

two sides of the 21st century. We have to make sure that interdependence and community triumph over anarchy and chaos. And I think we can do it if we stay on the course we're on.

Thank you. Anybody got a—I'll answer two questions. Anybody want to ask a question? Yes.

*Projected Federal Budget Surplus*

Q. [Inaudible]

*The President.* Well, let me say first, we shouldn't spend it mindlessly because we have to realize that the surplus is produced in large measure because Social Security taxes are still higher than Social Security outlays on an annual basis. And we are now—we have under careful review what our various options are and—I'd like to be more candid, but I have to go through a consultative process with members of my party and others in Congress as well before I can announce a final position. But I've tried to make it as clear as I could that I favor being as prudent as possible with this money.

And I also think you've got to realize, we've got to think about, before we run off and spend all the money that is going to be generated, number one, it has not been generated yet. I mean, we hope that we can keep this economy going. We hope we can keep the growth going. We hope that—but this surplus everybody is talking about is a projected surplus. It's not a bird in the hand. So that's something you should know.

Number two, we have not yet decided as a country what we're going to do about Social Security and Medicare and how to handle the attendant changes and whether there will be costs to those changes, how they will be borne, and where the money will come from. So I'm taking a very cautious approach and I'm going to look at all the alternatives, but the number one thing is we've got to realize that this economy is humming along because we got the deficit down in large measure—not entirely—there's a lot of productivity in the American economy, millions of people make great decisions—but we got the deficit down and people perceive that we know what we're doing and that we're going to proceed with discipline and prudence in a world that is full of some uncertainty.

And the one thing I can tell you is whatever I do, I'm not going to do anything that will make anybody think we have abandoned our commitment to discipline and prudence and

long term growth and investment. You make room for domestic spending if you pay the debt down; because if you pay the debt down, you reduce the percentage of the budget going to debt service. So you have more money that way. There are all kinds of things, I mean, there are lots of ways to look at this. I've not reached a final decision. And even if I had, frankly, I couldn't discuss it in great detail because I haven't finished my consultations yet. But I'm going to do something I think is economically prudent, that's the most important thing.

And, secondly, I want to think about the long run. We have to think about our intergenerational responsibilities on this entitlement business.

Q. Mr. President, one thing that I think most people—[inaudible]—

*The President.* Thank you. Yes, in the back.

*President's Initiative on Race*

Q. Mr. President, I'm very impressed with your initiative on race, but I'm concerned that you seem to be the only person in America who cares about this issue. And I wonder what you can do to have other members of your administration—Cabinet members and other prominent Democrats, Governors, whatever, speak out on it.

*The President.* Well, interestingly enough, first of all, my Cabinet—they've all been doing things. When I did my townhall meeting in Akron, my Cabinet that week, they were all doing different things around America. And Andrew Cuomo has, in particular, been very active in HUD in the last few months largely, I'm sad to say, because there is still a lot of housing discrimination in this country, a lot of old-fashioned discrimination in this country in housing. And he's done a lot on it.

We're trying to do more and more visible things. But let me say, we're trying to achieve—let me tell you what we're trying to achieve with the race initiative. First, we're trying to make sure that there is an honest dialog in every community—community-based approach to this—about how each community is going to deal with whatever their racial composition is and whatever the challenges of working together are. And the evidence is clear that the answer is to get people to work together, learn together, and serve together in the community.

The second thing we're trying to do is to catalog promising practices of really exhilarating