

children to do it, in ways that I think are morally unacceptable. So we have to undertake in the next 2 years a significant review of Social Security and Medicare, and they have to be modernized so that the baby boom generation can actually access them in a way that is universal and fair, but so that they actually work for the 21st century.

Over and above that, we have to recognize that half the people in this country have no retirement savings. And almost no one can maintain their standard of living on Social Security alone. There are very few people living on that little money. So we have to do more to get people to save for their own retirement. We've done a lot of work on that in the last 5 years; we must do more.

The next issue I'd like to mention is education. I spent, in my years in public life, more time on this than any other issue. In the end, a lot of Americans, a lot of you in this room over the last 5 years, have told me that you're very glad you've done well in life, but you're very concerned about the increasing inequality of wealth in America because people in the lower 40 percent of our work force have not had their earnings increase in a proportionate way—for 20 years now. Now, there's some indication, by the way, that that's turning around the last 2 or 3 years, and we've worked very hard on it.

What can a country do if it has great inequality and you don't believe in punishing the successful; what can you do? Well, in 1993 we asked upper income people to pay more and gave lower income working families a tax break as part of our strategy to bring down the deficit, but that's a one-time deal. We can expand trade and try to change the job mix in America, and we're doing that. For the last 2 years, more than half the new jobs in this country paid above-average wages. That's a slow process, since most people are not in jobs that were created last year. The only other thing you can do is to set up a system of lifetime education and training which starts with an excellent primary and secondary education and gives people the chance always to continuously upgrade their skills so they're on the cutting edge of change. In the end, that is the only answer to this. And, therefore, it is imperative that we do that.

History will record that the best thing about the balanced budget bill we passed last August was that we made community college free for

all Americans, that we gave tax breaks for any kind of education after high school, from graduate school to workers in factories who have to go back to school to upgrade their skills.

The second thing we did was to launch the debate on whether America should have high national standards. And I want to talk about that a little bit. Fifteen big city school districts, including New York City, said, we support the President's desire to have national standards and national tests and measure kids by how well they do and tell their parents. But there is still an enormous resistance to that in this country. Now, there was a study that's in the paper today—you may have seen it—showing that big city school districts perform at significantly lower levels by any measure than non-city school districts in America.

You can say, well, what do you expect, the kids there are poorer. They may be poorer, but we spend more money on average on them. And I say that to make this point: We cannot pretend, if we have a truly progressive vision of the future, that we can ever achieve what we want to achieve unless we hold our children—all of our children, without regard to their race, their income, or their background—to high standards of learning, and then give them the support they need to meet those standards, and measure whether they do or not, and if they don't, keep on working at it until they do.

Chicago has just undertaken a complete overhaul of its school system in which local parent councils are involved in local school districts, and they have ended social promotion. You have to pass an exam to go on to the next grade. If you don't, you've got to go to summer school. If you get through summer school and you pass the exam, you can go on. If you don't, you have to stay back. But because it's a community-based, parent-based thing, you don't hear one word about it being discriminatory, about it being unfair, about anything else. Why? Because people have taken control of their children's education. They say, our kids have got to learn something.

In the end, when they're 50, their self-esteem will be more harmed by not being able to read and write and learn new skills than it will by having been held back one year in school when they were 10. And we have got to have that kind of commitment to national standards, to rigorous standards.