

This is quite a new phenomenon for us. From World War II until 1978, the American economy grew, and all income groups grew at about the same rate that the American economy did. So we were rising together. For the last 15 years, the top 20 percent of Americans had a dramatic increase in their income; the next 20 percent, a modest increase; the next 20 percent were stagnant; the bottom 40 percent had declines in their incomes. We're talking now about working people, not people who are on welfare.

So if a lot of Americans, about half of us, are working harder for lower wages—and actually, we also know now, sleeping a little less at night—it's no wonder that there's a lot of stress in this country. We also know that this is a time of great change. It's not just the workplace that's changing; the nature of our communities are changing. Our families are under great stress. Life seems to be too random and too insecure for too many people. And yet, we have to admit there is no country in the world that has remotely an economy as strong as ours, as full of opportunity, as full of hope.

So what's the trick to bridge the gap, to make sure that everybody who wants to do the right thing has a chance to make that leap into the economy of the future and succeed? That must be the mission of the United States in these last 5 years of this century.

I told these folks that were good enough to spend about 45 minutes visiting with me that I probably enjoyed it more than they did because before I became President, when I was a Governor, I did this sort of thing all the time. I knew that my mission was to generate more jobs and increase the education and skills of our people. And I lived in a place that was small enough where it was more possible for people to talk about political life in nice, calm terms, instead of what normally tends to dominate the debate today. But I couldn't help being just overcome almost in my admiration for their individual stories, which wouldn't be all that much different from your individual stories.

I ran for President because I wanted to do just what you clapped for. I do not believe that we have to go into the future taking advantage of all these opportunities for some and letting others fall behind and becoming more divided. But I think, as I have said now for more than 3 years, we must do three things. We've got to have a new economic policy designed to help the American people compete and win in a

global economy in which the Government is a partner with people in their private lives and in private business in expanding opportunity.

In the first 2 years, that meant that we had to cut the deficit because we spent the 1980's dealing with our economic problems, trying to spend our way out of them, and exploding the deficit. Now, I know that's not very popular. It's kind of like going to the dentist. Everybody's for going to the dentist, in general. Did you ever see anybody who wanted to do it in particular when it came their time to go to the dentist? That's the way the deficit is. Everybody says—you take a poll; people will say, "Yes, cut the deficit." But then we have to do the things to do it. It's not very popular. It's like going to the dentist. So I had a drill in your tooth the last 2 years. But we cut the deficit by \$700 billion, thanks to the help of those two gentlemen. And that's \$11,000 a family. That's not a small piece of change.

And we expanded trade, and that was controversial. A lot of my best supporters said, "Why are you trying to do all these trade deals? The more we trade, the more we have low-cost products from low-wage countries coming into America, putting pressure on American wages." That's true, but it's only half true. Now, if we don't do anything, that's happening. That's been happening for years. And it is true that some of our people have either lost their jobs or can't get wage increases because they're competing with products from overseas, produced by people who work for wages we can't live on. That's true. It's also true that when we sell things to other countries, on balance the people who make the things and the services we sell to other countries make wages above the national average. So if we don't do the trade deals, we'll get the downside of the trade war. The reason I fought for the trade agreements was so we could create more high-wage jobs in America by selling more world-class American products around the world. And it's working. So we need a new economic policy. We've got to sell. We've got to produce. We've got to be productive, and it has to be a partnership.

The second thing we need is what I called during my Presidential campaign a New Covenant, a new approach to our society. It was then, it has been for 2 years, and it will always remain my contract with you. But it's about more than a tax cut, although cutting taxes are part of it. I believe what this country needs