together. And the mayors, the cities, the community leaders can lead the way.

Thank you, and God bless you all. (Applause.)

END

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JACK LEW, OMB DIRECTOR

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SEPTEMBER 27, 1999

SPEAKER: JACK LEW, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

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MODERATOR: Our guest today is Jack Lew, director of the Office of Management and Budget. He's here today to discuss the budget situation with four days left in the fiscal year and to take your questions.

As always, during the question portion of the program, we ask that you provide your name and affiliation as a courtesy to our guest.

We're glad that we can have Mr. Lew with us again and at a time that's so appropriate. And please join me now in welcoming Jack Lew to the National Press Club.

LEW: Thank you, Bill. I thought I would just talk for a few minutes at the beginning, before we get to questions and answers, about the surplus announcement we made today and a little bit about the overall budget situation.

We had the pleasure this morning of announcing that the fiscal year 1999 surplus estimate is now -- that it will be at least \$115 billion.

I think that in order to understand the significance of today's announcement, we really have to go back a few years and remember where the situation was when we took office -- when President Clinton took office in 1993. The deficit that year was \$290 billion. The projection for fiscal year 1999 was that it would be over \$400 billion, depending on whose numbers you looked at. It was for 24/30 (ph).

The notion that we've gone from a situation of deficits of that magnitude to a surplus of at least \$115 billion is really an enormous accomplishment and from the perspective of fiscal policy what it means is that we made some tough decisions in 1993 and we stuck to them.

*Tom -
Thought this
mgt be
interesting*

In 1993, it was, unfortunately, not a bipartisan effort; it was something that, you know, we drove out of the White House and that was passed through Congress on a partisan basis. But in 1997, the job was very much a bipartisan one, finished working with the Congress on the balanced budget agreement of 1997.

I think if you look at the work that was done over this period of time to take the tough steps necessary to reduce the deficit, it is very much the reason that we're able today to announce a \$115 billion surplus.

The contributing factors that explain the change, I think, are actually quite interesting and worth dwelling on for a moment. In the past, we've often looked to the revenue numbers to see where the differences are. In this case, it's actually in the outlay side that the improvements have come.

And if I can just point to a couple of factors, and we won't have the conclusive analysis for some weeks, but the initial indications are interesting. The savings in two areas, I think, are really quite worthy of note.

One is in the area of interest. If you compare the estimate of interest in 1998 to 1999, it's down \$15 billion, \$15 billion lower interest payments, and that's because we've reduced the debt. It's not just an abstract projection that by reducing debt we'll also reduce the expenses of the federal government to pay interest. It's an actual accomplishment.

Another area is in Medicare where we've had substantial savings in the area of reducing fraud and abuse; where, by running a program better, we're actually seeing a reduction in outlays.

Now, there are a number of other areas, and as we go through the final year-end numbers in a few weeks, I'm sure we'll have many other examples. But I think it is quite notable that a lot of the progress that we're able to look at, contributing to today's announcement, is because of the fiscal policy that we've had and because we're doing a better job in terms of the way we run federal programs.

Now, in terms of the importance of debt reduction, it is, I think, important on a day like today to underscore that the debt reduction that's implied by \$115 billion surplus is very much a factor in the economy. It's a factor in terms of the interest rates that people are going to pay on mortgages, it's a factor in terms of economic growth because of the competitiveness for capital in the economy. And I think it underscores that this is no time to turn back on a fiscal policy that is working.

And if you look at the budget situation that we face today, I'd like to echo what the president said on Thursday when he vetoed the tax bill and the comments that he made again over the weekend that this is really the occasion for us to work together to get a bigger job done.

We have the opportunity with a surplus and a growing surplus to address the long-term deficit as well as the short-term deficit.

We have the ability to look ahead and deal with Social Security solvency so that we can have a lock box that actually sets aside the funds and transfers

into Social Security the resources to extend solvency till 2050.

We have the ability to deal with Medicare so that we extend solvency, as the president has proposed, to at least 2027, and also it provides a prescription drug benefit and important reforms in the program.

And we have the ability to have as part of this balanced priorities that will permit the resources that are needed for education, national security, and the environment to be available.

If I can shift the focus back to the issues that appear more immediate, but I would argue, are really no more immediate but should be sitting aside these larger questions, we're looking towards, you know, the end of this week, the end of one fiscal year, the beginning of the next. I think it's safe to say that there's no probability that all 13 appropriation bills will be signed into law on time and it's unfortunate. You know, it was one of the objectives of this Congress to finish its work on time and that's an objective that will not be met.

As Congress proceeds through the next, you know, several days and the period that follows, it is important to get the work done. It's important to finish the bills, it's important to come back and work on some of these larger questions.

I think that it's unfortunate that the question of time available and the will to do the job have been somewhat confused. The problem that we face in the next few days or the next several weeks is not whether there's time to deal with the broader issues of Social Security, Medicare and, as the president said, you know, as recently as this morning, a tax cut that fits and it's part of that plan. It's a question of whether there's the will.

Now, the president has indicated that he has the desire for there to be such a comprehensive discussion and we have expressed a willingness to work on a bipartisan basis towards such an end.

If we look at the appropriations process on its own, it is unfortunate that the issue is being framed by the Congress limiting the choices to what we think are not good choices. On the one hand, there's a set of actions -- a series of actions that's being taken in the appropriations process which their own Congressional Budget Office has shown have the effect of spending the Social Security surplus. On the other hand, there are spending policies that we think miss some of the very important priorities by underfunding education and many other areas.

The president's budget proposed another alternative and it's an alternative that I know many have said perhaps is too ambitious but it's to pay for what we need. And it's to pay for with policies that we think are good policies.

The issue that has attracted the most attention, our tobacco policy, I think it's very much worth underscoring, and I'm very much hopeful that as we approach the moment of decision that it will look like the preferable alternative in a world where the alternatives we think have been limited prematurely to two not very attractive choices.

If you put side-by-side the choice of spending the Social Security surplus or underfunding priorities, and, on the other hand, look at a policy that will stop youth smoking or at least reduce youth smoking so that 3,000 kids a day won't start smoking, we think that the tobacco policy, on its own as policy, is meritorious and, as an alternative, is far superior to the choices that Congress has put in front of itself.

Now, that does not mean that it's easy. It is very tough to make decisions that require decisive action against strong pressure to the contrary. But that's what leadership is about and that's what needs to happen as we approach the end of the session when the choices, as they've been laid out, we think are just not the right choices. They're untenable choices and we think those choices should be expanded.

You know, as we approach the end of the fiscal year, we're hopeful that we'll reach the moment very soon when it is possible to have the kind of conversation that is necessary to resolve these issues. And I just want to underscore, we are hopeful that it will not just be on the question of the minimal action to fund the government, but on the broader question of addressing the generational challenge of how to use the unprecedented opportunity of the surplus we face to deal with the generational deficit that we continue to be very, very much focused on.

With that I'll stop and take your questions.

QUESTION: Are you saying that if the Congress chooses to either spend the Social Security surplus or to cut education programs that the president will veto any appropriation bills that come down?

LEW: Well, I'm saying that there is a better choice and that before Congress presents one of those two choices we're hopeful that they will look at what we think is the right way to do the year's work.

I know that there are a number of bills that we're likely to face which, if they continue on the course they're on, we've made very clear that we would veto. Until they finish their work, until there's actually a conference report, it's very difficult to answer the question on what comes out of conference. But certainly they're headed down a path where a number of the bills have very, very significant problems.

QUESTION: Doing the back-of-the-envelope calculation here, you said about \$15 billion less in interest payments and some additional savings through Medicaid, running that program better. Do you have numbers on that? And since this is about \$16 billion better than what you projected at mid-session, have there been spending increases too that would offset some of those gains?

LEW: Well, just to be clear, what I was describing was the total change from '98 to '99, not just the change from our last estimate, and it was Medicare not Medicaid I was referring to.

I don't have very detailed breakouts of the change of -- from the mid-session numbers. We are -- we still have a few days left in the fiscal year and then it takes us a while after that to get the information in a form where we can break it down and analyze it. I was trying to illustrate some trends that we've

been seeing.

What I do know is that, while there was an increase in revenue from the budget in February through the mid-session, we're holding level at that mid-session projection on revenue. It's fairly close and its outlays have been declining. So we'll be looking to explain it in detail as we get all of the information.

QUESTION: Do you have a breakdown on this \$115 as to what is on- budget verses Social Security and how would it affect the budget fight coming up?

LEW: Well, I don't believe it will affect it very directly. We don't have a breakout of the \$115. You know, when we put the mid- session review out several weeks ago, we did do a breakout of the on and off budget numbers and at that time, you know, we were projecting an on-budget that is a non-Social Security deficit of \$24 billion and a Social Security surplus of \$123/\$124.

With the change, I would say it's very unlikely that we will see a non-Social Security surplus in '99, but I won't be able to answer decisively until we have the numbers broken out. I don't think the number is large enough to have moved directionally.

Yes?

QUESTION: Can we go back to the Medicare savings?

LEW: Yes.

QUESTION: This is a problem that has been identified by a number of people, not just on the Hill, but in the administration, in terms of the amount that has come from the changes in the balanced budget agreement. In other words, too much savings for Medicare to the point of hardship and Secretary Summers has said that there is a good chance that some of that will be given back. Would you agree with that?

LEW: Well, when the president put forward his Medicare proposals, one of the items that he included in the package was seven and a half billion dollars to be applied towards addressing some of those concerns. And we've been very careful to say that each of the concerns ought to be evaluated on its merits and it ought not to be that we just go back in an across-the-board fashion and reverse the balanced budget agreement. But on the other hand, to the extent there are problems, we ought to be able to address them.

I want to underscore though that it was part of our overall Medicare policy. It wasn't a free-standing proposal. I think that one of the things that is developing in Congress is a movement towards doing tax extenders on their own, towards doing, perhaps, Balanced Budget Act amendments regarding Medicare on their own.

We would very much -- very strongly urge the Congress to try and keep these as part of a more comprehensive approach and that's what we've said directly in our conversations with members and we hope that they can be combined.

For example, if we're going to take action to address concerns with the Balanced Budget Act implementation, that it be part of a longer-term Medicare reform. And we've had some conversations as recently as last week where senior people from the administration met with Senator Roth and had that conversation. We're hopeful that that is going to emerge as an opportunity to work together, but as I say, on the broader area as well.

QUESTION: What about tobacco? Has he got further -- we're down to the wire here -- any substantive conversations with Republican leaders about the likelihood of that Congress passing a tobacco tax increase?

LEW: Well, I think it's fair to say there have been a lot of words exchanged; whether you'd call it a conversation or not is something that is perhaps a matter of interpretation. The -- I've been interested in the last several weeks, there has been a new look taken at our proposals and a lot of questions being asked that suggest a seriousness of the need to find alternatives.

QUESTION: How would you characterize where those inquiries are coming from?

LEW: Well, they're coming from a variety of places. I don't want to exaggerate and say that I think that we've sort of turned the corner and seen that adopted as one of the solutions to the problem from a congressional perspective, but I think there is a serious problem. I think one has to take a hard look at the choices that Congress is facing and look at the tobacco policy and the proposals that we've made in the context of those choices.

I think there was a political judgment made to limit the choices to a policy of just spending -- whether it's the Social Security surplus or not depends perhaps on interpretation, but I think it's pretty clear that that's where these bills are headed -- or making unacceptable cuts. And we think that against those choices, the tobacco policy is getting another look and will get a more serious look as we approach the real moment of decision.

I think until the business at hand is actually finishing the bills as opposed to just sort of marking them down as having been written in one house or another, it's going to be difficult to answer the question.

I mean, yesterday it was interesting to hear the speaker describe meeting the test of passing 13 appropriation bills as getting them out of the House. Well, it doesn't work that way. We have to have them signed into law. They have to pass the House and the Senate, go through conference and become law. And we're heading into the beginning of a fiscal year with very, very few of the bills enacted as law.

QUESTION: When I talk to people outside of Washington, there's a great indifference to the fact that we're about to cross into the new fiscal year and everyone assumes that you guys will all get together and settle your question of funding and taking from Social Security eventually and it means nothing to them, in the long run it won't harm them at all. Is there any harm to the public good in any way in your view by crossing into the new fiscal year without a budget?

LEW: Well, I think it's always unfortunate when we get to the end of a fiscal year and the work hasn't been finished. Most Americans are expected to finish their work on time and we should be held to the same standard and Congress

should be held to the same standard.

On the other hand, the question of the consequences is, I think, very much dependent on where things end up. I'm pleased that there doesn't appear to be a desire for a government shutdown; that is not the way it's always been. We have faced previous end of years when it was an act of, you know, strategy for the Republican Congress to force a shut down. That doesn't appear to be the goal. I take them at their word when they say that they don't want a shutdown.

They don't have a solution yet to avoiding conflict and, you know, we can extend for a couple of weeks the period of time, but extensions don't get the job done unless the deadline is real and there's a renewed commitment to the need to finish the work. We're putting the call out that there is a need to finish the work and I think that there is a consequence if it goes on for too long.

QUESTION: Do you have any fiscal 2000 budget figures yet or (OFF-MIKE)?

LEW: I'm sorry.

QUESTION: Fiscal 2000 projections yet, about what the surplus would be, are you going to alter that?

LEW: Well, we need to finish the process of making the policy in order to have the projections.

QUESTION: All right. Also, there's been some talk on the Hill (OFF-MIKE) about these either forward and back funding using basically, you know, accounting for -- you know, appropriating the money now but not accounting for it until a year or two down the road. Would you -- would the administration still view that as dipping into the Social Security trust fund to finance current spending or not?

LEW: Let me answer the question in several parts because I don't think there is a simple yes or no answer. There are cases where one can do advanced funding where it doesn't have any real programmatic consequence. In fact, in our budget we have made several proposals like that.

You can cross the line and you can have so much advance funding that you've created a policy problem because the funds aren't available when they need to be in each of the years when they need to be available. We're going to need to look at what they do carefully and make determinations on those questions based on the substance of each proposal.

But I think if you look overall at what has been loosely described as the gimmicks in the appropriations process, many of those gimmicks are really nothing more than sort of a thin veneer to spending money this year. You can call it an emergency and that may solve the problem of getting around statutory spending limits, but it doesn't change whether or not there are outlays in a given year. I mean if it's an emergency in the year that you're trying to limit your spending in, then it's still money that is spent and it counts.

Some of the directed scoring where the appropriators have instructed the scoring of provisions are constructed in such a way that when the

Congressional Budget Office takes a look at it next year, they will reach the conclusion, as they've said they would, that the money actually was spent in excess of the directed scoring.

So you can call it what you want to call it, but if it actually spends money in 2000, if you don't count it, but it spends money, it's going to end up leading you to a higher total. And I think that total is, at the moment, forcing the spending of the Social Security surplus.

You know, in the end of the day, I'm sure that there will be many more proposals than the ones we've seen and each of them, I think, has to be looked at individually in order to understand what the consequences are. But I think it's doing a disservice to the American people to pretend that none of them have any consequences.

QUESTION: They made -- DeLay made pretty clear in his interview that it was their strategy to try to get you to spend the Social Security surplus and attack you if you do so. There was an article over the weekend in the New York Times saying that they may be the ones who end up having to dip into the Social Security surplus. What's your attitude towards that? Will you attack them if they do that?

LEW: Well, we have called upon them to take a look at the proposals that we've put forward which do not spend the Social Security surplus. We have a coherent set of proposals that hold together.

I can't disagree with you now since I read in the New York Times that suggest that they are spending the Social Security surplus given the policies that they have to date. We hope that we can work together and agree on the kinds of policies that are more consistent with our proposals.

QUESTION: Right. But they just sent you an \$800 billion tax cut. I mean it looks unlikely, at best, that they're going to go for a major tobacco tax. Is it conceivable to you that you might allow some dipping into the Social Security surplus if you get, you know, some of the programs that you want and get a reasonable budget?

LEW: I think the question of whether one needs to or not is what I'm trying to focus on and we hope that there is a process that makes it possible to avoid that. It doesn't have to happen. We have put proposals forward that would not have that effect.

I think that the comments you're referring to were very troubling in the sense that it suggested a kind of conscious strategy to spend the Social Security surplus which, we think, is very cynical.

And, you know, when I say that the proposals that we've made are not just worthy of a second consideration, but will fare very well on a second consideration, it's because we do not have a cynical set of proposals. We have a set of solid proposals that add up, that do not require taking the actions that members on both sides have said they don't want to take.

I can't tell you exactly where the end of the process is. We need to first expand the options. I don't think that it's right to limit the options to

what's in front of Congress right now because that inevitably takes you down a path much as the one you're describing.

QUESTION: Can you set a deadline on how long you're willing to tolerate these continuing resolutions? You said it can go for a couple of weeks. If they want to kick it forward after that into the next year, would you accept that or not?

LEW: Well, we've made it very clear in the last several days that we don't think that a continuing resolution should be longer than two weeks. And to the extent that there is a several week continuing resolution to extend the funding to permit the completion of the work, we expect Congress to complete the work in that period of time. We're not looking at lots of rolling extensions that go on and on and on. We need to finish the work of the year.

Well, we've made it very clear that they should operate under no illusions that we are looking at a series of extensions that go on and on and on.

QUESTION: So he would veto a series of extensions (OFF-MIKE)?

LEW: We're hoping Congress finishes its work so that we don't reach that point.

QUESTION: But to bring up another point, you mentioned this earlier, you said that there's been -- on another subject, another -- a lot of exchange of words and not a conversation and that also kind of describes what's going on in the budget overall at this point. I mean, President Clinton comes out this morning and says, in essence, looking for compromise, and it is you accept my proposal on any number of issues. When are you guys going to get serious and start the horse trading that really makes a budget?

LEW: In fairness, that's not what the president said. What the president said is I don't expect them to sign on to my plans precisely. What he did was he invited a discussion where we can work together to work through our differences.

I think that if you look at where we are in the process right now, Congress needs to make some more progress. It needs to get to the point where there's a moment of engagement. In the appropriations process, I don't know that there's a precedent for an administration stepping in with so much work unfinished, to start -- nor would there be a very welcome environment should an administration step in. There needs to be a certain amount of work done on the part of Congress.

In terms of the other issues, we've had ongoing conversations where we've remained opened and actively been pursuing discussions, like the conversation that took place with Senator Roth last week. I think it's not necessarily a grand dramatic moment that starts a process and, you know, the president has made clear that he is open to discussions and anxious for there to be discussions to deal with Social Security, Medicare and the range of priorities.

And I think that the mistake that we make often is to say: Oh, there's only a few days left in the fiscal year, therefore there's no time. Well, if there's an extension for two weeks, that's two weeks you can get your work done. You shouldn't wait till the end.

One of the things that we worry about, frankly, in longer extensions, is that there's a tendency not to get to work till the end of these periods. We need to use the time, starting today, to get the people's work done.

QUESTION: If the president thinks that Social Security is one of the keys to getting the budget process going, I mean, you guys are not going to write a Social Security -- a new Social Security program in two weeks. I mean it's not -- is that -- I mean, am I missing something here?

LEW: I think that what we can do in two weeks or during the time that remains is limited only by the willingness of the parties to get it done.

QUESTION: On the extenders package, the administration made clear last week that it pretty much finds it unacceptable in its current form, primarily the way it's funded, and now you seem to be indicating you want it linked to progress on Medicare reform. So are you saying that unless you address -- unless Congress addresses Medicare reform first or somehow links it with an overall Medicare reform package, the president will not accept an extenders package?

LEW: What I said, to be clear, was that we hope to make progress on a broad range of issues in the remainder of this year. And then in the context of working on Medicare reform and Social Security and the other issues that face us, the issues of the extenders and the Balanced Budget Act issue -- changes ought to be part of the discussion.

The comments that Secretary Summers made last week had to do with the free-standing bill, a bill the financing of which was unclear, and, you know, I think it sort of gets back to something that we were talking about a few minutes ago. If a tax extenders bill has outlays in 2000, then you have to add that together with the spending in the appropriations process in order to understand how much resources are available within the non-Social Security surplus and how much it would force you into the Social Security surplus.

I think there's been a kind of -- funny kind of bookkeeping where all of the available resources have been allocated to the Appropriations Committee in terms of how Congress is working and there's continued discussion of action in these other areas as if somehow the spending doesn't count.

Now, perhaps they're talking -- they'll, in the end, come up with offsets and work on doing it in ways that don't spend money. But these are important issues, they're questions that we have to work through and hopefully work through together.

Our budget contained, you know, extenders, our Medicare proposal contained a proposal to deal with some of the issues in the Balanced Budget Act. And I think that one has to distinguish dealing with the issues in a context where the overall fiscal policy is clear from the alternative of dealing with them in isolation. And that's really all I was trying to say.

QUESTION: Will the administration be sending to the Hill a further request for emergency funding for certain things like hurricane aid and so on. If so, when and for how much?

LEW: Well, the truth of the matter is that until the waters fully recede and the estimates are clear, we're not -- we don't have a firm grasp on what the scope of assistance needed is. In some cases, the availability of resources under some of our prior requests is unclear given the state of the appropriations process. For example, for FEMA, we're not sure where the final congressional appropriation figure will be. And these questions relate, so to the extent that there's adequate funding provided, we would need less perhaps as an emergency.

We're very much at work on trying to respond with available resources immediately and to figure out, as quickly as we can, how much additional resources would be needed over the next few months. Some of the resources might not be needed over the next few months and until we have a full estimate, it's difficult to say when we would send a proposal forward.

QUESTION: Are other things going forward, though; Turkey earthquake? There was -- at some point, it was thought that you were going to be making a request for more emergency money.

QUESTION: In Kosovo as well.

QUESTION: In Kosovo.

LEW: Well, there have been many discussions but no final decisions about what to send forward.

QUESTION: While you've been inviting Congress into a broader discussion, they seem on a track to send you individual appropriations bills so the administration will have to confront the budget situation piece by piece.

LEW: Yes.

QUESTION: In those bills, could you single out the areas that you see as the most problematic, the ones that would be most difficult to resolve? And just as a second question, on the CR, would the president veto a two-week -- veto a three-week CR?

LEW: Let me start on the question of the continuing resolution. We've made very clear that we think that a two-week CR is the appropriate length. If, in the end, Congress insists on a three-week CR, I just want to underscore that we have the expectation that Congress will complete its work by the end of the continuing resolution and there should be no expectations of a willingness to go on with extensions beyond that to just have it extended, you know, by weeks and weeks and weeks. You know, two weeks is enough time, it's the right period of time, and that's what we've told Congress we think would be the right thing to do.

As far as the bills go, short of walking through each of the bills, which I have the pleasure of doing in many places, but I don't think it's probably the right place to do it, it's hard to answer in a comprehensive way.

But, you know, you look at a bill like the Commerce-Justice-State bill, it's underfunded in so many areas in the House and the Senate in terms of law enforcement, in terms of the operations that provide security for our

diplomats abroad, you know, in just a dozen different areas, that it's difficult to say what is the big issue. I mean, it's a very significant problem, not the least of which is that the census is not fully funded as it stands right now.

The, you know, and the other bills, the Labor-HHS bill, we don't know where the Senate is. Hopefully, later today, we'll have a better idea. But in the bill that we saw working its way through the House last week, we see very serious funding problems in education, in the labor programs, you know, and to the extent that funding is provided, it's provided but with a series of gimmicks that are really thinly disguised spending of the Social Security surplus. So, it's a bill that we have to see where it goes. I can't tell you what the Senate is doing because I haven't seen it yet.

I could go through a half a dozen of the bills and give you specific examples that demonstrate, I think, substantial hurdles that have to be gotten over. There also are on many bills riders that are objectionable in terms of limitations, whether they're in the environmental area or in terms of foreign policy, which we'll have to work our way through.

QUESTION: A broader question on that point. As you noted, the Congress is having a very, very difficult time living under the caps and some of the projections for future surpluses are, of course, predicated on the assumption that they will. Even though a lot of the estimates have come in -- on surplus have come in better than expected, is it really realistic to be looking down the road and thinking we're going to see surpluses in the \$3 trillion range?

LEW: I think that goes back to, you know, the debate we've had over the tax bill and the choices in terms of priorities. And in the president's budget and in the budget put forward by Democrats in the Congress, there was a very clear statement that one of the things that needs to happen is that proper funding has to be provided for discretionary programs, that we can't pretend that, at a time of surplus, the kinds of cuts that are implied by the levels that would be left for discretionary spending, were there to be a trillion-dollar tax cut, are acceptable.

And we took that debate very seriously. It was not a question of stretching to reach the conclusion that a 50-percent reduction in all discretionary spending in 10 years was totally implausible. It does -- I mean if we can't live with the current limits, we cannot live with 50-percent reductions. And the president's budget put forward increases in the out years as part of a balanced plan.

Now, as part of a balanced plan, you can address Social Security and Medicare, you can address the priorities on the discretionary side of the budget and you can have room for a modest size tax cut. But that's the difference between a \$250 billion tax cut and a trillion-dollar tax cut; one gives you the room, the other doesn't.

And the debate over the tax cut was, in a way, a debate about being open about the numbers and facing the reality, and the contradiction between not being able to live with the current spending caps but projecting deep cuts in the out years in order to finance a tax cut was something that we felt very strongly about.

I don't think we're beyond that in the sense that the debate over fiscal policy will continue to be around what can we afford in terms of these big trade-offs. And we think that the right thing to do is to make those decisions now while we're looking at -- yes, I think the surpluses are real, but I think the surpluses won't be real if we pretend that a tax cut of a trillion dollars, either this year or next year or the year after, fits with the priorities that we have and I would argue many in Congress on both sides of the aisle have.

The difficulty that they're having suggests that there's not as enormous a partisan rift in terms of what many of the proper funding levels are, as there is a difference in a willingness to admit it on a multi-year basis when allocating resources. And to pretend that we don't need the money and to put it into a tax cut is, we think, a certain way of running back into more borrowing and deficits, because when the decision moments come, there won't be any tolerance for 50 percent cuts.

And so, if I can bring it back to the fiscal policy, what we've accomplished over the last number of years, with a serious and sustained effort at taking fiscal discipline seriously, is an enormous accomplishment in terms of the strength of the American economy. And this debate about how we end this year and whether or not we undertake a balanced approach to using the surplus, I think would be a very strong way of showing continuity, that we still care about keeping to a policy of fiscal discipline, which I think would mean a strong economy for years to come.

QUESTION: Jack, even though you have hopes of making substantial progress on Medicare, Social Security and some modest tax cuts, realistically, it's not very likely that's going to happen before the elections, is it?

LEW: I don't what's realistic and what's not realistic. I mean, I think that it's unrealistic if people like myself say we can't do it. And it's realistic if people like myself say we can do it. And the president said we can do it. And I'm saying we can do it. I heard, you know, the Democratic leader in the House yesterday say, you know, we can do it. And to the extent that there's a willingness to work on these big issues, it's not impossible.

QUESTION: But the key thing is to make sure that nobody appears to be unwilling to work on these issues, though, right?

LEW: No, I think the key thing is to get the job done that we were all sent here to do.

QUESTION: Jack, could you comment on the emergency bills that are out there? The Ag bill seems to be getting bid up. Is there a limit to how high you would go on that? Also, they're going to classify Lie-Heap (ph) as emergency spending and the census. Could you comment on each of those (OFF-MIKE)?

LEW: Well let me preface it by saying that I am one of the people who over the years has been one of the strongest advocates of the emergency authority, because I think in order to do our jobs well we have to be able to respond to things that aren't necessarily foreseeable and predictable on a multi-year basis.

And if we set ourselves limits, where the only way to deal with true emergencies is to make the kinds of cuts that would cause trade-offs to be made that just are not the right trade-offs, then we're shortchanging ourselves and we're shortchanging the American people.

Unfortunately, the term "emergency" has become a kind of license to do almost anything. And, you know, there have been a lot of jokes in the last few weeks. But some of the jokes have a fairly serious side to them. I mean, the notion that the census -- after how many hundreds of years, 200- plus years -- is an unexpected occurrence, and is somehow an emergency stretches the imagination.

Lie-Heap (ph), as an example, is a program which -- it's not that long ago that the same people who are declaring it an emergency, were trying to eliminate it. But in order to try and get around the spending limits, they're calling it an emergency.

I think that, you know, the sort of underlying truth is that if the money is going to be spent, it's going to be spent. An emergency designation is a perfectly appropriate way to get around limits that were imposed when the emergency couldn't be foreseen. But it doesn't change the fact that the money is spent. And it's now -- the label is being used to suggest that somehow the money vanishes into the ether and isn't really spent. And that's just not the case.

Emergency money is spent. And if the goal is keeping spending -- in actual terms -- from dipping into the Social Security surplus, then one can't ignore emergencies when they're doing their tally.

QUESTION: Well, that's an interesting philosophical discourse. But I'm wondering if, specifically, on each of these bills, would the president accept -- if the Ag bill -- is there a limit to how high he would go? Would he, under certain circumstances, potentially accept Lie-Heap (ph) as emergency spending? And would he agree to allow at least a portion of the census -- because they're saying they didn't understand how the sampling was going to go -- to be an emergency spending bill?

LEW: Yes. In each of those cases, you know, in Agriculture there is a legitimate case to be made for doing the Agriculture, you know, as an emergency under certain circumstances and in certain amounts. We've done it before. It's actually going back to, I believe, the first use of the emergency designation after it was enacted in 1990. Agriculture was one of the items that met the definition.

The question is, in each case, how you do it, how much, and, to be honest, about taking account of it. There's a difference between saying it's an emergency and pretending that there's not spending. And that difference makes a difference.

To the extent that in some of these areas there are policies that could be developed, I'm not going to address hypotheticals. I think we've been pretty clear in expressing skepticism that the entirety of the census should be called an emergency will pass the laugh test. You know, in the case of Lie-Heap (ph), there's a portion of it that traditionally has been an emergency to deal with unforeseeable circumstances like the extreme heat and cold that we face.

So a lot of these things are questions of degree. And how seriously one can take the proposals depends upon whether it's done in a measured way. And unfortunately what we've seen in a lot of the proposals to date is that they've been done in a kind of -- without any attempt to adhere to the traditional definitions, or -- I mean, you can call it a philosophical discourse. But it matters if they conform to the principles that define emergencies. And if you ignore all the principles, you end up with things that don't make any sense.

QUESTION: I like philosophical discourses, but my editors don't, so...

QUESTION: Can I bring you back, Jack, to the question of whether there's any damage to the nation, or damage to the public good, if budgetese (ph) goes on into the next year. You went as far as to say that if this goes on too long, there would be consequences to the public good. Could you elaborate on what those consequences might be?

LEW: Well, you have -- continuing resolutions don't typically take account of changing policy. You reach the point where last year's priorities may or may not be this year's priorities. And to just continue last year's funding levels is essentially to hold up your hands and say we're going to go on auto pilot. And, you know, it's one thing for a week or two. It's another thing when you go on for a long period of time.

One would have to go into a level of detail, you know, to really see the consequences, but, you know, if you take something like a start-up program, where in the first year it got a substantially larger amount of funding than it would have needed in the next year, and you just continue that funding level, that's not where you would have meant to be.

On the other hand, you take up a startup program in the year that you're in the continuing resolution and you don't get started on October 1. So, you're losing time. You can't start the new initiative until you get new funding proposals. I don't think that either we or the Congress ought to stand for the principle that things could just go on on automatic pilot.

We need to make decisions and to set priorities and to make choices. And that's what budgets are about, that's what appropriations bills are about. That's why it's important to finish the work and not just sort of throw up our hands and say we'll just let last year's work stand.

QUESTION: So, are you saying then, if the president is faced with the long-term, clean CR, come October 22, that you -- and that there be government shut down...

LEW: Yes. I'm saying the Congress shouldn't send the president a long-term CR, in October. There will be a continuing resolution. There will be more than enough time to finish the year's work, and the Congress should finish the year's work.

QUESTION: But sometimes, Congress does things that the president doesn't want them to do. And if they were to do that, would he veto it?

LEW: You know, it's very difficult to stand here today and answer hypothetical questions. I think I've made very clear what we -- it's very

clear what we think Congress should do. And we, there should be no illusions on the part of Congress about the president's willingness to go along with long-term extensions.

QUESTION: What would you -- I'm just curious what you are expecting for the first half of October? Listening to you here this afternoon, maybe you're just naturally a low key kind of a guy, but you don't seem to be real concerned about the possibility of two weeks worth of stern (ph) withdrawal (ph), with presidential vetoes and broadsides back and forth to the Hill and down to here. Compared to times past and looking at what you're getting from the Hill now, does this look like this is going to be a fairly calm row...

LEW: I try to stay calm even when the circumstances aren't. So...

QUESTION: Well, how contentious do you expect this to be?

LEW: I think it's pretty contentious. I think that, you know, that what we've seen over the course of the past few months is a quite important debate over priorities, that the president, by vetoing the tax bill last Thursday, did something very important. He made sure that we were not going to squander the opportunity of an enormous surplus on a risky and irresponsible tax cut. That's only a few days ago. There's still a lot of work to do to finish this year's work.

We may be facing vetoes. I can't tell you that we're not going to be facing brinkmanship when we get to these deadlines. What I'm telling you is, it's not necessary. I'm telling you that there is a way that we could work together and should be able to work together to resolve these issues. I'm not a screamer by nature, so I'm not going to stand here and call the other side names, but I do think that it is not doing the American people well to let weeks and weeks and weeks go by and not address some of these matters.

And we're ready to work. We've been ready to work. We have a plan on the table. We are, you know, we are anxious to get the year's work done and to be more expansive rather than less expansive in terms of defining what the options are and how much we can get done.

QUESTION: Do you think the end of the CR -- call it what you want, train wreck, gridlock, whatever it is, is more or less likely?

LEW: Well, we haven't -- this afternoon, we will probably see the first iteration of a continuing resolution. I think that, you know, whether or not we are able to get through this week without there being the kind of 11th hour drama will depend a lot on what's in it. And you know, and after that, will depend on whether or not Congress is able to get it's work done. And we intend to continue as I am today in insisting that is what the right thing to do is.

QUESTION: The president must have used the words, the phrase "work together" five or six times this morning. Why hasn't he invited Hastert and Lott down to the Oval Office to start doing it and then finish it?

LEW: I think that the content of the president's remarks on Thursday, on Saturday, and today, were very clear in terms of trying to reach out on a broad range of issues and express a willingness to work together. I think the

message couldn't have been more clear and I guess I don't need to elaborate on it. The notion of what the next step is, what the form is, is always what people like to hang on. But I think one has to look at the message and take it at face value. And I think that until there is a little bit more work done on the part of the Congress, it's difficult to see what the next step is.

What's unfortunate is that there is a desire to declare it as too late. Whether it's us saying that they shouldn't throw in the towel, or just listening to the questions here today, to having everyone who is observing the process say, oh, it's too late, it's impossible. It's a kind of a self-fulfilling prophecy. If everyone who is involved in the process decides it's too late, then you don't even try.

Now, if you try and you make a little progress, then there is a whole different dynamic. I think conversations on Medicare are very important. I think if something gets started, it can lead to something much bigger than most people think is possible. On the other hand, I'm not sitting here, standing here today predicting 100 percent likelihood of success. I think that there's far too much handicapping of how little will be done and far too much demanding that the bar be raised a little higher.

MODERATOR: Time for one or two more.

QUESTION: Is it possible to do Social Security or Medicare early next year even though it's a political year, if some of the handicapping is correct?

LEW: I think we have to focus on finishing this year's work before we start speculating on next year's agenda.

MODERATOR: Further questions for Mr. Lew?

QUESTION: I'd like to ask one more question. On the extenders, if you would just be a little bit more clearer. As I understood it, Archer did have offsets or pay-fors, for the extenders. You're suggesting that should be part of a larger package. But if it comes to you next week, are you going to reject that on its own?

LEW: To be clear, the offsets were partial and short lasting. My understanding is that over the period of years that the bill would be in effect, there was really no net offset. And I think that's a problem.

QUESTION: Were you on the Hill, White House and OMB, each of the U.S. and (OFF-MIKE)

MODERATOR: That's the last question.

LEW: Well, now you're going into an area where I'm truly not expert to offer an opinion.

END

NOTES:

Unknown - Indicates speaker unknown.

Inaudible - Could not make out what was being said.

off mike - Indicates could not make out what was being said.

LANGUAGE: ENGLISH

LOAD-DATE: September 29, 1999

Draft 9/24/99 3:20pm
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 instead of preserving it for debt reduction. 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.

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. 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.

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.

Thanks for listening.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 23, 1999

REMARKS BY THE PRESIDENT
ON SIGNING VETO OF TAX BILL

The Rose Garden

11:10 A.M. EDT

THE PRESIDENT: Good morning. Thank you very much. Please be seated. Thank you and good morning. As all of you know, Congress has sent me the tax bill I have repeatedly pledged to veto. In a moment, I will do that because, at a time when America is moving in the right direction, this bill would turn us back to the failed policies of the past.

In the 12 years before I became President, irresponsible policies in Washington piled deficit upon deficit, quadrupling the national debt, leading to high interest rates, eventually bringing us the worst recession since the Great Depression. Interest rates and unemployment were too high, wages were stagnant, growth was slow.

Vice President Gore and I came into office determined to change all that with a new economic strategy focused on fiscal discipline, expanded trade, investment in our people. The strategy has worked. In the past six and a half years, it has produced lower interest rates and ushered in the longest peacetime expansion in our history, with more than 19 million new jobs, rising wages, the lowest unemployment in a generation, and record-breaking levels of home ownership. And by balancing the budget for the first time in a generation, we have changed red ink to black, turning a deficit of \$290 billion into a budget surplus of \$99 billion this year, with growing surpluses projected for years to come.

The American people understand that these are not simply numbers on charts. The progress we've made is something they see and feel every day -- in more jobs, higher paychecks, HOPE scholarships that help send their children to college, lower interest rates for owning a home and buying a car. This is the right course for our people, and our nation. It is making a difference in the lives of Americans. And they want us to stay on it.

Our hard-won prosperity gives us, also, the chance to do something few people ever have -- the chance to invest our surplus to meet the long-term challenges of America. We can lift the burden of debt from the shoulders of the next generation. We can secure the future of Social Security and Medicare. We can ensure a first-rate education and modern schools for our children.

Unfortunately, the tax bill Congress has sent me would deny those opportunities to the American people. The bill is too big, too bloated, places too great a burden on America's economy. It would force drastic cuts in education, health care and other vital areas. It would cripple our ability to pay down the debt. It would not add a day to the Social Security trust fund. It would not add a day to the Medicare trust fund, or modernize Medicare with prescription drug coverage. Nearly a trillion dollars in tax cuts, but not one dollar for Medicare. I will veto this bill because it is wrong for Medicare, wrong for Social

Security, wrong for education, and wrong for the economy.

Now, in the face of my determination to do this, many in Congress seem ready to throw in the towel. That would be a disservice to the American people. They sent us all here to get things done. And we have proved in the past, with the Welfare Reform bill of 1996 and the Balanced Budget Act of 1997, that we can work together to get things done and bring good results to our country. So, instead, I ask Congress not to go home until we have worked together once again, in a good-faith effort to meet the long-term challenges our people face.

First, let's reach a bipartisan agreement to save Social Security. The congressional majority's current plan and its so-called lockbox would fail to protect the Social Security surplus from being spent, and it would not add a day to the Social Security trust fund. Instead of this weak lockbox and no additions to the trust fund, I ask Congress to work with me to construct a real lockbox that would keep Social Security solvent until the year 2050.

Second, let's work together to save Medicare. With Medicare facing insolvency in just 16 years and with three out of four seniors lacking dependable, affordable prescription drug coverage, we know we must not put off this challenge. Months ago, I put forth a detailed plan for Medicare that would reform and modernize it with a voluntary prescription drug benefit. It would address the immediate, critical needs of teaching hospitals, skilled nursing facilities and other priorities while extending Medicare's solvency to the year 2027.

Now, I don't expect the Republican majority to agree with me on every detail of my plan; I never thought that would be the case. But I do expect, and the American people have a right to expect, that we will work together in good faith to meet these long-term objectives.

Third, we should fulfill our obligations to the future by producing a real budget that pays down the debt, brings down interest rates, and makes vital investments in education, the environment, national security, biomedical research, health care, and other areas so vital to our future.

If we do this, within the framework I have outlined, we can not only invest in our future, we can pay down America's debt over the next 15 years and make our country debt-free for the first time since Andrew Jackson was here and planted that big magnolia tree in 1835. (Applause.)

So I say again, let's do first things first: pay down the debt, save Social Security, save and modernize Medicare, invest in education.

In the days ahead, I will ask the Republican majority to work with me to fulfill these fundamental obligations we have to our children and to our future. If we can work together to meet these objectives, we can also work together to pass tax relief we can afford -- affordable, middle-class tax relief that reflects the priorities of both parties and the values of the American people. That would be a good bill I would happily sign.

Every generation of Americans is called upon to meet the challenges of its time. But few have the unprecedented opportunity we have -- to meet the challenges not only of our time, but the great challenges of our future. We must seize that opportunity.

Thank you very much. (Applause.)

(The veto is signed.)

Thank you. (Applause.)

END

11:23 A.M. EDT

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

September 24, 1998

REMARKS BY THE PRESIDENT
ON INCOME AND POVERTY REPORT

The Rose Garden

12:20 P.M. EDT

THE PRESIDENT: She was terrific, wasn't she? Let's give her another hand. I thought she was great. Congressman Cardin, welcome. I know you're proud of your constituent here. Jessica, welcome. We're glad to see you. I think Congressman Blagojevich is here. We welcome him, along with Senator Ephraim Gonzalez, who is the President of National Hispanic Caucus of State Legislators; and Councilman Robert Cantana of Buffalo. Let me once again thank Monique for her remarkable statement and her even more remarkable life. I'm delighted to be joined here by our economic team -- by Erskine Bowles and Secretary Rubin, Secretary Herman, Gene Sperling, Jack Lew, Janet Yellen, Larry Summers. Their tireless, often literally sleepless work has been very instrumental in sparking and maintaining what soon will be the longest peacetime boom in American history.

Officials of the Census Bureau who are here today, I want to thank all of you. We're going to be talking a little bit about some Census Bureau statistics. Sometimes we take your hard work and statistics for granted. The fact is that you ensure that our democracy is truly representative. And let me say in that connection once again, Congress must not hamstring the Census Bureau's efforts to maintain the most up-to-date, accurate scientific methods to produce the year 2000 census. They deserve the chance to succeed. Monique Miskimon has shown us today once again that every American counts. That means that every American deserves to be counted.

Now, before I get into the details of the very positive economic report, which Monique and her daughter so vividly represent, I think we all want to say just a few words and reflect on the powerful impact of Hurricane Georges. In the Caribbean islands, businesses and homes have been swept away; tragically, many lives have been lost. Meanwhile, the projected track of the storm places the hurricane center over or near the Florida Keys late tonight or early tomorrow morning. As we speak, we're helping the people of Florida prepare for the hurricane. We've already sent assistance to Haiti and the Dominican Republic. Obviously, we're working with the officials in Puerto Rico and the Virgin Islands.

James Lee Witt, the Director of the Federal Emergency Management Agency, has informed me that FEMA's Region Six Emergency Response Team arrived in Tallahassee, Florida, at 10:00 a.m. this morning. Here in Washington, the FEMA Emergency Support Team is operating at Level One, its highest level, on a 24-hour basis.

Our support teams and our prayers are with those in the Caribbean as they begin to rebuild, and those in the Florida Keys as they brace for the impact of the storm. Now, as President, from my first day here, I have done my best to fulfill a commitment I made to the American people: first of all, to restore the reality of the American Dream -- of opportunity for all responsible citizens, of a community in which we all count and work together -- and secondly, to reclaim the future for our children, to strengthen our country for the century ahead.

To accomplish that mission, we began first with an economic strategy to shrink the deficit and balance the budget, to invest in the education and skills of our people, and to expand the export of American goods. The census report released this morning represents one more year's worth of compelling evidence that this economic strategy is working, and that there are lots more people out there like Monique Miskimon.

The report shows that last year the income of the typical American household grew at nearly twice the rate of inflation. Since we launched our economic plan in 1993, the typical family's real income has risen by more than \$3,500. That's an extra \$3,500 that hardworking families can put toward their children's education or a down payment on a first home. Income for typical African American and Hispanic families increased by more than \$1,000 last year alone.

This report also shows that our growing economy is giving more and more families a chance to work their way out of poverty. The poverty rate fell to 13.3 percent, and while we still have plenty of room for improvement, the African American poverty rate fell to another record low. Hispanic poverty saw the largest one-year drop in two decades. Child poverty has dropped in the past four years, more than in any four-year period in the last three decades. And the Earned Income Tax Credit, which Monique spoke of a moment ago, has raised more than 4 million people out of poverty in the last year alone.

The report this morning shows that economic growth continues to raise incomes, lift millions out of poverty, and extend opportunity. It also shows that we have more to do. Since 1993, every income group has benefitted from our nation's economic growth and the lowest 20 percent of our people in terms of income have had the highest percentage increases. That's the good news, after over 20 years of increasing inequality.

But that inequality is still too high, and it simply means there are too many American families out there working hard, doing everything we could possibly ask of them, and still having a hard time getting ahead. We have to use our prosperity and the confidence that it inspires to help our hardest pressed families and our hardest pressed communities to ensure economic growth for all Americans.

The most important thing we have to do, of course, is to maintain the economic strategy that got us here in the first place -- above all, the strict fiscal discipline that has given us low interest rates, low inflation, big investments and more jobs.

Exactly a week from today, we will have the first balanced budget and surplus since Neil Armstrong walked on the moon in 1969. Unfortunately, this week in the House of Representatives, the Republicans are moving forward with a proposal that drains the new surplus to pay for their tax plan. We can cut taxes. Indeed, my balanced budget includes targeted tax cuts for child care, for education, for environmental clean-up. But tax cuts must be paid for in full if we are to expand opportunity in the years to come.

I say again, we have been waiting for 29 years to see the red ink turn to black. We have a huge baby boom challenge coming when all the baby boomers retire. Social Security, as presently constituted, cannot sustain that retirement. We have to reform Social Security if we want to have it for our parents -- that's me, when the baby boomers retire -- without undermining the standard of living of our children and grandchildren.

So I say again, let us not get into this surplus we have worked for 29 years for -- or we've waited for 29 years for and worked for 6 years for. Let's don't get into that and spend it in an election year tax cut until we have saved Social Security for the 21st century, for the sake of our children and our grandchildren.

Second, we have to continue to invest in our people and lift them all up. I was deeply disappointed this week when 95 percent of the Republicans in the Senate voted not to raise the minimum wage. To reject an increase in the minimum wage when there are still so many people working full-time and raising children in poverty, when the unemployment rate and the inflation rate is so low, I believe is a mistake and sends the wrong signal to the American people.

I thank the 95 percent of the Democratic Caucus in the Senate who voted for the increase in the minimum wage. Working Americans deserve it. I'm disappointed, with only a week left in the fiscal year we rejected this, and I haven't quit fighting for it. I think eventually we will get it in the next several months; if we have to wait until next year, we will get it.

But I'm also disappointed -- as I said, a week from today we end the fiscal year and we start a new one. And there's still been no action in the Congress on our vital education investments. Indeed, what action there has been in the House of Representatives has been negative, has been a setback for education.

Congress should work with us to enact my plan, paid for in the balanced budget, to reduce class size to an average of 18 in the early grades; to hire 100,000 teachers to teach those children in smaller classes; to rebuild or to construct or repair 5,000 schools so our kids will have good, adequate, safe schools to attend; to hook up all of our classrooms -- all of them, even in the poorest neighborhoods -- to the Internet by the year 2000; to improve early literacy by funding the program to send volunteers in to make sure that every eight-year old can read; to lift our children's sights with voluntary national standards and clear means of measuring them.

Now, if we hope to maintain our economic growth well into the next generation, we have to give every American child a world-class elementary and secondary education.

So I say again, we've been here for months and months; there's just a week left in the budget year -- let's finally have action to improve our public schools and give all of our kids a world-class education.

The third thing I'd like to say is we have to continue to lead in the global economy if we want the American economy to continue to grow. We're enjoying unsurpassed economic prosperity, but all of you read the papers every day, you see the news at night, you know there are troubles elsewhere in the world. You know our friends in Asia and Russia are facing great turmoil. You know we're trying to keep our big trading partners and friends in Latin America from having the negative effect of that turmoil reach them even though they are pursuing good policies.

That's why it's important for Congress to fund our America's share of the International Monetary Fund, because the International Monetary Fund helps the countries that are helping themselves to return to growth, and serves as an insurance policy against having the financial crisis spread to the countries that are doing the right thing and keeping Americans at work by buying our products.

Again I say, there is no reason not to do this. We've only got a week left in the budget year. We've been talking about it all year long. The problem has only gotten worse. It is time now to say, we're doing this because it's what America owes as the world leader; and more importantly, we're doing it because it is absolutely necessary to keep American economic growth going.

Finally, let me say that with just a week left in this budget year, I'd still like to see the Congress pass a decent patients' bill of rights, one that covers -- (applause). Our bill would provide protections to all Americans, simple ones. If you get in an accident, you can go to the nearest emergency room, not be hauled to one halfway across town. If your doctor tells you you need to see a specialist, you can see one. If it comes down to a dispute about whether a medical procedure should or should not be applied, the decision should be made by a doctor, not an accountant. Your medical records ought to be protected in privacy. If your employer changes health care providers, it shouldn't affect you if you happen to be in the middle of a pregnancy or a chemotherapy treatment, or some other thing that would be entirely disruptive and dangerous and damaging to your health care if you had to change doctors in the middle of the procedure.

Now, we do that for everyone. The House passed a bill on a partisan vote, completely party-line vote, that doesn't protect 100 million people and doesn't provide any of those protections to the people that are covered. The Senate Majority Leader actually shut down business in the Senate a few days ago to keep them from voting for it, so they wouldn't be recorded -- they wouldn't be recorded as killing the patients' bill of rights -- but they could kill it and still satisfy the insurance companies that are doing their best to do it.

There's still time. We haven't broken for the election yet. We can still do the right thing by the American people. But we have to think about it, we have to focus on it, and we have to put our priorities where they ought to be.

I think it's worth fighting for the patients' bill of rights in the closing days of this congressional session.

Again, I want to thank the economic team here and our supporters in the Congress, including those who are here today, for giving more Americans a chance to live the story that Monique has told us about. I want to thank her for coming today and bringing her beautiful daughter. I know we all wish them well.

Our prayers are with the people who are about to be affected and those who have been affected by the hurricane. And I ask that all of us focus on using these last days of this congressional session to think about the American people, to think about our responsibilities, to think about what got us here over the last six years, and instead of departing from it, to bear down and build on it. That is my goal and that's what we ought to do.

Thank you very much.

Q Mr. President, do you see any way out of an impeachment inquiry?

THE PRESIDENT: Well, let me answer you this way: the right thing to do is for us all to focus on what's best for the American people. And the right thing for me to do is what I'm doing. I'm working on leading our country, and I'm working on healing my family.

And if you look at what we announced today, what does it tell you? It proves, number one, that the course we have followed has been the right course for America. That's what it proves. After six years, it can't be an accident anymore.

But the second thing it proves is that it is utterly foolish for people to be diverted or distracted from the urgent challenges still before us. I told you that we had a record -- a record low in African-American unemployment and poverty; a record low in the poverty rate for children, of African-American children. Do you know what that record low is? It's about 39 percent. In other words, it's breathtakingly high. That's just one statistic.

So what does that tell me? It tells me that the right thing to do is, if we all put progress over partisanship, put people over politics, put the American people first -- what would we do? Well, we would keep the budget balanced. We would save Social Security before we squandered the surplus. We would improve our schools. We would clean up our environment. We would pass the patients' bill of rights. And we would keep the economy going. That's what we would be focused on. That's what I am focused on. That's the way out.

The way out here -- and the only way out is for people in Washington to do what the folks in America want them to do, which is to take care of their concerns, their children, and their future. That's what I mean to do, and I'm going to do my best.

END

12:38 P.M. EDT