

that has made it possible for interest rates to be lower and investment to be higher.

Just as exploding deficits were the symbol of a Government failing its people in the 1980's, these surpluses are a symbol of a Government that works in the 1990's and beyond, one that lives within its means, cuts wasteful spending, that still honors the values and the priorities of the American people: education, health care, the environment. It is the smallest Government in 35 years, by well over 300,000 fewer people than when we took office, but more prepared than ever to meet the challenges of the 21st century.

Deficit reduction has brought tangible benefits to millions of families. We saved the American people more than a trillion dollars on the national debt. More than 7 million new families have realized their dream of owning a home. Another 18 million families have refinanced their homes at lower mortgage rates, and I'd bet anything that includes some people in this room. For millions of Americans, the lowest—these low interest rates have amounted to a tax cut of tens of billions of dollars, putting in reach a family vacation, a new car, perhaps a college education.

So today, I wish we could say our job is done, in the midst of this celebration. At a time like this it would be easy just to do that, to call a halt to this meeting and to say go back to work and just figure out how to keep these numbers in line. But the truth is, all of you know we still have very large challenges as a country, challenges that this surplus gives us the opportunity to meet. We worked hard to bring fiscal discipline to produce this surplus. Like any family with long-term financial needs and a little more earnings than we expected, we can't go out and spend the surplus today; we have to plan for the future.

That is why I have said repeatedly, before we even consider new spending or tax cuts, first we must set this surplus aside until we save Social Security for the 21st century. We know that in about 30 years the Social Security Trust Fund will no longer be able to meet the retirement needs of our generation—mine, the baby boomers. No parent wants his retirement to be funded by his children. No parent in the baby boom generation wants our children to have to spend less on our grandchildren's education and upbringing because we failed to fix Social Security at this time.

So, therefore, I have said, and I will reiterate today: While there are many needs out there in this country—there's still investment needs in education, investment needs in research, investment needs in the environment, investment needs in other health care initiatives—while there are many arguments that can be made to give families further tax relief, particularly those coping with the burdens of raising their children and the cost of child care while going to work, first we must save Social Security for the 21st century, before we consider new spending or other tax cuts.

Some say that this task will be too complicated for the Congress and the administration to achieve, that the will is too weak, that the political system too divided. I do not agree with that. I heard that 6 years ago when I showed up here—the political system was weak and the parties were divided. And look at all that's happened in the last 6 years by a sustained, good-faith effort, not just with the budget but in the area of education, in the area of crime control, in the area of the environment, in the area of health care, in the area of promoting world peace, in the area of biomedical research, and so many other things.

We cannot use anything as an excuse not to deal with our most pressing priorities. I do not intend to do it. I do not think the American people expect us to do it, and I think that we will surprise the skeptics by dealing with the Social Security challenge over the next several months. You have given us the tools to do it, with this surplus. And when that happens, you can also take a full measure of pride in that achievement.

Now, let me also say to you that there are also a lot of other challenges, as I have said. We have to deal with the Medicare challenge; it's the same thing as the Social Security challenge, except that it will hit us sooner. We have to pass a Patients' Bill of Rights; we have to continue to fund our education commitments. But we can do all these things.

But believe me, at every single turn in the road, we'll have to figure out how to make the numbers add up, how to stay within our commitment to fiscal discipline, how to be as clever as we can in the use of our resources without going over the line and being so clever we endanger the fiscal responsibility, the low interest rates, the economic success that has brought us to this point.