

assumed office, with endless discussions and arguments about the finer points of what would be in the economic plan of 1993. It continued yesterday, with a 2-hour meeting about what is the appropriate thing to do with the crisis that the American steel industry faces now.

And in every meeting, we have what I consider to be examples of genuine patriotism because the people around the table are always working for what is in the best interest of the American people over the long run. And I want to thank all of you because, without you, none of these arguments would amount to anything, because you have to put flesh on the bones of the policies that we adopt. And I thank you for that.

Let me say that the preparation of a national budget, I think, sometimes does get lost in the agony of the numbers-crunching or the cleverness of finding one final way to solve one last problem. But we should never forget that there are human stories behind all these numbers. Because of the work that you have done, we literally have opened the doors of college education to all Americans, and you should never forget that. Because of the work that you have done in the balanced budget, we were able to provide the opportunity for another 5 million children to have health insurance, to figure out a way to make that big downpayment on the 100,000 teachers.

And for those who are skeptical, I would remind you that we are now going to finish, this year, our commitment of 1993 to 100,000 police officers, ahead of schedule and under budget, giving the United States the lowest crime rate in 25 years. So I thank you for all of that.

You heard the Vice President say that when we took office—well, actually, shortly before we took office—at Blair House, I got the final estimate of the budget deficit for the first year of my Presidency: \$290 billion. And I was told that, by this year, if I survived this long—and back in '93 I wondered, when I looked at those deficit numbers—that it would be over \$400 billion.

We then had some very difficult decisions to make, because we wanted to reduce the deficit and balance the budget; we wanted to bring interest rates down; we thought there was no way to get the American economy going again without doing so. But we knew that we had to invest in the future of America. And we also knew that we were in the middle of a 20-year

decline in the real earnings of average middle-class citizens. And we wanted to give particularly lower income working people with children a tax cut even in 1993, which we did by doubling the earned-income tax credit. So we had to put that very tough budget together.

The key was doing enough—figuring out enough to get interest rates down, because high interest rates were keeping entrepreneurs from starting new businesses or expanding them. They were discouraging young people from buying homes. They were, as has already been said, causing grave questions about the leadership the United States and the rest of the world. Our deficit had become a symbol of the inability of Government to play its essential role in American life.

So we put together our strategy based on fiscal discipline, investing in our people, and expanding American sales of products and services abroad. The results have been clear. There were a lot of dire predictions from the naysayers, and the budget passed by the narrowest of margins. But it began the process which led to the 1997 balanced budget, led to the second balanced budget we passed last year, and has now given us over 17 million new jobs and the lowest unemployment rate in 28 years, the lowest percentage of our people on the welfare rolls in 29 years, and the highest homeownership in history. All of you can be justly proud of the role you played in that.

Now, just 3 months ago we were able to announce, for the first time in three decades, a budget surplus. The surplus I announced that day, \$70 billion, was the largest in American history; as a share of our economy, the largest since the 1950's.

Today I am proud to announce that we can say the era of big deficits is over. We are now entering the second year of an era of surpluses. Our economists project that in 1999 we will close out this century with a surplus of not less than \$76 billion, the largest in the history of the United States. And I thank you for your role in that.

Now, the chart over here—Gene Sperling never wants me to get up here without charts, so here I am. [Laughter] The chart over here shows you the difference, starting in 1999, of the projections for this year, as compared with the reality. And the gap is all the money the American people have saved, the money that has gone back into the economy, the money