

countries. I think those here associated with the auto industry know how hard we have worked on the auto trade agreement with Japan. We will never make the kind of progress we intend to make there until the economy begins to recover, which brings me to a point I will return to in a moment.

Nonetheless, if you look at our approach—fiscal discipline, investment in people, expanded trade—it has enabled the United States, the businesses and the people working here, to create a truly new, global, high-tech economy. More than 7 million Americans today work in technology-related industries, earning two-thirds more than average worker salaries. Technology has not just built the computer industry; it has transformed existing industries from high-tech research and development, in real estate, in construction, and as I saw today, to transportation. A lot of these cars now that I saw today have more computer power in them than Neil Armstrong had to steer *Apollo 11* to the Moon. It's an interesting time in which we live, and we should feel fortunate to be here.

The question for all of us today and the thing I want you to think about is, okay, we feel good—and Dennis reeled off the statistics, and you clapped, and I was pleased. [Laughter] And I like it even better knowing that there are real families now that have work and a stronger future for their children and safer streets for them to live on. But the question for us today is the question you have to face every day you get up, whether it's a good day or a bad day: What are you going to do today? And what do you intend to do tomorrow? What are we going to do with this prosperity? We can rest on our laurels or press ahead.

In a sentence, here's how I assess our present condition. America is working again. It's working. Not just the economy; the crime rate is the lowest in 25 years. A lot of our social problems are receding. It's working again. That is the good news. But no serious analyst of our condition could seriously say that we have met the long-term challenges that our people will face in the 21st century. And there will never be a better time to meet them than a time when we have a surplus in our budget and a strong surfeit of confidence in ourselves and our ability to meet the challenges ahead.

So I say this is the time to press on with the big challenges of the 21st century, not just to have America work but to know that it's

going to be working for decades ahead. What are those challenges? They are many, but I will mention just three I'd like to ask you to think about, in the context of the mission of the Economic Club.

First, we must maintain our prosperity and spread its benefits to people and places that have not yet felt it. And we must deal with the challenges of the global economy, for without a successful global economy, our ability to continue to grow and prosper will be dramatically limited.

Second, we must deal with the challenges of the old and the young in America. We have to face the fact that the baby boomers are about to retire, and when they do, there will only be about two people working for every one person drawing Social Security; that more and more we are living longer—the average life expectancy in America today is over 76 years; in 20 or 30 years it will be well over 80 years. That will impose great new challenges to meet in long-term care. And we must face the fact that we have a challenge of the young, because more and more and more, our children tend to have higher poverty rates than our seniors; and more and more, our children come from very diverse populations in race, in religion, in culture, in income, in condition. And yet, every one of them needs to have a world-class education and a world-class opportunity to make the most of his or her life.

And third, we have to grow the economy while meeting the challenges of global responsibility, including global environmental challenges. And if we are ever forced to really choose between one or the other, then our children and grandchildren will be the losers.

So let's deal with these things briefly. In the economic arena, I think we have to do the following things. First, in the next year and beyond we must maintain our hard-won fiscal discipline, keeping our budget balanced, saying that no tax cuts or spending programs, no matter how attractive, can put our prosperity at risk by driving us back into deficits.

Second, since all respected prognoses tells us that we are, in fact, entering an era of sustained surpluses, we should use this as an opportunity to address the challenges of an aging Nation. As I said, soon the number of elderly Americans will double. This represents a seismic demographic shift for the United States.