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Remarks at a Roundtable Discussion With Employees of Therma, Inc., in San Jose, California

May 1, 1998

The President. Thank you very much. I want to thank Joe and Nicki for welcoming me here. I want to thank Dan Kirby for the tour through the operations. He did a great job. Thanks to Congresswoman Zoe Lofgren and Mayor Susan Hammer, my good friends, for joining me here today. I thank the labor leaders that are here—Amy Dean, Ray Lancaster, Mark Van Den Heuvel, Steve Preminger. But most of all, I thank all of you for giving me a chance to leave Washington and come out and visit the real world. It's great. Thank you very much.

Before I say a little more about why I came here today, I'd like to make a brief comment on something very important to your future that did happen in Washington, DC, late last night. Last night an overwhelming bipartisan majority of 80 Members of the United States Senate voted for a treaty that will permit us to bring Poland, Hungary, and the Czech Republic into the NATO military alliance.

Now, why does this matter to you out here on this factory floor? I think it's very important to you and to every American. We fought two World Wars and lost a lot of Americans and waged a long cold war in a deeply divided Europe. The Berlin Wall fell, communism dissipated, giving us the chance for the first time in history, ever, to deal with a Europe that is free, democratic, and undivided. That's important. If we can do that, that means you will know that you'll have stable partners for trading purposes. You can sell them things; you can buy things from them; you can be a part of growing.

Even more important, it means you know that your children will likely never have to go there to fight and die in a war. And furthermore, you know that we'll be able to work together on the problems that do exist in the world to contain them.

Now, just in the last few years since I've been President, we have used NATO for those purposes. We've brought in two dozen other countries in a Partnership For Peace, and they work with us all over the world, training, working with our militaries together. We made a special agreement with Russia and with Ukraine. And together, we went into Bosnia and stopped the bloodiest war in Europe since the end of World War II, with no conflicts, no shooting, no deaths.

So that's why this is important. Poland, Hungary, and the Czech Republic—three more partners that will make our alliance stronger. If we have to do something in the future, that's three more countries that will be contributing people, sharing our burden, and building a future of strong partnership based on trade and commerce and travel and visitation, not on conflict. It's a big deal.

And I would like to thank the Senate Majority Leader, Trent Lott; the Senate Minority Leader, Tom Daschle; Senator Jesse Helms; Senator Joe Biden—all of them. This was an unusual coalition of people—[*laughter*]—who worked together to do something that a lot of people didn't think we could do. And it's going to make a better world for our children. Ten years from now it will look like an even bigger vote than it does this morning. So I thank them.

I'd also like, before I begin, to offer my condolences to the family of the police officer, David Chetcuti, who was killed in the line of duty last Saturday, and express my gratitude for the bravery he showed when he lost his life. And in that connection, I'd like to thank the police officers from the motorcycle crew from Santa Clara County, because they had to accompany me on this visit, and they're missing his memorial service that is going on this morning. So I thank them for doing that.

Now, let me tell you why I came here. Because, to me, you guys represent the future. You're good at what you do; you're changing all the time; you're committed to getting better; you're operating in a global economy; you have a good management-labor partnership; you have apprenticeships for new workers; you have training for veteran workers to make sure they learn new skills and master new technologies. You're proving that Silicon Valley's economic revolution does not just include computer programmers; it can include all the workers of America if we're all well-trained, highly competitive, and the best in the world at what we do.

You're evidence of that. I thank you for it. I wanted America to see it. And mostly, I wanted to talk to you and your representatives behind me about how we can do this all over America, in every part of America, and set the processes in motion that will keep it going year in and year out.

You are a very important part of this wonderful economic renaissance going on in America now. Yesterday we saw that the economic strategy that we put in place over 5 years ago in Washington did, in fact, work to unleash the competitive capacities of America. We said we were going to reduce the deficit and balance the budget. We were going to invest in our people, in education, in technology, in scientific research, in environmental investment. And we were going to trade more with the rest of the world. We were going to open more avenues to trade our goods and services.

Yesterday we saw more evidence that it's working. The economy grew in the last quarter at over 4 percent. Unemployment was the lowest in 28 years; inflation the lowest in 30 years; consumer confidence the highest in a generation. For 5 years in a row now, our country has been rated the most competitive economy in the world. You did that, you and people like you all over America, and you should be very, very proud of yourselves.

Another reason I wanted to come here was because this company proves that even in Silicon Valley opportunity to participate in that new economy embraces more than those who work directly with computers or in laboratories or in offices; and also shows, as this gentleman demonstrated, that computer technology has revolutionized every aspect of American labor, and therefore, that we all must become more familiar with it.

I couldn't believe it—I told the folks that were going around with me that at one point during my long service as Governor of my State, I would go out about once a month and spend a shift working in different kinds of factories. And I was around a lot of sheet metal workers. I've seen a lot of welding in my life, and it was a long time ago now, a few years—that's light years as fast as things are changing—but the machines I saw today and the level of the work I saw, it's just so breathtakingly different than just 10 years ago, it's almost unimaginable. You, of course, understand that better than I do. But for somebody like me who hasn't seen this work in a few years—I don't have as much time as I used to, to do these sort of things—[*laughter*]—it was quite shocking in a very positive way.

And again, I say I think it's important that all of America see that these kinds of things are going on, and that all American workers in all forms of endeavor have an important role to play in building our future.

The other point I wanted to try to explore today is how we can really make sure that everybody has a chance to participate in it. Because you know as well as I do that even though the unemployment rate is the lowest it's been in 28 years, there's still places in America where it's fairly high. And there's still workers in America who work at tasks where they're not improving their productivity; they're not learning new skills; they're not matching new technologies; and they're not getting raises.

And what we have to do now at this moment when the economy is working so well is to try to devise systems that will work for everybody who is willing to work for himself or herself. We have to try to make sure that the lessons that you live every day in this place are somehow learned where they don't exist.

We're doing what we can in our administration to create the special economic incentives to go into inner-city areas and isolated rural areas where there hasn't been a lot of new investment. We're doing what we can

to give people the ability to start their own businesses more easily in those places. But I think you know that unless we can guarantee a world-class education to all our kids and a system of lifetime learning for all workers in America so that they can always continue to learn new skills, we will not be able to reach the people that presently have not yet fully participated in this recovery.

You've done a great job on that, and I just wanted to be here. I've done my best to do two things that I think are important. One is to open the doors of college to all Americans of any age. With our HOPE Scholarships now, we give virtually all Americans a $1,500 tax credit for the first 2 years of college and then credits for the second and third year, and for people who, like many of you, might want to go back and get further training, we've increased scholarships and made the loan program better. And there's also now an education IRA so that you save—for example, for your children's education, you can put the money into an IRA and that money is not subject to tax when you put it in. And then the gain is not subject to tax when you take it out if you use it for your children's education, to try to help make it easier for people to save for education.

The other thing we're trying to do is to create a training opportunity for people who work in companies that are not as sophisticated or advanced as yours, by passing what I've called—and I've been trying for 5 years to pass this—the ''GI bill'' for America's workers. We have literally dozens of Federal training programs. And if I gave you a sheet of paper and a pencil and I asked you to write down five of them, I bet you there's not a person in the room who could do it—probably including me. [*Laughter*] But there are dozens of them. And they were all created for some particular good purpose when the economy was more static than it is, before it started changing like it is now.

What I've been trying to do for 5 years is to collapse all the programs, put it in a fund and just give everybody a certificate who's eligible for the training and let them take it to the local community college or wherever else, to let the people who need the training have the money and then choose the place where they want to get the training. I think most of you have enough sense to plot your own future, and most other adults do in this country, too. And it would be a lot better than having all these separate bureaucracies and programs there.

So we're working on that. The House has passed a good bill. The Senate has got a bill up—I think they're going to take it up today. And I hope that this vote last night on NATO is a good indicator of what might happen on the ''GI bill'' for America's workers. Because think what it would mean if every person in every workplace in America—every person in every workplace in America—if they lost a job or if they were grossly underemployed, could get a certificate which would basically empower them to get further education and training at any point during their life. It could revolutionize the lives of a lot of those folks we're talking about that have not yet fully participated in the recovery. And I hope we can get the support for it.

The last thing I'd like to say is that if you all are going to keep producing more things in less time at higher quality, you've got to sell them someplace. And you have to sell them to companies that in turn sell their products. Everybody you sell something to has got to sell what they sell—produce to somebody else. Otherwise they can't buy your product. So it's very, very important that we have a growing American economy and a growing world economy.

If we don't have a growing world economy, we're going to be in deep trouble. Why? Because we have 4 percent of the world's population, but we have 22 percent of the world's wealth. Now, you don't have to be a mathematical genius to know that if you've got 4 percent of the population and 22 percent of the wealth and 96 percent of the people are living someplace else, and for the next 20 years in the developing countries, they're projected to grow at 3 times the rate of the rich countries, somebody has got to sell something somewhere else than America in order to maintain our 22 percent share, in order to maintain the opportunities that we all want for our children.

And that means that we have to help other people get wealthier, too. And you may have noticed, in Washington we're having a big argument now about whether we should pay

our fair share to something called the International Monetary Fund, the IMF. What that fund does is to help countries who get in trouble stabilize their economy so they can start growing again—from our point of view, so they can start buying our products again.

Now, we're out here in California—30 percent of our economic growth in the last 5 years has come from selling to other countries. Over 30 percent of our exports go to Asia. You have been reading in the papers, I'm sure, that a lot of those Asian countries are in trouble. The IMF does not just go in and give people money; it says, if you've got a problem, you've got to clean up your act, organize your business properly, start running your economy efficiently, and if you'll do these things, then we'll help you get stabilized and start growing again.

Those Asian countries are our trading partners. They're an important part of our future. And I think we ought to pay our fair share to the IMF. I don't care what other political business is going on in Washington, and there is a lot of other things that are going on here—we should do whatever is necessary to keep this expansion going. And I hope that you will send that signal. And I want to thank you representative, Zoe Lofgren, for being strongly in favor of this position. But we've got to convince the Congress that America, if we want to lead the world economically, has at least got to pay our dues and put in our part of an institution that is going to help Asia come back so we can keep selling.

I guess that's a long-winded way of saying the best way for us to succeed is for me to do my part and you to do yours. And I'm going to try to do that. But one of the things that we have to do is get the focus in Washington on basic things: How do we build a world-class education system; how do we support companies that are committed to changing technologies; how can we make sure workers can continue to get the education and training they need? That's what I hope to learn from you here today, and what I hope through your voices all America will hear on the news tonight and tomorrow morning.

Thank you for the example you set for our country. Thank you very much.

[*At this point, the discussion was joined in progress with Joe Parisi, founder and president, Therma, Inc., noting that his company has benefited from training schools established in partnership with employee unions.*]

The President. How do you determine—first of all, who pays for the training?

Mr. Parisi. The employers donate so many cents per hour toward a training fund.

The President. And are the training programs just for the employees of your company, or do they include people from other companies?

Mr. Parisi. All of the people in the construction trades go to the training schools.

The President. And is there a regular schedule for doing it, or does it depend on what new things you're doing at any given time?

[*Mr. Parisi explained that most of the employees participate in a 5-year apprenticeship training program in order to become a journeyman and that 60 percent of employees at the journeyman level continue their education in evening classes.*]

The President. And you started this company 31 years ago?

Mr. Parisi. Yes.

Nicki Parisi. Yes.

The President. When Nicki was underage. [*Laughter*] Now, I didn't want to put this out on the record. How many employees did you have when you started?

Mr. Parisi. Well, one or two. [*Laughter*]

The President. And how many do you have here today?

Mr. Parisi. You're looking at them—1,600, I think, give or take.

The President. That's pretty good growth. That's impressive.

LeRoy, do you want to talk about——

[*LeRoy Ginn, project manager, Therma, Inc., discussed how Therma, Inc., gives its employees opportunity to prosper in their careers.*]

The President. Give us an idea of the different kinds of customers you have. Do you serve people in the computer business, people in the biotech business?

[*Mr. Ginn explained that Therma, Inc., serves every computer manufacturer in Silicon Valley as well as manufacturers of tools*

that make computer chips helping manufacturers design and produce tools efficiently. Another participant noted that the short product life cycle in the technology industry encourages employees to be innovative in order to stay competitive. Another noted that the philosophy of Mr. Parisi and his wife, Nicki, cofounder and chief executive officer, Therma, Inc., has worked well because they encourage employee innovation and independent decisionmaking by field personnel.]

The President. Good for you.

[*The participant also explained that the fast turnover of projects in the high-tech industry fosters utilization of the best talent. Patricia Glenn, customer service manager, Fix Air Co., discussed the time constraints placed on companies in the industry and noted the ability of Therma, Inc., to work with customers in meeting deadlines. Other participants discussed the benefits of cooperation to the competitiveness of the company and the gratification of the employees.*]

The President. That may be the single, most significant revolution, even more important than all the technology, that's occurred in manufacturing in America over the last two decades or so. The companies that are doing really well are the companies that empower their workers and that learn from them as well as teach them, and where people are working together.

I can go to any part of America and spend half an hour in a plant and immediately know, without anybody having to say anything, how people feel about that, because that's the most important thing that you see—anyplace you go, whether the answer is a good one or not a good one, it's down deep inside the most important thing to the people that work there.

[*A participant continued the discussion by noting that employees of Therma are a name, not a number; that the lack of a formal hierarchy allows for a friendly and cooperative work environment. Other participants noted that the Parisi's business philosophy translated into not only employee loyalty but customer loyalty as well. Another participant asserted that the company's teamwork approach inspired high-skilled employees to stay with Therma, Inc.*]

The President. That's what you said, right?

Q. It's true. That's right. [*Laughter*]

The President. You could go somewhere else.

[*The discussion continued with participants describing training and learning opportunities provided to employees to enhance their skills and improve their careers.*]

The President. You know, it's interesting, I have worked hard—with limited success, I might add—but more than I would like—more than I thought in the beginning we'd have—with the Vice President, to try to organize this kind of workplace in as many Government agencies as possible. And it's harder in some ways because you're organized to make good things happen and to make good things happen in a hurry. A lot of people who go to work for the Government are terrified that something bad will happen, and it will be on them. And they'll read about it in the newspaper, and then they'll have to be a scapegoat for it.

So what that tends to do is to create a kind of a—to reinforce the sort of bureaucratic mentality, don't venture out, don't try, because if you make a mistake, it will be in the papers, all the taxpayers will be mad; you'll be the goat; you'll be out the door sort of thing. As a consequence, more mistakes are made.

If you think about it, we've still got—we are really trying to create an environment in which we can respond more quickly to people's needs. We're having—just a little example—we're having millions of people this year—are filing their income taxes by E-mail or telephone, in just a few minutes. And most people have a fairly simple form. There may be, I don't know, some percentage that will be harder to check, or whatever, but the point is, it's really worth doing because it's a hassle on the best of terms and to make it easier for people is a good thing to do.

And the Social Security Administration, believe it or not, won an award, over L.L. Bean and a lot of other places, for the best

telephone service of any major, big organization in America. [*Laughter*] But we really worked at it.

But it requires getting people to not be afraid to try something new, and to let them know that, assuming they're not abusing the citizens or something, that if you're actually out there trying to do something new and you're taking a chance, if it doesn't work out, you're not going to be punished because you want people to feel that way.

But it is really—it's an enormous challenge to try to create the flexibility and productivity you have in an organization like this, where you have clear common goals. I mean, it's not like there's no uniformity of objective—or uniformity of standards. But you still have some creativity in carrying it out. And you've kind of got my juices flowing to keep trying today.

But every effort we've made in Government has been worth it. But I just—I want to urge all of you to support us in doing that, too, because it's like everything else. If you give people a lot of freedom and you ask them to try, once in a while you make a mistake, because nobody is perfect. And you have to create an environment in which your people are trying to do the right thing for the right reason and not being reckless in doing it. You support that.

[*A participant agreed with the President, and Ms. Parisi asserted that if mistakes aren't made, nothing's being attempted. She also quipped that she and her husband make plenty of mistakes, but the employees cover them up.*]

The President. I could say something hilarious about that but I won't. [*Laughter*]

Let me say again, though, I think—one of the places, interestingly enough, where we've had quite a bit of success is a place that you might not expect, is in the military, because we have very rigorous, uniform training characteristics. I was out here a couple of years ago, actually in the harbor at Oakland, having lunch on an aircraft carrier with some career Navy people. And I talked to an enlisted man who had done 19 years in the Navy, and he'd quit and gone to work in the private sector for 2½ years, and he came back to the Navy because he said that as compared to the private sector job he had, he had much more responsibility and they trained him—they gave him at least one new skill every year. It was fascinating. And he said, ''Eventually I'll have to quit this, and I'll still be a young person,'' but he couldn't find another job in the private sector where someone was always teaching him something new and where he was being given more and more responsibility. And that's basically what I'm hearing from all of you.

Q. Hopefully.

[*A participant discussed Mr. Parisi's devotion to the company's training center and stressed the importance of training in the high-tech industry.*]

The President. You'd be amazed how little of this is done in some other parts of the country and some other sectors of the economy. And yet I'm convinced you would have pretty much the same pay-off everywhere, because what you go around here, you see that—I mean, sure, you're serving all these high-tech industries, but if this company were located out in the middle of the country somewhere where you had a totally different customer base, you would still be making more money if you were doing the same things you're doing here. Isn't that right? And you would still have that gentleman over there running your computer program for you and you'd still have all this—in other words, you'd be doing all this stuff that you're doing here, even if you had a different customer base.

That's what we've got to get people to understand, that we need—that you can't—education and technology dominate every form of production. And just the fact that your end users happen to be in Silicon Valley predominantly, or be in this kind of business, is almost incidental to what we should be doing in every workplace in America, I think.

[*The discussion continued with a participant expressing gratitude that he had acquired skills he could take elsewhere if necessary. Other participants agreed and discussed the level of cooperation within the company and with specialists in the industry and the rate of growth of companies in the high-tech industry and fields which utilize technology,*

noting the pharmaceutical-biotechnology industry growth.]

The President. For whatever it's worth, our people believe that that will continue for another 20 years because of the human genome project and all the mysteries we're unlocking. Just 2 years ago—year before last, we found these two genes that are predominate in causing breast cancer. We've seen splicing of nerves in laboratory animals that actually repair the spines of laboratory animals that have been broken, so that they can actually have lower body movement again, which offers the possibility, if we can work out the genetic sequencing in people, that people who are in wheelchairs because of spinal cord injuries may be able to walk again.

All these things are happening, and the pace at which these genetic discoveries are being made is accelerating rather dramatically. So I think there will be more of it.

[*A participant noted that Therma process engineers were able to design a process for a biotechnology firm to make its product.*]

The President. That's an amazing story. [*Laughter*]

Q. No, it happens all the time.

The President. Just your typical sheet metal worker story. [*Laughter*]

But again, it shows the power of ideas. And if you think about it, work can be a lot more interesting now than it even could have been 50 years ago, when it wasn't being powered by ideas and repetition was important in building the kind of traditional industrial society. Now work can be fun and good because the whole economy is being powered by ideas. And that means also that there is an unlimited, inexhaustible supply of future human endeavor, which is why I believe, for example, that the environmental movement, the movement to have—to deal with the problems of climate change and global warming, which we've seen a little bit—a taste of with El Niño this year, that that will not cost jobs, that will generate jobs, because we'll have to figure out how to do it and ideas will be brought to bear on it. All these little people that come up with all this stuff and then become fabulously wealthy are just idea machines.

[*A participant agreed with the President and noted that the ban on chlorofluorocarbons and certain other refrigerants caused problems in industry, but was also the catalyst for many cottage industries seeking alternative technology and enhancing growth.*]

The President. The CFC thing is a great example. When we took chlorofluorocarbons out of the atmosphere, it not only—it was projected to have a modest negative impact on our economy, and instead it had a noticeable positive impact. And I think that the important thing for the Government, for us, to do is to—when we make these rules is to make them in such a way that allows these kinds of processes to develop.

Q. Phase them in?

The President. Yes. And to give a market solution a time to work. That's a big concern I had when we went to Japan last December to try to come up with some rules about how to deal with climate change. I am positive that—if you look at what puts carbon dioxide into the atmosphere today, about a third of it comes from vehicles; about a third of it comes from buildings, both residential and commercial; and about a third of it comes from power plants and factories. And we now know that there is available technology—just for example—you can buy windows now which let in 6 times as much light and let out only one tenth as much heat. They cost about 3 or 4 times as much, but if they have a 2-year payout, then after that, you're making money. And once you get the technology, once it all works out, then we will be doing these things that we ought to do for the environment because they also are good for the economy. You have to turn the problem into an idea machine.

[*A participant described the company's energy retrofit department which aids companies in running more energy-efficient buildings and powerplants by upgrading equipment and operating controls.*]

The President. Yes, what do you require? If you start something new like that, how quick does it have to pay out for you to think it's worth doing?

[*A participant replied that most customers seek a 1-year payback, though the project*

may require more time, and that even when the 1-year payback may be achieved, the cost may still be deemed prohibitive.]

The President. Well, we're trying to see if we can make a few changes in the Tax Code that will change that behavior, because in manufacturing processes there are like—there's not one big thing, as you know, there's dozens of little things that can be done, all of which, at least the ones that I've studied, have a 2-year or less payout, which dramatically cuts your energy bill. And then after that, you're making money eternally.

And so we're trying—I have asked the Congress to adopt some minor changes in the Tax Code which won't cost a lot of money, but which would give significant incentives if you're right up against that decision—you say, ''Well, can I wait a year, year and half to get this money back?''

[*Participants said that such incentives would be a big stimulus to their industry, noting that ventures are too often undertaken based solely on bottom-line profit and stock market success.*]

The President. They would have been better off waiting in the last 5 years. Wait and wait and wait. [*Laughter*]

Q. It's a tough call.

The President. You've got the biggest stake in this. [*Laughter*] I asked him if it was true he had nine children. My notes said he had nine children. He said it was true, and I said, congratulations. [*Laughter*] Well, I mean, it's true; you have a stake in this meeting. You have nine kids that will be able to do hundreds of different things that haven't even been invented yet by the time they're old enough to go into the workplace.

Johnny Gooch. That's true.

Q. What's the age span of them, Johnny?

Mr. Gooch. Oh, God. [*Laughter*]

The President. He's going to start bragging now. [*Laughter*]

Mr. Gooch. From 23 to 17 months.

The President. Do you have twins?

Mr. Gooch. Yes. Most of you know who know me, I have 2 sets of twins, 8 years old and 17 months. Big span. [*Laughter*]

The President. That's great.

Q. ——extended production. [*Laughter*]

The President. Here's a man who wants to be taken care of in his old age. [*Laughter*]

Q. There won't be enough Social Security. [*Laughter*]

The President. Oh, yes, there will. [*Laughter*]

I will say, though, one of the things we're doing now is we're undertaking a process across the country to determine what we have to do to change and modernize both Social Security and Medicare to make sure it's there when the baby boomers retire.

The generation of people who will turn—the oldest baby boomers—I'm one of them—the people that were born between '46 and '64, that group of people, are the largest group of Americans in a given generation in history, until last year when we got—last year there was finally a group of school children that were more numerous than the baby boomers. But that skips a whole generation and then some. So that when we're all in the retirement system, which is roughly 2029—that is when we're all 65 or over, which is about 2029, we'll all be—all the baby boomers will be 65 or over—if we continue the projected work force participation rates and the projected retirement rates, there will be only two people working for every person who's drawing Social Security. And, so, we're going to have to make some fairly substantial adjustments to make sure that the benefits are there to provide at least the minimal support that Social Security provides today.

About half of the seniors in America would be living below the poverty line if it weren't for Social Security, although almost all seniors have income over and above Social Security. Social Security itself is not enough for hardly anybody to maintain the standard of living they had before they retired, but if they didn't have it, they'd be in trouble—most people. So what our trick has got to be is to figure out how to keep what is good about it, but to make the adjustments necessary so that it's financially stable and so we can—and maybe have a little bit higher growth rate from our investments—so that we can deal with the coming population changes.

Q. The one thing nice about the unions is that they have a fabulous pension program. They retire real well.

The President. Pension plan.

Q. [*Inaudible*]—with the advancement of all of the medical advancements and lifestyle changes, that the retirement age of 65 is a little bit shy now, that we can extend that out.

The President. Yes. We're raising it to 67.

Q. I think it should be even higher than that. I think people are productive way after that.

The President. Well, one of the things that we're trying to do to deal with that—we've raised it to 67, and then we have made it possible—we've put incentives in the system for people who want to work to work longer.

If you raised it to 70, for example, the real problem with that is that the—and, of course, you have early retirement at 62 and you take a discount. You'd change the discounted value. So the more you raise the retirement age, the less you get if you retire earlier. But the real problem with going—and we're looking at this, and as I said, we've tried to raise the incentives, for example, now, for people to keep working. Because if they keep working, they keep paying taxes and they're paying into the system even if they're also drawing some Social Security. And that really makes a huge difference in leveling up the system.

But if you go to 70, you could probably work here comfortably at 70—here—but there's still a lot of people who work in jobs where it would be quite difficult for them to work that long. And so, if—you say, well, but you still have the early retirement option—that's true, but the early retirement option is worth considerably less, because you take the present value of the whole deal, because you move the full retirement out later than if you retired at 62, you get a little less.

I agree that it has to be raised, and we are raising it to 67. We've tried to—and one of the things that—one of the variables that's being looked at is whether it should be raised more. Other people have suggested that we have, for younger workers, some portion of the payroll tax available for their own investment decisions on the theory that—now, that looks like a wonderful idea now because the stock market has gone from 3200 to 9000 since I've been President, and there's no precedent for that in history.

It's also true that over a 30-year period—any given 30-year period in the 20th century, stocks have always outperformed guaranteed Government investments. The problem is, if you had an individual account, it's not true in every month of every year. So what happens if you have to retire in a year when the thing is down for several hundred points and you don't get it out. If there's some way to sort of share the gains, if you will, across the years—that's one of the things we're looking at. Because, obviously, if we could generate a higher rate of return for the investment that you make in your payroll tax, it would make Social Security more attractive to younger workers.

The other thing, don't forget, that Social Security does that other retirement systems don't, is it's also—it's a disability plan and it's a survivor's insurance policy. So if you pay into Social Security here and something happens to you, then your surviving family at least get something to help them survive, and that can be quite important.

But let me just say this—there is a huge amount of discussion about this out there now, and I think most Americans know we've got to make some changes. And I think most Americans will support us making some substantial changes, because there is no point in being dishonest about it, we can't sustain the present system as the baby boomers retire at the present rates of return.

But there is also—it's important not to overlook how much good this program has done to stabilize—the poverty rate among seniors in America is now under 11 percent, and it is lower than that of the population as a whole. It has been for over 10 years now, for the first time in the whole history of America. And that's something that our country should be proud of. So we have to figure out how to save the best parts of it.

But you ought to tell—if you have any ideas, specific ideas, or you want to even organize the folks in the company to put their ideas up, if you give them to Congresswoman Lofgren, I promise you they will be carefully reviewed by our group, because we're actually trying to go out in the country, tell people what the facts are, and figure out what the best resolution is.

Q. Mr. President, I think I see a signal here that we have to quit. [*Laughter*]

The President. This is Clinton's Second Law of Politics. When you start to have a good time, you're supposed to be somewhere else. [*Laughter*]

I've enjoyed this immensely. Thank you all very much. Thank you. I appreciate it.

NOTE: The President spoke at 12:35 p.m. in the warehouse of Therma, Inc. In his remarks, he referred to Dan Kirby, floor manager, and Johnny Gooch, sheet metal foreman, Therma, Inc.; Mayor Susan Hammer of San Jose; Amy Dean, business manager, and Steve Preminger, community services director, South Bay AFL–CIO Labor Council; Ray Lancaster, Jr., business representative, Plumbers, Steamfitters and Refrigeration Fitters Union Local 393; Mark Van Den Heuvel, business representative, Sheet Metal Workers Union Local 104; and David Chetcuti, a Millbrae, CA, police officer killed in the line of duty on April 25. This item was not received in time for publication in the appropriate issue.

Statement on Signing the 1998 Supplemental Appropriations and Rescissions Act

May 1, 1998

Today I have signed into law H.R. 3579, the FY "1998 Supplemental Appropriations and Rescissions Act." This emergency supplemental legislation makes urgently needed funds available for victims of natural disasters and for our troops in Bosnia and the Persian Gulf. While it is disappointing that the Congress has failed to meet the Nation's financial responsibilities by not approving funds for the International Monetary Fund (IMF) and the United Nations (U.N.), the Congress has provided funds that I requested for victims of natural disasters at home and for our military troops overseas.

I am pleased that this legislation will enable us to meet our commitment to our troops in Bosnia and the Gulf, to support readiness worldwide, and to aid victims of natural disasters at home. This Act provides more than $2 billion for these purposes.

The Act also includes $2.4 billion for disaster relief programs for the Federal Emergency Management Agency, for emergency highway repair, for repairing levees and other flood control systems, for repairing national wildlife refuges and national park property, and for State and private forestry, farm loans, dairy, and other agricultural assistance.

I am also pleased that the Congress has decided to omit a number of extraneous and objectionable items in this legislation, such as provisions to increase the number of assault weapons on the street, to subsidize banks excessively for making student loans without fully offsetting the costs, and to undermine our ability to provide food stamps to certain legal immigrants.

It is very troubling, however, that the Congress placed politics above sound science by insisting on two measures that would diminish our public lands. One of these provisions permits the building of a six-lane commuter highway near Albuquerque, New Mexico, through the Petroglyph National Monument. This is a dangerous departure from the practice of managing National Parks based on sound science and resource protection. Another objectionable section is intended to interfere with the Forest Service's ability to manage the National Forests. This rider is directed at a proposed regulation that would temporarily suspend road construction in roadless areas of our National Forests. It imposes difficult and burdensome paperwork and potentially costly compensation requirements on the Forest Service. In addition, I am very concerned about the limitations placed on the Government's ability to ensure a fair return for oil and gas resources extracted from Federal lands. My Administration will oppose any efforts to make these limitations permanent.

I am deeply disappointed that this Act extends the comment period and delays the effective date of the "Organ Procurement and Transplantation Network" final rule, allowing an unfair organ allocation system to continue. This inequitable system violates the intent of the National Organ Transplant Act, which requires a national, equitable system, free of geographic bias, as well as the American Medical Association's Code of Medical Ethics, which prohibits the distribution of organs on the basis of geographic conditions. The final rule would ensure that organs are allocated to the sickest candidates first.