FOIA Number: 2006-0467-F

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FY 2000 Budget 2/1/99

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Personal. [partial] (1 page)	02/01/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Speechwriting
Jeff Shesol
OA/Box Number: 19944

FOLDER TITLE:

FY 2000 Budget 2/1/99

2006-0467-F
vz211

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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REVISED

Revised Final 02/01/99 8:30am

'99 FEB 1 AM 9:18

Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON SUBMISSION OF

THE 2000 BUDGET

THE WHITE HOUSE

February 1, 1999

2-1-99

Acknowledgments: VP; Secs. Albright, Cuomo, Glickman, Richardson, Riley, Rubin, Shalala, Slater, West; BABBITT Dep. Treasury Sec. Larry Summers; Soc. Sec. Commissioner Ken Apfel; SBA Dir. Aida Alvarez; GSA Adm. David Barram; OPM Dir. Janice LaChance; FEMA Dir. James Lee Witt; John Podesta; Gene Sperling; Jack Lew; Sylvia Mathews; Larry Stein; Janet Yellen; and all the members of Congress who are with us today

Today I am submitting my budget for the year 2000 -- the first budget of the 21st Century. It ~~is a budget tha~~t charts a ~~prudent~~, progressive but prudent path for America's future. ~~It is~~ that a balanced budget; ~~it is fiscally responsible; and~~ it makes vital investments in ~~the~~ our people ~~of our nation~~ & our future.

2-1-99

Seven years ago, when I ran for President, I ~~said that we had to~~ put our fiscal house in order. ~~More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But, as the Vice President just told us, few were confident it would ever do so again.~~ Irresponsible policies ~~in Washington~~ had quadrupled the national debt over the previous 12 years, w/ The budget deficit ~~was~~ $290 billion in 1992 alone. That brought us high Interest rates, ~~were high~~ low, growth was low. And ~~the~~ a government, ~~it seemed, was failing~~ unable to meet its most basic obligations, or to lead our [illegible] to 21st C.

When I took office we charted a new, ~~fiscally responsible~~ course for a new economy: fiscal [illegible] / Invest in [illegible] / more trade

2-1-99

~~And~~ Today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress.

2-1-99

Indeed, America's economic house is in order, and it stands strong. If we manage the surplus right, we can uphold our responsibility to future generations. We can do it by dedicating the lion's share of the surplus to Saving Social Security, + Medicare, and paying down the debt. We can -- and therefore we must -- do it now.

Our fiscal discipline has given us this rare and hard-won opportunity. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic -- has made a real difference in people's lives. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates. When interest rates fall, more Americans can buy their first homes, buy cars ~~pay mortgages~~, retire student loans, start new businesses.

2-1-99

And when deficits disappear, capital -- more than $1 trillion so far -- is liberated to create wealth, ~~create~~ jobs, and ~~create~~ opportunity at every level of our economy. Simply put, the less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is ~~the way~~ a nation prospers -- by saving and investing, not by running big deficits. That is one reason why this year's budget is even smaller than last year's as a share of the economy.

The budget I submit today keeps America on that prudent path toward a more prosperous future. It has taken hard work and tough choices to get this far. It will take more of the same to move ahead.

2-1-99.

But with ~~our~~ economy expanding and our budget surplus growing, we can walk that path with confidence rising.

As I said in Sony

We must seize this opportunity to meet America's long-term challenges, to fulfill our obligations to 21st c. Americans young and old.

~~Recently, in my State of the Union Address, I spoke about the aging of America~~. The Baby Boom will soon become the Senior Boom, ~~and~~ This first budget of the next century is our first step toward meeting that challenge. I have proposed committing 62 percent of the surplus for 15 years to save Social Security -- and investing a small portion in the private sector, just as any private or state pension would, to earn higher returns. This will keep Social Security sound for 55 years.

2-199

And if we work together and make tough choices, we can save Social Security for the next 75 years, lift earning limits, reduce poverty among elderly women.

My balanced budget also takes steps to strengthen Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we can save it for at least another decade. I have proposed that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment toward that goal. It also commits 12 percent of the surplus Scoobt for tax relief to establish universal savings accounts -- U.S.A. Accounts -- that will help Americans to invest, to save for retirement, and to share more fully in our nation's wealth.

This is the economically sound and fiscally responsible course for the new century. If we do this, if we lock in the surplus to save Social Security and strengthen Medicare, we can fulfill our obligation to older Americans.

But the reform of Social Security and Medicare is equally important to <u>younger</u> Americans. It achieves something for our children that, at first glance, seems far removed from their lives, but is in fact essential to their future -- <u>it pays down the debt</u>.

[*Point to chart*] If we set aside 62 percent of the surplus for Social Security and 15 percent for Medicare, over the next 15 years, we will cut the debt by <u>two thirds</u>. As a share of our economy, we will cut it by 84 percent -- achieving the lowest level of publicly held debt since America entered the First World War, in 1917.

Let me explain why this is so important to our children. We have already made deficit spending a thing of the past, but a big debt remains -- an unfortunate legacy of living beyond our means. America is still paying for the irresponsibility of those 12 years -- for all those past budget deficits. That's what the debt is -- it's the sum total of all those deficits, accruing interest, waiting to be paid down. Today, as a share of the economy, the debt is 44 percent.

2-1-99

Now, that is down considerably, as you can see, since 1993; but it is still too high. As I said earlier, it consumes capital that would be better invested by the private sector.

[illegible]

The question at hand is really very simple. Will we squander our surplus in the short term? Or will we use it to pay down the debt for the long term, and lift the crushing burden of debt from our children's shoulders? Because the fact of the matter is equally simple. Either we are going to pay it down, or they are. I think it is responsible -- and right -- that we do it ourselves. Beginning now. My plan will pay down the massive debt accumulated during the 12 years before I took office. And that's the right thing to do for our children.

2-1-99

There is more we must do for our children. My budget also makes historic investments in our younger Americans -- from quality teaching to school modernization, from smaller classes ~~to~~ and the afterschool programs ~~that keep kids safe to~~ the summer school programs that keep kids learning, + safe.

But by saving Social Security. . . strengthening Medicare. . . and paying down the debt, my budget meets the critical first tests of the 21st Century. And these are the same challenges that Americans, over the coming months and years, should meet together -- across lines of party and generation. Because none of us wants the choices we made yesterday -- or defer today -- to burden our children tomorrow.

Instead, the decisions we make here and now should empower our children, should give them the strength and freedom to make <u>their</u> time even better than our own.

Thank you.

Withdrawal/Redaction Marker
Clinton Library

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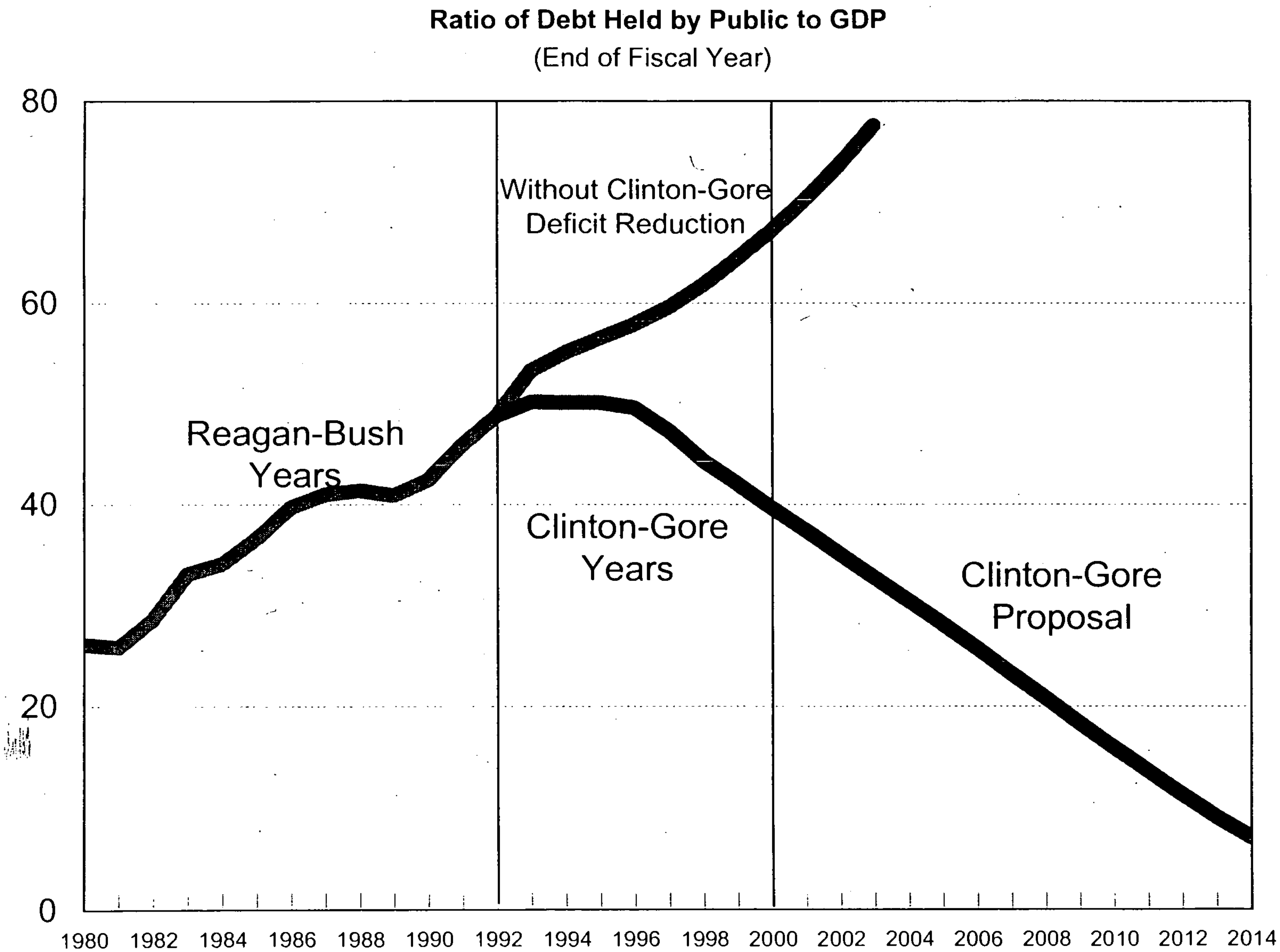
EVENT: Budget Submission Event
DATE: Monday, February 1, 1999
TIME: 10:05am-11:00am
LOCATION: The East Room

MEMBERS CONFIRMED TO ATTEND(32):
Sen. Chuck Robb (D-VA)
Rep. Xavier Becerra (D-CA)
Rep. Ken Bentsen (D-TX)
Rep. Shelley Berkley (D-NV)
Rep. Earl Blumenauer (D-OR)
Rep. Donna Christian-Christensen (D-VI)
Rep. Bob Clement (D-TN)
~~Rep. Calvin Dooley (D-CA)~~
~~Rep. Eni Faleomavaega (D-AS)~~
Rep. Sam Farr (D-CA)
Rep. Martin Frost (D-TX)
~~Rep. Bart Gordon (D-TN)~~
Rep. Rubin Hinojosa (D-TX)
Rep. Joseph Hoeffel (D-PA)
Rep. Steny Hoyer (D-MD)
Rep. Eddie Bernice Johnson (D-TX)
Rep. Stephanie Tubbs Jones (D-OH)
Rep. Paul Kanjorski (D-PA)
Rep. John Larson (D-CT)
Rep. Sandy Levin (D-MI)
Rep. Jim Moran (D-VA)
Rep. Grace Napolitano (D-CA)
Rep. David Obey (D-WI)
Rep. Solomon Oritz (D-TX)
~~Rep. Nancy Pelosi (D-CA)~~
Rep. Tim Roemer (D-IN)
Rep. Lucille Roybal-Allard (D-CA)
~~Rep. Loretta Sanchez (D-CA)~~
Rep. John Spratt (D-SC)
Rep. Pete Stark (D-CA)
~~Rep. Ellen Tauscher (D-CA)~~
Rep. Jim Turner (D-TX)
Rep. Robert Underwood (D-GU) + JAY INSLEE (D)
CONGRESSIONAL GUESTS:
Nathan Winslow [redacted] P6/(b)(6)

[001]

Investing The Surplus For Our Future: Cutting the Debt By More Than Two-Thirds



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02/01/99 11:43:00 AM

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Subject: 1999-2-1 remarks of the President on budget submission

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 1, 1999

REMARKS BY THE PRESIDENT
ON SUBMISSION OF THE FY 2000 BUDGET

The East Room

10:50 A.M. EST

THE PRESIDENT: Thank you very much. Mr. Podesta, Mr. Vice President, members of the Cabinet, the economic team, members of the Congress. I would like to, first of all, thank the Vice President for his invaluable partnership these last six years, and for the remarkable address he gave in Davos, Switzerland, just a couple of days ago on the global economy and our responsibilities there. I will say more about that in a moment. But all of you know how much our long-term prosperity is tied to that.

I'd like to thank the large number of members of Congress who are here. There are so many, we haven't introduced them all, but in view of the Vice President's remarks, I would like to point out that there is one person here in whom I take particular satisfaction -- Congressman Jay Inslee from Washington is one of the people who lost his seat in 1994, in no small measure because he voted for the economic plan of 1993. And in 1998, the voters in Washington returned him to the House of Representatives -- (applause.) Thank you.

I'd also like to point out that after the first couple of years, when we passed our economic plan in a highly partisan manner, we achieved a bipartisan consensus on a balanced budget which enabled us to continue our progress. And I think I speak for every member of my party in this room -- we would like to return to that to pass this budget and keep going in the right direction.

This is our budget for the year 2000. It is the first budget of the 21st century. It charts a progressive but prudent path to our future; a balanced budget that makes vital investments.

Seven years ago when I ran for President I committed to put our fiscal house in order. Irresponsible policies had quadrupled our national debt in the 12 previous years. The deficit was $290 billion in 1992 alone. That brought us high interest rates, low growth, and a government unable to meet it's most basic obligations or to build our bridge to the 21st century.

When I took office we charted a new course, as the Vice President said: fiscal responsibility, smart investments, more trade. Today, following that path, Americans have created the longest peacetime expansion in our history -- nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the lowest welfare rolls, the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, as all of you know, we had turned red ink to black with a $70 billion surplus. It is projected to be only the first of many. As I said in the State of the Union, America is on course for surpluses over the next quarter century. And our estimates, optimistic as they sound, are more conservative than those of Congress.

Our economic house is in order and strong. If we manage the surplus right we can uphold our responsibility to future generations. We can do so by dedicating the lion's share of the surplus to saving Social Security and Medicare and paying down the national debt. We can, and because we can, we must do it now.

We have a rare opportunity that comes along once in a blue moon to any group of Americans. We see now that balancing the budget, an idea that once seemed abstract, arcane or impossible, has made a real difference in the lives of our citizens. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates.

When interest rates fall, more Americans can buy and refinance homes, as over 20 million of them have. They can buy cars, retire student loans, start new businesses. When deficits disappear, capital, more than $1 trillion so far, is liberated to create wealth and jobs and opportunity at every level all over America.

The less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits. This is one reason why this year's budget, as a percentage of our economy, is even smaller than last year's.

Now, the budget I present today keeps us on this path -- a progressive, but prudent path to a positive future. It has taken hard work and tough choices. I want to thank the members of the Cabinet for the whole array of difficult, long meetings we had. But with our economy expanding and our surplus rising, we have confidence that we can now look to the long-term challenges of our country to fulfill our obligations to 21st century Americans, both young and old.

The baby boom, as we all know, will soon become a senior boom. The first budget of the next century is our first big step toward meeting that challenge. I have proposed committing 62 percent of the surplus for the next 15 years to Social Security, and investing a small portion of that in the private sector, just as any private or state government pension would do, so that we can earn higher returns and keep Social Security sound for 55 years.

If we work together across partisan lines and make some tough, but fully achievable choices, we can also save Social Security for the next 75 years, lift the earnings limitation on what seniors on Social Security can earn, and do something to alleviate poverty among elderly women.

Our balanced budget also takes steps to strengthen Medicare. Already we have extended the life of the trust fund by 10 years. We can save it for another decade if we use one out of every six dollars of the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment on that goal. It also commits 12 percent of the surplus -- about $500 billion, more if the Congress turns out to be right -- for tax relief to establish Universal Savings Accounts -- USA accounts to help Americans to invest, to save for retirement, to share more fully in our nation's wealth.

This is the economically sound and fiscally prudent course for our country. If we do it -- if we lock in the surplus to save Social Security and Medicare -- we can fulfill our obligations to older Americans.

But as I said the State of the Union -- and I want to emphasize this in particular today -- reform of Social Security and Medicare is equally important to younger Americans for two reasons: First of all, if we take care of this, then when the baby boom retires, our children will have their incomes to invest in their lives and the lives of our grandchildren. Secondly, although this, at first glance, may seem far removed from our lives, it is essential to their future -- because if we do this, we will pay down the national debt.

Now, look at this chart. If we set aside 62 percent of the surplus for 15 years for Social Security, and we set aside 15 percent for Medicare, we will cut the debt by two-thirds. As a share of our economy, we will cut it by 84 percent. Look, when I took office it was about 50 percent; we've got it down now to about 44 percent. In 15 years, we will have it down to seven percent, a third of what it was in 1981 before we started exploding the debt with the deficits. That will give us the lowest share of publicly held debt since 1917, before the United States entered World War I. (Applause.)

Why is this important? Well, we've already made deficit spending a thing of the past, but this huge debt remains. We quadrupled the debt in four years. When I took office we were looking at a future where we would be spending 20-25 cents on the tax dollar just to pay interest on the debt -- not to pay it down, just to pay interest. We've now got it down to a little over 13 cents on the dollar today. And we can take it, as you see, way, way down. If we take it down to seven percent, our successors, 15 years from now, will only have to allocate 2 cents of every dollar the American people pay in taxes to pay interest on the debt -- 2 cents. (Applause.)

Now, this is especially important now, with all this financial turmoil around the world. We're doing everything we can -- and again I want to thank the Vice President, Secretary Rubin, Deputy Secretary Summers; they went to Switzerland, we've been working hard for a year to try to stabilize the global economy, get growth going again. But we know that if things go haywire in other parts of the world it can have an adverse effect here. This is an enormous insurance policy if we pay down the debt; that no matter what happens elsewhere, we'll be able to keep interest rates low, we'll be able to keep investing.

And I want to point out, if I could put in one plug for another part of our budget, it's also why our whole "invest in America strategy," to go into the poorest neighborhoods in our cities, and Appalachia, and the Mississippi Delta, and South Texas, and in rural areas, including Native American communities -- why that's so important, because these underinvested areas of American have to be seen as new markets -- to go along with keeping the interest rates down, and freeing up the money. If the waters are troubled overseas, we have to be able to generate more growth here as well.

So I say to all of you, this is something we're doing for our kids. Yes, we're saving Social Security and Medicare; and, yes, that will prepare for the retirement of the baby boomers; and, yes, it will save money for our children and our grandchildren; but it will also guarantee them an economy of continuing, enduring stability, and a hedge against the storms that may happen beyond our borders.

So that's why this is so important. This is not just about saving Social Security and Medicare, although that is terribly important. It is also about knowing that, when we leave this century and enter the next, we have given our children 20 years or so in which they can worry about the challenges of the future, and they can meet their challenges of their times -- things we may not even be able to foresee -- unburdened by the unfinished business of the 20th century; unshackled by our profligacy in the latter part of this century.

It is profoundly important, therefore, that all across America people see this budget not just as a budget that saves Social Security and Medicare, but the budget that ensures for young Americans the same chance that those of us in the baby boom generation enjoyed in the years after World War II; the same chance to meet the challenges that they will have to face that we don't know yet.

Now, it also invests, as I said. It invests in new markets in America; it invests in the education of our young people; it makes historic investments from quality education and teaching to school modernization, from smaller classes to summer school and after-school programs.

But by saving Social Security and strengthening Medicare and paying down the debt, it meets the critical first test of our obligation to the new century. These are the same challenges that Americans over the coming months and years will have to meet together. It is what we must do in Washington this year.

All over America, most of what happens to Americans are being done by people that don't have anything to do with the government. They're making their decisions for their families, for their businesses, for their education, for their future.

But we can prevent them from making the most of their lives if we do not lift these burdens from them. And if we do, we will dramatically increase the number of Americans that will be able to live out their dreams and, therefore, keep the American Dream going forever.

The decisions we make here and now are going to have a huge impact for a long, long time. We have a special obligation because our predecessors for the last several years never had this opportunity. They never had the option to do what we can now do. It is now here before us, thanks to the hard work of the people of this country, and we had better fulfill our duty. I believe we will.

Thank you very much. (Applause.)

END 11:08 A.M. EST

Revised Final 02/01/99 8:30am

Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON SUBMISSION OF

THE 2000 BUDGET

THE WHITE HOUSE

February 1, 1999

Acknowledgments: VP; Secs. Albright, Cuomo, Glickman, Richardson, Riley, Rubin, Shalala, Slater, West; Dep. Treasury Sec. Larry Summers; Soc. Sec. Commissioner Ken Apfel; SBA Dir. Aida Alvarez; GSA Adm. David Barram; OPM Dir. Janice LaChance; FEMA Dir. James Lee Witt; John Podesta; Gene Sperling; Jack Lew; Sylvia Mathews; Larry Stein; Janet Yellen; and all the members of Congress who are with us today

Today I am submitting my budget for the year 2000 -- the first budget of the 21st Century. It is a budget that charts a prudent, progressive path for America's future. It is a balanced budget; it is fiscally responsible; and it makes vital investments in the people of our nation.

Seven years ago, when I ran for President, I said that we had to put our fiscal house in order. More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But, as the Vice President just told us, few were confident it would ever do so again. Irresponsible policies in Washington had quadrupled the national debt over the previous 12 years. The budget deficit was $290 billion in 1992 alone. Interest rates were high, growth was low. And the government, it seemed, was failing to meet its most basic obligations.

When I took office we charted a new, fiscally responsible course for a new economy.

And today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress.

Indeed, America's economic house is in order, and it stands strong. If we manage the surplus right, we can uphold our responsibility to future generations. We can do it by dedicating the lion's share of the surplus to Social Security, Medicare, and paying down the debt. We can -- and therefore we must -- do it now.

Our fiscal discipline has given us this rare and hard-won opportunity. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic -- has made a real difference in people's lives. Fiscal discipline has transformed the <u>vicious cycle</u> of budget deficits and high interest rates into a <u>virtuous cycle</u> of budget surpluses and low interest rates. When interest rates fall, more Americans can buy homes, pay mortgages, retire student loans, start new businesses.

And when deficits disappear, capital -- more than $1 trillion so far -- is liberated to create wealth, create jobs, and create opportunity at every level of our economy. Simply put, the less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits. That is one reason why this year's budget is even smaller than last year's as a share of the economy.

The budget I submit today keeps America on that prudent path toward a more prosperous future. It has taken hard work and tough choices to get this far. It will take more of the same to move ahead.

But with our economy expanding and our budget surplus growing, we can walk that path with confidence rising. We must seize this opportunity to meet America's long-term challenges, to fulfill our obligations to Americans young and old.

Recently, in my State of the Union Address, I spoke about the aging of America. The Baby Boom will soon become the Senior Boom; and this first budget of the next century is our first step toward meeting that challenge. I have proposed committing 62 percent of the surplus for 15 years to save Social Security -- and investing a small portion in the private sector, just as any private or state pension would, to earn higher returns. This will keep Social Security sound for 55 years.

And if we work together and make tough choices, we can save Social Security for the next 75 years.

My balanced budget also takes steps to strengthen Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we can save it for at least another decade. I have proposed that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment toward that goal. It also commits 12 percent of the surplus for tax relief to establish universal savings accounts -- U.S.A. Accounts -- that will help Americans to invest, to save for retirement, and to share more fully in our nation's wealth.

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But the reform of Social Security and Medicare is equally important to younger Americans. It achieves something for our children that, at first glance, seems far removed from their lives, but is in fact essential to their future -- it pays down the debt.

[*Point to chart*] If we set aside 62 percent of the surplus for Social Security and 15 percent for Medicare, over the next 15 years, we will cut the debt by two thirds. As a share of our economy, we will cut it by 84 percent -- achieving the lowest level of publicly held debt since America entered the First World War, in 1917.

Let me explain why this is so important to our children. We have already made deficit spending a thing of the past, but a big debt remains -- an unfortunate legacy of living beyond our means. America is still paying for the irresponsibility of those 12 years -- for all those past budget deficits. That's what the debt is -- it's the sum total of all those deficits, accruing interest, waiting to be paid down. Today, as a share of the economy, the debt is 44 percent.

Now, that is down considerably, as you can see, since 1993; but it is still too high. As I said earlier, it consumes capital that would be better invested by the private sector.

The question at hand is really very simple. Will we squander our surplus in the short term? Or will we use it to pay down the debt for the long term, and lift the crushing burden of debt from our children's shoulders? Because the fact of the matter is equally simple. Either <u>we</u> are going to pay it down, or <u>they</u> are. I think it is responsible -- and right -- that we do it ourselves. Beginning <u>now</u>. My plan will pay down the massive debt accumulated during the 12 years before I took office. And that's the right thing to do for our children.

There is more we must do for our children. My budget also makes historic investments in our younger Americans -- from quality teaching to school modernization, from the afterschool programs that keep kids safe to the summer school programs that keep kids learning.

But by saving Social Security. . . strengthening Medicare. . . and paying down the debt, my budget meets the critical first tests of the 21st Century. And these are the same challenges that Americans, over the coming months and years, should meet together -- across lines of party and generation. Because none of us wants the choices we made yesterday -- or defer today -- to burden our children tomorrow.

Instead, the decisions we make here and now should empower our children, should give them the strength and freedom to make <u>their</u> time even better than our own.

Thank you.

Revised Final 02/01/99 8:30am
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

Acknowledgments: VP; Secs. Albright, Cuomo, Glickman, Richardson, Riley, Rubin, Shalala, Slater, West; Dep. Treasury Sec. Larry Summers; Soc. Sec. Commissioner Ken Apfel; SBA Dir. Aida Alvarez; GSA Adm. Barram; OPM Dir. Janice LaChance; FEMA Dir. James Lee Witt; John Podesta; Gene Sperling; Jack Lew; Sylvia Mathews; Larry Stein; Janet Yellen; and all the members of Congress who are with us today

Today I am submitting my budget for the year 2000 -- the first budget of the 21st Century. It is a budget that charts a prudent, progressive path for America's future. It is a balanced budget; it is fiscally responsible; and it makes vital investments in the people of our nation.

Seven years ago, when I ran for President, I said that we had to put our fiscal house in order. More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But, as the Vice President just told us, few were confident it would ever do so again. Irresponsible policies in Washington had quadrupled the national debt over the previous 12 years. The budget deficit was $290 billion in 1992 alone. Interest rates were high, growth was low. And the government, it seemed, was failing to meet its most basic obligations.

When I took office we charted a new, fiscally responsible course for a new economy. And today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress.

Indeed, America's economic house is in order, and it stands strong. If we manage the surplus right, we can uphold our responsibility to future generations. We can do it by dedicating the lion's share of the surplus to Social Security, Medicare, and paying down the debt. We can -- and therefore we must -- do it now.

Our fiscal discipline has given us this rare and hard-won opportunity. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic -- has made a real difference in people's lives. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates. When interest rates fall, more Americans can buy homes, pay mortgages, retire student loans, start new businesses. And when deficits disappear, capital -- more than $1 trillion so far -- is liberated to create wealth, create jobs, and create opportunity at every level of our economy. Simply put, the less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits. That is one reason why this year's budget is even smaller than last year's as a share of the economy.

The budget I submit today keeps America on that prudent path toward a more prosperous future. It has taken hard work and tough choices to get this far. It will take more of the same to move ahead. But with our economy expanding and our budget surplus growing, we can walk that path with confidence rising. We must seize this opportunity to meet America's long-term challenges, to fulfill our obligations to Americans young and old.

Recently, in my State of the Union Address, I spoke about the aging of America. The Baby Boom will soon become the Senior Boom; and this first budget of the next century is our first step toward meeting that challenge. I have proposed committing 62 percent of the surplus for 15 years to save Social Security -- and investing a small portion in the private sector, just as any private or state pension would, to earn higher returns. This will keep Social Security sound for 55 years. And if we work together and make tough choices, we can save Social Security for the next 75 years.

My balanced budget also takes steps to strengthen Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we can save it for at least another decade. I have proposed that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment toward that goal. It also commits 12 percent of the surplus for tax relief to establish universal savings accounts -- U.S.A. Accounts -- that will help Americans to invest, to save for retirement, and to share more fully in our nation's wealth.

This is the economically sound and fiscally responsible course for the new century. If we do this, if we lock in the surplus to save Social Security and strengthen Medicare, we can fulfill our obligation to older Americans.

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Final 01/29/99 6:30pm

Jeff Shesol

Changes to pages:
2) #s
5) add sent.
7) #s
10) add sent.

PRESIDENT WILLIAM J. CLINTON

REMARKS ON SUBMISSION OF

THE 2000 BUDGET

THE WHITE HOUSE

February 1, 1999

Acknowledgments: VP; John Podesta; Jack Lew; Gene Sperling; rest of budget team TBD; Cabinet members TBD; and all the members of Congress who are with us today.

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In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits. THAT IS ONE REASON WHY THIS YEAR'S BUDGET IS EVEN SMALLER THAN LAST YEAR'S AS A SHARE OF THE ECONOMY.

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My balanced budget also takes steps to strengthen Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we can save it for at least another decade. I have ~~also~~ proposed that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment toward that goal. It also commits ~~11~~ 12 percent of the surplus FOR TAX RELIEF to establish universal savings accounts -- U.S.A. Accounts -- that will help Americans to invest, to save for retirement, and to share more fully in our nation's wealth.

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Final 01/29/99 6:30pm
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Our fiscal discipline has given us this rare and hard-won opportunity. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic --

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for tax relief

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- This budget, the size of govt. is even sm. as a share of the econ than last yr.

- Budget begins to pay down debt of Reagan-Bush yrs.
my 15-yr. plan will pays off the massive 12 yrs. before I took office

REMARKS FOR VICE PRESIDENT AL GORE
BUDGET ANNOUNCEMENT
Monday, February 1, 1999

I want to join John Podesta in expressing my thanks to the entire staff of the Office of Management and Budget. There's a story people tell about the time three statisticians went hunting and spotted a deer. The first one fired ten feet to the left. The second fired ten feet to the right. The third one stepped up and yelled, "we got him." Thanks to your hard work and dedication, we don't need statistics to tell the story of the federal budget -- we see it all around us every day in stronger families, vibrant communities, and the healthiest economy in a generation.

We all know: it's not always easy to imagine the future. Even the best among us have had trouble believing in the unknown.

Back in 1876, Western Union sent a telegram to a young inventor that read: "[Your invention] has too many shortcomings to be considered as a serious means of communication. It has no use to us." They were talking about the telephone.

And in 1899, the Commissioner of the U.S. Patent Office looked out at a world without cars, computers, or even can openers and predicted that: "everything that <u>can</u> be invented <u>has</u> been invented."

But there are few predictions in American history more off-base than the sky-is-falling predictions that greeted our economic plan back in 1993. Critics called it a "jobs killer;" a "one-way ticket to a recession;" and said it "did nothing, absolutely nothing to reduce the huge budget deficits we have had." Six years later, it's clear: the only thing inflated about our economic plan was the rhetoric of the people who tried to defeat it.

When we took office, we had ~~a~~ budget deficit of $290 billion. Today, we have a budget surplus of $70 billion -- and we are on course for budget surpluses for the next 25 years.

When we took office, many states were losing jobs and the economy was shrinking. Today, we have created nearly 18 million new jobs -- which is the longest peacetime expansion in American history.

When we took office, the unemployment rate was 7.5 percent. Today, the unemployment rate is 4.3 percent -- which is the lowest peacetime rate in 41 years.

In fact, after six years of President Clinton's leadership, we have the highest homeownership rate in history, the smallest welfare rolls in 30 years, the largest drop in violent crime in more than 20 years, and wages rising at twice the rate of inflation -- all with the smallest federal government since John F. Kennedy was in the White House. That's not a prediction -- that's a fact.

As the President said in his State of the Union Address: now is not the time to rest, now is the time to invest. The balanced budget we are unveiling today builds on that success by remaining true to the three-part economic strategy that we have pursued the past six years: a strategy of strict fiscal discipline; open markets; and carefully targeted investments in the future.

I am especially proud that this year's budget continues our work to reinvent government; makes historic investments in science and technology like the Next Generation Internet; continues the work of rebuilding and modernizing America's schools, including a historic investment in Hispanic-American students; and gives America the help it needs to build safer, more livable communities, where parents can spend less time stuck in traffic, and more time reading to their kids.

We've come a long way from the phony predictions and false choices of six years ago. And make no mistake: there is one man at the heart of all of our economic progress; one man who laid the foundation for one of the greatest job-creating engines our nation has ever known; one man who has made fiscal discipline and lean government a fact of life, not just a bumper sticker; one man who is giving us new faith in our ability to solve problems together -- our friend, and one of the greatest economic stewards this nation has ever known -- President Bill Clinton.

Final 01/29/99 6:00pm
Jeff Shesol

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Draft 01/29/99 4:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

Acknowledgments: VP; John Podesta; Jack Lew; Gene Sperling; budget team TBD; Cabinet members TBD; members of Congress TBD

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Final 01/29/99 6:00pm
Jeff Shesol

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February 1, 1999

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Draft 01/29/99 4:00pm
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290 → 0 → 80 Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress. 76: 1999 This yr.'s projection for 2000

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1231

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move to later ?

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In real terms
\$3.7 → 1.2
[reduced nat'l debt by (2/3)]

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Joseph J. Minarik

01/30/99 09:12:06 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP

cc: Jacob J. Lew/OMB/EOP, Robert L. Nabors/OMB/EOP
Subject: POTUS remarks for Monday on the budget

Jack Lew shared the President's draft remarks with me, mostly to make sure that the referenced chart is being taken care of. (I'm checking on that elsewhere, but if you know who is doing it, I'd appreciate knowing that. Jack is just concerned that someone will look at him on Monday morning and ask where the chart is.)

I did have two comments.

1. In the "My balanced budget..." paragraph near the bottom of the second page of your e-mail to Jack, there is an "also" ("I have also proposed...") that seems redundant after the previous sentence already talks about saving Medicare for another ten years.

2. Towards the end, in the discussion of paying down the debt -- The draft works fine, but it might be worth considering that until very recently, the presumption has always been that the debt would never be paid down; it would just sit there, and we would pay interest **forever**. Most sophisticated observers (which is probably not that many people, I admit) would not have thought that "Either we are going to pay it down, or they are," but rather that they would pass the buck, as it were, to their kids. That viewpoint would suggest an alternative sentence, "Either we are going to pay it down, or our children and our grandchildren will be paying interest on that debt -- **forever.**" The revolution has come from people even beginning to think about paying down the debt. Again, the text probably works for most people, but I thought this was worth considering.

Jonathan Orszag 01/31/99 05:25:32 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP

cc:
Subject: Gene comment

Two comments:

1. Gene wants to add in your "investing in people" paragraph at the end:

We must realize that sound economic policy combines fiscal discipline to spur private-sector investment as well as increased public-sector investments in education, health care, and research.

2. Gene wants to add a line like (he wants to get the point in that we have improved the fiscal situation in America for 7 years running -- the first time that's ever happened):

It is not surprising that we have had seven years of improvement in America's fiscal position -- for the first time in history -- and America is now enjoying the longest peacetime economic expansion in history.

Jonathan Orszag 01/29/99 07:14:59 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP
cc:
bcc:
Subject: Re: final draft -- budget remarks

SEE BOLDS
Jeffrey A. Shesol

Jeffrey A. Shesol
01/29/99 06:45:26 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: final draft -- budget remarks

Final 01/29/99 6:30pm
Jeff Shesol

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in 1992. ~~projected at about $300 billion for 1993 alone.~~ Interest rates were **high** ~~rising,~~ growth was **low** ~~slowing~~. And the government, it seemed, was failing to meet its most basic obligations.

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[*Point to chart*] If we set aside 62 percent of the surplus for Social Security and 15 percent for Medicare, over the next 15 years, we will cut the debt by two thirds. As a share of our economy, we will cut it by 84 percent -- achieving the lowest level of publicly held debt since America entered the First World War, in 1917.

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Message Sent To:

John Podesta/WHO/EOP
Dawn L. Smalls/WHO/EOP
Sara M. Latham/WHO/EOP
Gene B. Sperling/OPD/EOP
Melissa G. Green/OPD/EOP
Jake Siewert/OPD/EOP
Jonathan Orszag/OPD/EOP
Jacob J. Lew/OMB/EOP
Sylvia M. Mathews/OMB/EOP
Linda Ricci/OMB/EOP
Paul E. Begala/WHO/EOP
Tracy Pakulniewicz/WHO/EOP
Dominique L. Cano/WHO/EOP

Message Copied To:

Michael Waldman/WHO/EOP
Joshua S. Gottheimer/WHO/EOP
Paul K. Orzulak/OVP @ OVP
Jeffrey K. Nussbaum/OVP @ OVP
Kevin S. Moran/WHO/EOP
mawaldman @ aol.com @ inet
shesol @ aol.com @ inet

markpenn @ ps-b.com
01/29/99 05:28:00 PM

Record Type: Record

To: Jeffrey A. Shesol

cc:
Subject: Re: Monday budget remarks -- draft 1/29 4:00pm -- comments to J

*** maybe something This is the course we have followed -- from $300 billion in the red to last year a budget deficit of zero. Today we stand at a surplus of $80 billion -- the first budget surplus in a generation -- in XX years. And if we manage the surplus right, we can ensure that in the next 25 years, we never run a budget deficit. [IF TRUE] We can for the first time in a generation reduce the debt rather than increase the debt. We can reduce it by 2/3rds in the next XX years. We can do this while upholding our responsibility to the generations of the 21st Century -- dedicating the surplus to Social Security, Medicare, education, a strong defense and paying down the debt.

-----Original Message-----
From: Michael_Waldman@who.eop.gov [mailto:Michael_Waldman@who.eop.gov]
Sent: Friday, January 29, 1999 4:41 PM
To: markpenn@ps-b.com
Subject: Monday budget remarks -- draft 1/29 4:00pm -- comments to Jeff Shesol ASAP 6-2796

---------------------- Forwarded by Michael Waldman/WHO/EOP on 01/29/99 04:42 PM ---------------------------

(Embedded
image moved Jeffrey A. Shesol
to file: 01/29/99 04:22:56 PM
PIC15218.PCX)

Record Type: Record

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

cc: Michael Waldman/WHO/EOP, Joshua S. Gottheimer/WHO/EOP
Subject: Monday budget remarks -- draft 1/29 4:00pm -- comments to Jeff Shesol ASAP 6-2796

Draft 01/29/99 3:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

Acknowledgments: VP; John Podesta; Jack Lew; Gene Sperling; budget team TBD; Cabinet members TBD; members of Congress TBD

Today I am submitting my budget for the year 2000 -- the first budget of the 21st Century. It is a budget that charts a prudent, progressive path for America's future. It is a balanced budget; it is fiscally responsible; and it makes vital investments in the people of our nation.

Seven years ago, when I ran for President, I said that we had to put our fiscal house in order. More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But few were confident it would ever do so again. Irresponsible policies in Washington had quadrupled the national debt over the previous 12 years. The budget deficit was projected at about $300 billion for 1993 alone. Interest rates were rising, growth was slowing. And the government, it seemed, was failing to meet its most basic obligations.

When I took office we charted a new, fiscally responsible course for a new economy. And today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress.

Indeed, America's economic house is in order, and it stands strong. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic -- has made a real difference in people's lives. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates. When interest rates fall, more Americans can buy homes, pay mortgages, retire student loans, start new businesses. And when deficits disappear, capital -- more than $1 trillion so far -- is liberated to create wealth, create jobs, and create opportunity at every level of our economy.

Simply put, the less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits.

The budget I submit today keeps America on that prudent path toward a more prosperous future. It has taken hard work and tough choices to get this far. It will take more of the same to move ahead. But with our economy expanding and our budget surplus growing, we can walk that path with confidence rising. We can -- and therefore we must -- seize this opportunity to meet America's long-term challenges.

OLD

1)

The first budget of the next Century is our next step toward saving Social Security. I propose, as I said in my State of the Union Address, to commit 60 percent of the surplus for 15 years to save Social Security -- investing a small portion in the private sector, just as any private or state pension would do to earn higher returns. This will keep Social Security sound for 55 years. And if we work together and make tough choices, we can save Social Security for the next 75 years.

2)

My balanced budget also takes steps to strengthen Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we can save it for at least another decade. I have also proposed that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment toward that goal. It also commits 11 percent of the surplus to establish universal savings accounts -- U.S.A. Accounts -- that will help Americans to invest, to save for retirement, and to share more fully in our nation's wealth.

ed -
after-school,
summer schl

YOUNG

3) ed

4) debt

This is the economically sound and fiscally responsible course for the new century. For if we do this, if we lock in the surplus to save Social Security and strengthen Medicare, we will not only fulfill our obligation to older Americans. We will achieve something for younger Americans, for future generations, that is truly remarkable. We will achieve the lowest level of publicly held debt since America entered the First World War, in 1917.

[*Point to chart*] You see, even though we have cut the deficit and balanced the budget, America is still paying for the irresponsibility of those 12 years -- for all those past budget deficits. That's what the national debt is -- it's the sum total of all those deficits, accruing interest, waiting to be paid down. Today, as a share of the economy, the debt is 44 percent. Now, that is down considerably, as you can see, since 1993; but it is still too high. As I said earlier, it consumes capital that would be better invested by the private sector. And that is why the very best thing we can do with our surplus is not to squander it in the short term, but to pay down the debt for the long term -- and lifting the crushing burden of debt from the shoulders of our children. Either we are going to pay it down, or they are. I think it is responsible -- and right -- that we do it ourselves.

Saving Social Security... strengthening Medicare... paying down the national debt. They are challenges this budget begins to meet, and, over the coming months and years, they are challenges we Americans should meet together -- across party lines and generations. Because there is at least one thing that unites us all. None of us wants the choices we made yesterday -- or defer today -- to burden our children tomorrow. Instead, the decisions we make here and now should empower our children, should give them the strength and freedom to make their time even better than our own. Thank you.

We have a debt:
Q is simple - pay off now, while can, or say children can?

So I say us — soc sec

(near top?)

Draft 01/29/99 12:30pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

Acknowledgments: VP; John Podesta; Jack Lew; Gene Sperling; budget team TBD; Cabinet members TBD; members of Congress TBD

Today I am submitting my budget for the year 2000 -- the first budget of the 21st Century. It is a budget that charts a prudent, progressive path for America's future. It is a balanced budget; it is fiscally responsible; and it makes vital investments in the people of our nation.

Seven years ago, when I ran for President, I said that we had to put our fiscal house in order. More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But few were confident it would ever do so again. The national debt had quadrupled in the previous 12 years. The budget deficit was projected at about $300 billion for 1993 alone. Interest rates were rising, growth was slowing. And the government, it seemed, was failing to meet its most basic obligations.

irrespons policies from Wash had quadrupled (active voice)

When I took office we charted a new, fiscally responsible course for a new economy. And today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress.

Indeed, America's economic house is in order, and it stands strong. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic -- has made a real difference in people's lives. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates. When interest rates fall, more Americans can buy homes, pay mortgages, retire student loans, start new businesses. And when deficits disappear, capital -- more than $1 trillion so far -- is liberated to create wealth, create jobs, and create opportunity at every level of our economy. Simply put, the less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits.

The budget I submit today keeps America on that prudent path to a more prosperous future. It has taken hard work and tough choices to get this far. It will take more of the same to move ahead. But with our economy expanding and our budget surplus growing, we can walk that path with confidence rising. We can -- and therefore we must -- seize this opportunity to meet America's long-term challenges.

The first budget of the next Century is our next step toward saving Social Security. I propose, as I said in my State of the Union Address, to commit 60 percent of the surplus for 15 years to save Social Security -- investing a small portion in the private sector, just as any private or state pension would do to earn higher returns. This will keep Social Security sound for 55 years. And if we work together and make tough choices, we can save Social Security for the next <u>75</u> years.

My balanced budget also takes steps to strengthen Medicare. Already, we have extended the life of the Medicare trust fund by 10 years -- but we can save it for at least another decade. I have also proposed that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare. This budget makes a down payment toward that goal. It also commits 11 percent of the surplus to establish universal savings accounts -- U.S.A. Accounts -- that will help Americans to invest, to save for retirement, and to share more fully in our nation's wealth.

This is the economically sound and fiscally responsible course for the new century. For if we do this, if we save Social Security and strengthen Medicare, we will not only fulfill our obligation to future generations. We will achieve something else that is truly remarkable, and truly lasting. We will achieve the lowest level of publicly held debt since America entered the First World War, in 1917.

[*Point to chart*] You see, even though we have cut the deficit and balanced the budget, America is still paying for past irreponsibility -- for all those past budget deficits. That's what the national debt is -- it's the sum total of all those deficits, accruing interest, waiting to be paid down. Today, as a share of the economy, the debt is 44 percent. Now, that is down considerably, as you can see, since 1993; but it is still too high. As I said earlier, it consumes capital that would be better invested by the private sector. And that is why the very best thing we can do with our surplus is not to squander it in the short term, but to ~~make a long-term commitment -- to~~ pay~~ing~~ down the debt for the long-term t~~o Social Security, paying down the debt to Medicare~~, and lifting the burden of debt from the shoulders of our children. It is the right thing to do.

12 years -

locking in the surpluses (here or elsewhere)

Our fiscal discipline makes it possible to pay down the debt while investing in our people. My budget...

Pre - res mtg -

for 12 yrs., R + B ran up debts
we are paying down the R-B debt
Joe: who's going to pay it off? us or our children?

Duty to parents + kids → soc + med → w/ ed + w/ paying down debt

No goodies.

This proposal will pay off debt accum over 12 yrs. before I took office,
will lift burden from children,
+ will save soc sec.
shd not squander the opp

circulation —

timetable —

Draft 01/29/99 11:00am
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

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Seven years ago, when I ran for President, I said that we had to put our fiscal house in order. More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But few were confident it would ever do so again. The national debt had quadrupled in the previous 12 years. The budget deficit was projected at about $300 billion for 1993 alone. Interest rates were rising, growth was slowing. And the government, it seemed, was failing to meet its most basic obligations.

When I took office we charted a new, fiscally responsible course for a new economy. And today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be only the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. And our estimates, optimistic as they sound, are even more conservative than those of the Congress.

Indeed, America's economic house is in order, and it stands strong. We can see now that balancing the budget -- an idea that once might have seemed almost abstract or academic -- has made a real difference in people's lives. Fiscal discipline has transformed the <u>vicious cycle</u> of budget deficits and high interest rates into a <u>virtuous cycle</u> of budget surpluses and low interest rates. When interest rates fall, more Americans can buy homes, pay mortgages, retire student loans, start new businesses. And when deficits disappear, capital -- more than $1 trillion so far -- is liberated to create wealth, create jobs, and create opportunity at every level of our economy. Simply put, the less money we tie up in publicly held debt, the more money we free up for private sector investment. In an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits.

The budget I am submitting today represents another step along that prudent path to a more prosperous future...

Draft 01/29/99 9:30am
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

Acknowledgments: VP; Jack Lew; Gene Sperling; economic team TBD; Cabinet members TBD; members of Congress TBD

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Seven years ago, when I ran for President, I said that we had to put our fiscal house in order. More and more Americans were coming to agree with that -- with the idea that our government had to return to living within its means. But few were confident it would ever do so again. The national debt had quadrupled in the previous 12 years. The budget deficit was projected at about $300 billion for 1993 alone. Interest rates were rising, growth was slowing. And the government, it seemed, was failing to meet its most basic obligations.

When I took office we charted a new, fiscally responsible course for a new economy. And today, following that path, Americans have created the longest peacetime expansion in our history -- with nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the smallest welfare rolls in history, and the lowest peacetime unemployment since 1957.

Last year, for the first time in three decades, we turned red ink into black: our surplus of nearly $70 billion is the largest in history. And it is projected to be the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century. Our estimates, optimistic as they sound, are even more conservative than those of the Congress.

Indeed, America's economic house is in order, and it stands strong. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates. And low interest rates, as every American knows, make it easier to buy homes, pay mortgages, retire student loans, start new businesses. This is how balancing the budget -- something that might seem almost abstract or academic -- has made a real difference in the lives of our people.

Imagine for a moment that we had not cut the deficit in 1993 and kept cutting. This year alone, we would pay $300 billion in interest on the debt. So instead we cut the deficit and kept cutting. We cut the deficit to zero. And in an age of worldwide capital markets, this is the way a nation prospers -- by saving and investing, not by running big deficits. The less money we tie up in publicly held debt, the more money we free up for private sector investment. In fact, eliminating the deficit has liberated more than $1 trillion in capital -- helping to create wealth, create jobs, and create opportunity at every level of our economy.

Now, with the balanced budget I am submitting today, we can do something every bit as remarkable: we can pay down the public debt. As I said in my State of the Union Address: by saving Social Security, by strengthening Medicare, we will achieve the lowest level of publicly held debt since the United States entered World War One. Debt will account for the lowest share of our economy since 1917.

...

We will be cutting dramatically the amount we have to pay for past irresponsibility. Not only are we going to make it easier for families... but easier for govt to balance books and be responsible. And we will be lifting burden from our children.

So as I submit a new budget for the next century, our economy is expanding, our budget surplus is growing, our confidence is rising.

2. Good tomorrow: relieves our children of the crushing burden of debt; frees them to face the challenges of their time, and to raise our grandchildren.

Draft 01/28/99 7:30pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON SUBMISSION OF THE 2000 BUDGET
THE WHITE HOUSE
February 1, 1999

Acknowledgments: VP; Jack Lew; Gene Sperling; economic team TBD; Cabinet members TBD; members of Congress TBD

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America's economic house is in order, and it stands strong. Fiscal discipline has transformed the vicious cycle of budget deficits and high interest rates into a virtuous cycle of budget surpluses and low interest rates. We have learned a simple lesson in common-sense economics. In an age of worldwide capital markets, and in the long run, nations prosper by saving and investing, not by running big deficits. The less money we tie up in publicly held debt, the more money we free up for private sector investment. That, in turn, creates wealth, creates jobs, and creates opportunity at every level of our economy. And as interest rates fall further, it becomes easier for Americans to buy homes, pay mortgages, retire student loans, start new businesses.

This picture of prosperity is not some wishful vision of the future; it is a reality today. Americans have worked hard to achieve it. We have made some tough choices. And I believe they were the right ones. If we had not cut the deficit in 1993 and kept cutting, we would pay $300 billion in interest on the debt this year alone. So: we cut and kept cutting. Last year, for the first time in three decades, our bookkeepers stopped marking in red ink and started using black. Our surplus of nearly $70 billion is the largest in history. And it is projected to be the first of many: as I said in my State of the Union Address, America is on course for budget surpluses for the next quarter century.

The budget surplus is a powerful symbol of our progress. It is also an opportunity -- an unprecedented opportunity to

By lowering debt to lowest share of econ since 1917, we are dramatically cutting amt we have to pay for past irresponsibility. Not only are we going to make it easier for families... but easier for govt to balance books and be responsible. And we will be lifting burden from our children.

So as I submit a new budget for the next century, our economy is expanding, our budget surplus is growing, our confidence is rising.

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