

needs for child care, for long-term care for aging relatives, for saving for their own retirement, and tax cuts for inducing people to invest in building modern schools or rehabilitating those that exist now, and for investing in the areas of our country which have not yet fully participated in our recovery.

But my plan puts first things first. It says, first strengthen Social Security and Medicare and pay down the debt, take care of the baby boom retirement, take care of our families and our children, take care of the long-term challenges to America. Then, we can allocate the rest of the surplus for other spending priorities like education and for tax cuts.

Unfortunately, the plan the Republican leadership put forward this week does not do that. Their plan would devote virtually all the non-Social Security surplus, nearly \$1 trillion, to a tax cut, while failing to extend the solvency of Social Security and Medicare even by a single day. The plan also doesn't go far enough in paying down the debt, which will mean higher interest rates and a weaker economy down the road. And it would force drastic cuts in areas where we should be investing more.

In education, for instance, I've proposed an education and children's trust fund that will, among other things, guarantee our ability to hire 100,000 new highly trained teachers to lower class size in the early grades. Yet early next week, the House Republicans will offer legislation that would go back on the bipartisan commitment both Republicans and Democrats made just last year to the American people to hire those 100,000 new teachers. We've hired 30,000 now, or we've given the States and school districts the money to do that. We shouldn't go back on a commitment that we made last year; that's the wrong way to go. But that isn't the worst of it.

Republican leaders have estimated their tax plan would cost more than three-quarters of a trillion dollars between now and the year 2010. What they haven't said is what it would cost after 2010 when the baby boomers retire and the need for revenues for Social Security and Medicare will be most acute. Earlier this week, I asked the Treasury Department to analyze the Republican plan's long-term im-

pact. And the answer I've received is quite disturbing.

According to the Treasury Department's preliminary estimate, the costs of the Republican plan will explode between the year 2010 and 2019 from \$1 trillion a decade to an unimaginable \$3 trillion. At the very time the Nation will be confronting the demographic challenge of the baby boom, the Republican plan will blow a \$3 trillion hole in the Federal budget, threatening our ability to secure Social Security and Medicare for the next generation and risking return to the era of deficits with high interest rates and economic stagnation.

Tax cuts that size quite simply are bad economic policy. It's bad not to save Social Security and Medicare; it's bad not to pay the debt off. It is certainly bad to cut education at a time when it's more important to our children's future than ever.

So I say to Congress: Put first things first. Set aside most of the surplus for Social Security and Medicare. Make sure we invest enough in education. Then, together, we can budget for the kind of tax cuts we need and can afford while we pay off the debt and guarantee a strong America in the 21st century.

This is a very good time for our country. We're on the right path; let's stay on it, use our surplus wisely, think about our children's future. Then the 21st century will be America's best days.

Thanks for listening.

NOTE: The address was recorded at 3:30 p.m. on July 16 in Room 136 at Amos Hiatt Middle School in Des Moines, IA, for broadcast at 10:06 a.m. on July 17. The transcript was made available by the Office of the Press Secretary on July 16 but was embargoed for release until the broadcast.

Statement on Representative Michael P. Forbes' Decision To Join the Democratic Party

July 17, 1999

Politics at its best is about ideas, ideas that lead to real advances for the American people. That is why I welcome Congressman Michael Forbes' decision to join the Democratic