

one of the best selling books—quite a well-written book, written by two journalists from Philadelphia—was entitled: “America: What Went Wrong?” Thanks to the hard work of the American people, our country has made a seismic shift in the last 6 years. Now we’re looking at \$99 billion in surplus this year, and we look forward to a new decade of budget surpluses and a new century full of confidence and pride.

I’m also proud that while we have eliminated the deficit and produced the surpluses, we nearly doubled our investments in education and training programs, because that is the most effective investment we can make in our long-term future. Without good teachers and high expectations, I wouldn’t be here today. But education is even more important to your generation and will be even more important to those coming along behind you because of the nature of the way the information age works.

Secretary Riley has already talked about the historic investments we’ve made to open the doors of college to every American, to do more for underprivileged children, to try to make sure every classroom in the country is hooked up to the Internet by the year 2000, and that because of the so-called E-rate, even the poorest schools will be able to afford to log on in all those classrooms—and the other things that we’re trying to do.

This year Congress is debating whether to work with us to finish the job that Congress made an initial commitment to last year of hiring 100,000 teachers so we can lower class size to an average of 18 in the first 3 grades all across the country. And I have asked Congress to pass a tax incentive to help us build or modernize 6,000 schools across America, because enormous numbers of young people are going to schools that are very, very old, a lot of them not even capable of being wired; and a lot of other young children are in housetrailer out beside the old schools because we now have, finally, a class of schoolchildren bigger than the baby boomers. And we have to do more in that regard.

I have also asked Congress to help us to strengthen performance—with higher standards for schools, for teachers, for students—to say that Federal aid should go only to those schools that end social promotion but also

provide summer school programs, after-school programs, and extra help to turn schools around that aren’t doing the job.

So far, the main thing that the Congress has heard in all this is the siren call of large tax cuts on the theory that we have a surplus, it’s your money, and we ought to give it back to you. Now, it only takes 5 seconds to say that, and it sounds great. I heard one Member of Congress the other day, in all seriousness, said, “If you let them”—referring to the President and the members of my party—“if you let them keep your money, they’ll spend it on their friends.”

Well, what I have proposed to do is to take most of the surplus and set it aside for Social Security and Medicare, and in the years when we don’t use the money, use that to pay down the debt so we can be debt-free in 15 years, for the first time since 1835, which means lower interest rates for everybody, more investment, more jobs, higher incomes and, for your families, lower mortgage rates, college loan rates, credit card rates, and car payment costs. And it would guarantee the long-term stability of the country. I think that’s the right thing to do.

And I have also proposed to spend adequate amounts of money to continue the Federal role’s investment in education and medical research, national defense, and other things and then to take what’s left and spend it on a tax cut. It is, admittedly, much smaller than the one that the majority approved.

Now, they believe—to be fair—it is your money, it’s the taxpayers’ money. And they believe that the best thing to do is to give it back. It would cost about \$800 billion over the next 10 years and \$3 trillion over the 10 years after that. Sounds like an unimaginable sum—that’s real money there. And that’s when the baby boomers will be retiring.

Now, the problem I have with it is that under their plan, to be fair, we could save the Social Security surplus to pay down the debt, partially, but we would not lengthen the life of the Social Security Trust Fund or the Medicare Trust Fund, and we’d have to have big cuts in education and the other items that I’ve mentioned. But people would get the tax cut. But that would be the price tag; in other words, it’s not free. So we’re having this big debate.

My argument is that we quadrupled the debt of this country between 1981 and 1992. And I don't believe we should be even discussing the tax cut until we decide what our obligations are—to deal with the aging of America. And let me say, this is not just an issue for you—I mean, for us. I mean, I'm the oldest of the baby boomers. But it's not just an issue for us. It is an issue for you. Why? Because I can tell you that my generation is absolutely obsessed with the notion that if we retire, there will be so many of us that we will break the bank of Social Security and Medicare and we'll have to depend on our kids to support us and then our children won't have the money they need to raise our grandchildren.

So this—when you hear about the Social Security and Medicare debate, it's not just about senior citizens. It's about the compact between the generations in America and whether we can continue to, in effect, let seniors take care of themselves by and large so that their children by and large will be free to take care of their grandchildren. That's really what is going on here.

So—and if I had my way, we would decide this issue in the following order: We would decide what are we going to do—what does it take to fix Social Security and Medicare; what do we have to have to take care of education, defense, research, and the things that we should do as a nation? And then let's take what's left over and give it back in a tax cut. The way we're having the discussion about the size of the tax cut first, it would be like if you go home this weekend, when you finish, you go home and you have dinner and your folks say to you, “You know, we have always wanted to take this month-long vacation to Hawaii, and we're going to take it. We're going to fly first-class; we're going to go to the most expensive hotels; we're going to have everything we've ever dreamed of. And when we get home, we'll figure out whether we can pay the home mortgage and send you to college.” [*Laughter*] Now, you being—I'm sure you need the vacation. I'm sure it would be a good thing. [*Laughter*] But you wouldn't make the decision in that order.

So that's the debate we're having here, in part. I believe that a lot of people who voted

for this tax cut, they know I'm going to veto it if it passes, so they don't think it will be law. And they want to be on record as, “I was for a bigger tax cut than President Clinton was.” But what we should be doing, I think, is saying, “Hey, we have—once in a lifetime you get this kind of chance where there's no more deficit, projected surpluses, and you know what the big challenges of the country are. You know it's dealing with the aging of America, dealing with the education of our children, dealing with keeping the economy going and bringing economic opportunity to people who haven't felt it. There are other things, but let's just focus on those three.” I think we ought to decide what we ought to do.

And let me give you an idea of what would happen if a tax cut of this size were to become law, so you can focus on it. Because there is no such thing as a free decision. It is your money, and if you tell the Congress you want it back, they could by enough—if they could override my veto, they could give it all back to you. I mean, everything you give us is your money. We could abolish the Department of Defense tomorrow and everything else we do and give it all back to you and have no Federal Government. So it is your money.

But let me give you an example. If we pass the tax cut, and we stayed with a balanced budget, according to our Office of Management and Budget, here's what the consequences would be. Today we're helping 12 million children in high-poverty areas get extra help. I have proposed reforms to raise standards for them and give them more help. This plan, if it passed, with this tax cut, would require us to say to 6 million of those children, “We can't help you.”

Today, we provide funds to help a million children learn to read independently by the end of the third grade. If the tax plan passes, we'd have to say to 480,000 of them, “We're sorry; we can't do that.”

Today, we're nearing our goal of enrolling a million people in Head Start. If the plan passes, we'd have to say to 430,000 preschoolers, “We can't do that.”

Last year we reached across party lines to hire 30,000 of that 100,000 teachers I talked about. It was a wonderful moment—like