

in grants to help States and local school districts begin hiring the first 30,000 well-trained teachers for the new school year. That means by the time children go back to school this fall, communities in all 50 States will have more good teachers and smaller classes in the early grades, where it matters most.

Now we must finish the job. Unfortunately, there are some in Congress who are backing away from their commitment to reduce class size. Last year Congress came together across party lines to make this promise to the American people. They should come together again this year to keep it. I think a promise made in an election year should be kept in the years when there are no elections.

So today, again, I call on Congress to put politics aside and put our children's future first and finish the job of hiring 100,000 highly trained teachers. We know smaller classes will

help them succeed in school. We know higher quality teaching will help them succeed. We already have the plan to make it happen if Congress keeps its word.

We've got a chance to use this time of prosperity to improve our children's education and to help them make the most of their lives. This isn't a partisan issue anywhere in America; it shouldn't be in Washington. Schoolchildren get the summer off, but we should make this summer a season of progress for our children, our schools, and our future in the new century.

Thanks for listening.

NOTE: The address was recorded at 6:07 p.m. on June 25 in the Oval Office at the White House for broadcast at 10:06 a.m. on June 26. The transcript was made available by the Office of the Press Secretary on June 25 but was embargoed for release until the broadcast.

Remarks on the Federal Budget Surplus and an Exchange With Reporters *June 28, 1999*

The President. Good morning. Six years ago we put in place a new economic strategy for the information age. We put our fiscal house in order; we invested in our people; we expanded trade in American goods and services. By making tough decisions, America has reaped rich rewards. We built the longest peacetime expansion in our history.

Last week we learned that in the first 3 months of 1999, the economy grew at a 4.3 percent rate, with very low inflation. With record numbers of new homes being built, paychecks increasing, hundreds of thousands of young people getting new help to go to college, new businesses opening their doors, a surging market on Wall Street, we are truly widening the circle of opportunity in America.

I'm here to report to the American people on more good news about our budget. As required by law, my administration is releasing the midsession review of the budget. Here is what we have found.

When I took office, the National Government had a record deficit of \$290 billion, projected to increase indefinitely. Last year, for the first time in 29 years, we balanced the budget. In

January this year, we projected a surplus for this year of \$79 billion. Today I am pleased to report that, in fact, the budget surplus for 1999 will be \$99 billion, the largest as a share of our economy since 1951. For next year, we now project a budget surplus of \$142 billion, a surplus of \$5 billion not counting the receipts from Social Security. In fact, improvements in the outlook since February have added \$179 billion to the projected budget surplus over 5 years, half a trillion over 10 years, and a trillion over 15 years.

Fiscal discipline does bring real results. I want to thank my economic team for all the work that they have done. Lower interest rates have led to a boom in business investment, to lower mortgage rates, to lower credit card rates, to lower student loan rates. Fiscal discipline has widened opportunity and created hope for all working people in our country. Now we have a chance to do even more, to use the fruits of our prosperity today to strengthen our prospects for tomorrow, indeed, for tomorrows well into the 21st century.

In my State of the Union Address, I set out a plan for how to use the budget surplus. Today,

in light of the unexpectedly large surplus, I am proposing to build on that budget framework with a new approach that honors our values, meets our commitments, and makes it possible to reach bipartisan agreement on a budget for America.

First, we can strengthen our commitment to use the bulk of the surplus to save Social Security and Medicare and to pay down the national debt. The new budget numbers mean that we will run a surplus in the non-Social Security part of the budget, starting next year, much earlier than previously expected. I am pleased that Republicans and Democrats in Congress have agreed to use the Social Security surpluses to reduce the national debt. But we must go forward and achieve an even stronger lockbox than one proposed by Congress. Social Security taxes should be saved for Social Security, period. Let's finish the job and work to extend the solvency of Social Security. I'm encouraged that Republicans and Democrats on the House Ways and Means Committee are meeting together to try to accomplish this goal.

Second, our new large surplus will help us to strengthen and modernize Medicare while providing a prescription drug benefit. Tomorrow I will reveal the details of my plan to modernize Medicare. The steps I will propose to use the surplus will increase Medicare's solvency for at least 25 years. By taking additional measures to increase competition, combat fraud, and reduce costs, we can provide a new prescription drug benefit and still pay down our national debt.

Third, our new budget framework will use part of the surplus to provide substantial tax relief. It will maintain USA accounts, the largest and most progressive tax incentive ever offered to encourage savings. USA accounts will allow every American to begin saving from the first day in the work force, providing more help for those who need it, giving every American a stake in our shared prosperity.

In addition to the USA accounts, I have proposed tax cuts, targeted and paid for, for child care, for stay-at-home mothers, for long-term care, to encourage businesses to invest in poor communities, and to modernize 6,000 schools. But first things first.

Fourth, we can use this surplus to meet other vital national needs, such as maintaining military readiness, honoring our veterans, protecting the environment, promoting health research, farm

security, and other core functions of our Government.

Beyond this, we have a chance to use the surplus not only to care for our parents through Social Security and Medicare but to give a greater chance in life to our young children. So today I am proposing a new \$156 billion children's and education trust fund. This commitment can enable us to offer Head Start preschool to a million children, to hire those 100,000 teachers, to provide extra help for a million children in our poorest communities, to pay for dramatic improvements in children's health.

And finally, by investing to save Social Security and strengthen Medicare, my plan now will entirely pay off our national debt. In the 12 years before I took office, reckless fiscal policies quadrupled our debt, bringing us higher interest rates, higher unemployment, higher inflation. By balancing the budget we have begun to reduce the debt. But today our national debt still totals \$13,400 for every man, woman, and child. If we maintain our fiscal discipline, using the surplus to pay down the debt and using the savings to strengthen Social Security, America will entirely pay off the national debt by 2015.

If you look at this chart, you will see that we have now cut up Washington's credit card. Now we can pay off the debt; by 2015, this country can be entirely out of debt. This is a remarkable milestone, but it is clearly within reach, if we do not squander the surplus by choosing short-term gain over long-term national goals.

The surplus is the hard-earned product of our fiscal discipline. We should use it to prepare for the great challenges facing our country, caring for our parents, caring for our children, freeing our Nation from the shackles of debt so that we can have long-term, sustained economic prosperity.

Keep in mind what this means to ordinary people. If you pay this debt off, it means interest rates will be lower. It means there will be more business investment. It means there will be more new jobs. It means there will be more money left over for higher wages. It means the cost to families of homes and cars and college educations will be lower. That's what being out of debt means.

It means the next time there is an international financial crisis, we will be relatively less vulnerable because we won't have to borrow so much money, and the poorer countries will

be able to borrow more money at lower interest rates, bringing greater global prosperity and stability. This is a very significant achievement for our country and for a more stable and peaceful and prosperous world.

So I hope, very much, to work with Congress in the weeks ahead to pay off the debt, to finish the work of strengthening Social Security and Medicare, and to make a real commitment to our children and our future.

Again, let me thank the national economic team and all others who have supported these initiatives over the last 6 years. Thank you very much.

Tax Cuts

Q. Are you open to tax cuts beyond those that you mentioned, Mr. President?

The President. I think we should achieve these objectives. Within the framework of achieving these objectives, obviously, I'll be working with the Congress to achieve them. Thank you.

Arkansas Senate Seat

Q. Do you want to run for Senate from Arkansas? [Laughter]

The President. I think Rubin should run for the Senate from Arkansas. [Laughter] He's got the best timing of anybody alive.

NOTE: The President spoke at 8:59 a.m. on the South Lawn at the White House, prior to his departure for Westport, CT. In his remarks, he referred to Secretary of the Treasury Robert E. Rubin.

Interview With Mark Devenport of the British Broadcasting Corporation in Westport, Connecticut June 28, 1999

Northern Ireland Peace Process

Mr. Devenport. Mr. President, it's 2 days to go until the deadline in Northern Ireland—obviously a crucial week, the politicians still at loggerheads apparently. What is it that you want them to do now in this make-or-break time?

The President. I want them to remember how strongly the people voted for peace and for the Good Friday accords and to find an honorable resolution of the admittedly thorny problems. Because whatever the difficulties of going forward, they are very small compared to the difficulties of letting the peace process fall apart.

Mr. Devenport. Now, you say there are thorny problems, and that is the difficulty—and especially the problem of decommissioning. Would you be urging the Sinn Fein to do what Ulster Unionists are urging Sinn Fein to do, to namely sign up to a timetable for disarmament and give a categorical assurance that the IRA will have disarmed completely by May 2000?

The President. I think that all the parties should fully comply with the terms of the Good Friday accords, and that's what I would say. I think that they all have to find a way—we know what the problems, the legitimate problems the Sinn Fein have with the decommis-

sioning issue. But it's an important part of the Good Friday accords, so there has to be a resolution of it that enables the leadership of the Unionists, Mr. Trimble and the others who have fought for peace, to survive, to sustain their position, and to go forward and get everybody on their side to honor the Good Friday accords, too.

They can find a way to do this if they decide that the price of failure is far higher than the price of compromise. And I think there's a good chance they'll do it; even if it's 11th hour, I do.

Mr. Devenport. Well, what about the Ulster Unionists? Their position has been that there has to be guns handed over, actual hardware, before Sinn Fein can go into government. Do you think they should be considering moving ahead on the basis of pledges rather than actually looking for the armaments?

The President. Well, I believe that on that score, Mr. Trimble is satisfied in these talks with whatever commitment is made, and I think they should give it a chance to work.

One thing I would say to the Unionists is that they can always walk away from this if the commitments aren't made at a later date.