

to the rest of the world in ways that are mostly good, but have some stiff challenges as well.

We also know that we are much more interdependent than ever before, both within our country and beyond our borders. Today, you know, as I met people today, it was amazing how freely the conversations went back and forth between issues that once would have been thought of as foreign or domestic, but all were perceived as having a direct impact on the lives and welfare of the people with whom I was meeting today.

Now, we have tried basically to focus the country on making the changes necessary to create a 21st century America where there will be opportunity for everyone who's responsible enough to work for it; where, out of all of our diversity, we will build a community that is still one America, united and strong; and where our country will have enough support for our continuing involvement in the world, that we can keep leading the world toward greater peace and freedom and prosperity.

That has required a redefinition of the role of Government, basically, that the Republican Party tried for years with great success to simply discredit the whole enterprise of Government, and to say that Government was the problem, and to basically position individual freedom against Government. President Reagan was quite brilliant at it, and he did it very graphically and compellingly. But I think that the Democrats were not able to successfully counter, in part, because we seemed to be defending yesterday's Government. What we tried to do is to say that Government is the instrument of our personal freedom and our strong community, and there are some things that we can only do through our role as citizens. So I think the basic function of Government in the 21st century will be to establish the conditions and give people the tools to make the most of their own lives and build strong families and communities and make this country strong—not to do everything but not to sit on the sidelines. And I'm very mindful of that because of all the obvious challenges we're facing today at home and abroad.

Now, if you look at where we are compared to where we were 5 years ago, basically, we've changed the economic policy, the crime policy, the social policy, and the education policy of the National Government, I think, to good results. We have the lowest unemployment rate

in 24 years, the lowest crime rate in 24 years, the biggest drop in the welfare rolls in history, a really serious attempt to deal with the conflicts of family and work that people face through things like the family and medical leave law, and a serious attempt to prove that we can grow the economy while improving the environment.

In the last 5 years, while we've had 13 million new jobs, the air is cleaner; the water is cleaner; the food supply is safer. We have cleaned up more toxic waste dumps than at any comparable period in history and put more land in trust in one form or another than any administration in American history except the administrations of the two Roosevelts.

So I think that we would have to say the record about the philosophy has been pretty good. In addition to that, the United States has been a force for peace and freedom and expanded mutual trade agreements to reinforce prosperity.

Now, as you look ahead to the future, just very briefly, what will we be dealing with in '98? What still needs to be done before I leave office in 2000? On the economy, first we must do no harm. We have fought very hard. We're going to have very close to a balanced budget this year. When I took office, the estimate was that the deficit would be \$357 billion this year. The last thing we need to do is to explode the deficit again. So anybody who's got any kind of proposals, whether it's for spending or tax cuts or anything else, my view is, first, do no harm. We have fought too hard, and we see evidence all around the world that no country is big enough or strong enough to sustain its prosperity in the face of financial irresponsibility.

Second, we have got to do a better job of bringing the benefits of enterprise in the modern economy to poor areas. You heard Alan talk about how we once were interested in this. We see a real renaissance in some urban neighborhoods, but not in most urban neighborhoods. We must do better there.

On the environment, we have a number of challenges; I'll just mention one. I think this agreement we made at Kyoto will prove to be a very historic agreement. It wasn't perfect, it didn't have everything we wanted, but it's the first time that major nations of the world ever committed themselves to the proposition that they could grow the economy, cut greenhouse