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We've done a lot of things together. And believe me—the 25 percent of our time we've got left together—if we save Social Security and Medicare for the 21st century, if we agree to pay down the national debt, if we make a historic commitment to the education of our children, if we do something about long-term care, if we do something about child care—the best is yet to come.

Thank you, and God bless you.

NOTE: The President spoke at 12:10 p.m. in the Presidential Suite of the Omni Shoreham Hotel. In his remarks, he referred to Gerald W. McEntee, international president, William Lucy, international secretary-treasurer, Glenard S. Middleton, Sr., international vice president, Charles M. Loveless, legislative department director, and Caryl Yontz, legislative affairs specialist, American Federation of State, County, and Municipal Employees; President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro); and U.S. Special Envoy Richard Holbrooke.

Remarks at a Democratic National Committee Dinner

March 23, 1999

Thank you so much. Walker, if I had any sense, I'd just quit while I'm ahead. That was a wonderful introduction. Thank you for your years of support and for being there for us when we couldn't have had such a successful dinner.

I thank my longtime friend Governor Roy Romer who like me, put in a dozen years as the Governor of a State, and on the bad days I still think it was the best job I ever had. [*Laughter*] But there aren't many of them.

I thank my longtime friend Mayor Archer, whom I met when he was an august judge working with my wife with the American Bar Association, for his service and, in her absence, Congresswoman Sanchez. And I know Congressman Matsui and Congressman Menendez meant to be here tonight, but they're still voting. And we're glad Congressman Menendez's daughter joined us. She'll be more affected by the decisions we make this year than most of the rest of us will.

I'm glad all the young people who are here tonight are here. I would like to thank our new officers, Joe Andrew, Andy Tobias, Beth Dozoretz. I thank Janice Griffin, who is the vice chair of our Women's Leadership Forum. And I was glad that Roy acknowledged the presence of former Congressman Dave McCurdy here, and also our former DNC chairman Chuck Manatt who, if everything works all right, will be an Ambassador pretty soon. And you ought to talk to him tonight. I'm sure once he gets the title he'll be insufferable, but anyway—[*laughter*].

Let me say, when Walker was up here talking and Roy mentioned Dave McCurdy, I thought about the years when some of you in this room worked with Dave and me and others on the Democratic Leadership Council. One of our goals was to try to prove that the Democrat Party could be a genuinely progressive party and be good for American business. But I want to make a larger point here and try to just talk for a few moments tonight.

When I ran for President in 1991 and '92, I did so because I thought that the natural rhetoric of Washington, DC, had become increasingly polarized and divorced from the real experiences of ordinary Americans, and that there was—and I felt a lot of sympathy because I had spent enough time here as a Governor to know that Members of Congress, even the President—Congressman Menendez, welcome; I didn't know you were back. We're glad to see you. Thank you. But anyway, I spent enough time up here and then going back home to Arkansas to know that it was so hard on a daily basis for people in public life to get their message out, that you knew maybe you would get your 10 seconds on the evening news.

And it led to the sort of natural impulse to sharpen the rhetoric and to stay within the comfortable contours of conflict that had defined the two parties for so long, that it maybe worked for individual people in public life, but it wasn't working very well for America. And it didn't really match up to the world we were living in, and certainly not to the world that these young people will dominate when they come of age.

And yet I saw people like Roy Romer in Colorado, a predominantly Republican State, mayors like Dennis Archer, finding ways to pursue progressive politics that try to include

everybody and give everybody a stake and take care of people that needed to be taken care of and give people opportunity who didn't have it and still make the trains run on time, pay the bills, get the economy to work, deal with the difficult issues that keep our system going strong and growing and changing.

And so what I tried to do in 1992 was to tell the American people there were enough hard choices in life to make that we shouldn't be going around making a lot of false choices. We shouldn't be defeating ourselves before we started by saying, for example, if you want to have a compassionate social policy, you have to run a big deficit. Why? Because sooner or later you don't have any money left to spend anyway, even with a deficit.

And meanwhile, the very people you say you're trying to help, you're hurting, because every year the Congress has to spend more and more money they could spend on education or housing or health care, paying interest on the national debt—it was up over 14 cents on the dollar when I got here—keeping interest rates high, keeping economic growth low, depriving people of the best social program of all, a decent job.

And the same thing was true about business and labor. It seemed to me that in a global economy, with also a phenomenal increase in productivity being driven by technology, with more and more benefits to labor being added by higher levels of education, and a lot of external challenges—not only competition but these environmental challenges that I'll say more about in a minute, just to mention a few—that the best course was to find out what was good for business and labor, and that the best companies in America had figured that out decades ago.

And I could give you just example after example after example where I thought, yes, there were hard enough choices to make, but if we kept ourselves within these categories we were doomed to defeat. And so my idea was that, if I could ask America to join with me in a common vision, then we could ask ourselves, what will work to achieve that? And forget about the fights we've been having. Let's have some new fights.

I once—the late Edmund Muskie, who was a distinguished Senator from Maine, nominee for Vice President, Secretary of State, once spoke to a Governors' Conference in Maine in 1983, and I'll never forget what he said. He said, ''In all my years in public life, I defined my success by whether I left my successor a new set of problems.'' You think about that. He said, ''You know, life is full of problems.'' There will never be an end to human challenges as long as people are around on this Earth. But if we had to keep retreading the same old ground, we'd never get anywhere. So, we said, ''We'll have an economic policy that will reduce the deficit and increase investment in education and technology and the other things that are important. We will have a trade policy that will expand trade but value environment and humane labor conditions.''

''We'll have an environmental policy that will clean up the environment, but will emphasize, insofar as humanly possible, market mechanisms and incentives, and technology and creativity to clean the environment up, so that we don't overly burden the economic machine when we're doing it.''

And to be fair, a lot of these things are possible today, and they might not have been possible in former years. For example, it is now literally possible, as a lot of our most innovative utilities have proven, to generate more energy capacity through conservation, through alternative sources of energy, through partnering with your customers, than ever before.

It is also now possible to grow an economy without increasing the use of fuel that burn greenhouse gases. But most people don't believe it still, even in America, and certainly not in a lot of developing countries.

And what I'd like to ask you to think about tonight just briefly is: Okay, I'm grateful, we've had a good economic policy. And Walker did a better job of bragging on it than I should. And we did have something to do with that. So did all of you, and millions of other people in this country. And we've got crime at a 30-year low. Why? Because we said that this is a false choice between whether you're going to try to rehabilitate people or keep them out of trouble in the first place or punish people who do wrong.

The vast majority of serious crimes are committed by a very small number of people.

They ought to be identified. They ought to be punished. Then we ought to kill ourselves trying to keep our kids out of trouble in the first place. And we ought to try to prevent as much crime as possible.

That's why we put these 100,000 police out there on the street and sponsored after-school programs and other kinds of preventive programs. I'm glad that welfare is at a 30-year low. Almost half—it's been cut almost in half—partly by the growing economy and partly by a new welfare strategy that says: Now we should keep the guarantee poor families have for health care and nutrition for the kids, but if a person is able-bodied, the person ought to go to work if there's a job.

You know that one of the things that got lost in a lot of the rhetoric—the two welfare bills I vetoed would have taken away the guarantee of food and medicine and medical care for children. But I told the Congress if they would put those things back in, I would give the States the power to create their own designs, to figure out the most innovative ways of putting people to work.

And these kinds of things actually do work. And for progressives, I would like to say we have the lowest poverty rate we've had in quite a long time. We have much lower poverty rates among minorities than we've recorded in 30 years. We're finally beginning to see in wages an increase in equality, with wages growing more rapidly for people in the lower income rungs. We've got 90 percent of our children immunized for the first time. The budget in '93 really worked to relieve the tax burden on the hardest pressed working families. The Family and Medical Leave Act has done the same thing. So it is possible to have a good economic policy, to be tough where you ought to be tough, and to have a more humane society.

And what I have been trying to do is to get—not to say that I'm right about every issue but to get people to think in those terms. What kind of America do we want to leave our children in the 21st century? I think we want a country where every responsible person has an opportunity to live out his or her dream. I think we want a country that is genuinely committed to the idea of community.

And I want to tell you what I mean by that. I mean a sense of belonging, a sense of being responsible to other people, not only because it's morally right but because we believe we do better individually when our friends and neighbors are doing better and because we believe that our differences, whether they're racial, ethnic, religious, or whatever, are quite exciting and interesting, but they're not nearly as important as the humanity we share.

And that is a profoundly important issue as we become more and more diverse in a world that is being consumed, as you see in the Balkans, in the Middle East, in Africa, and elsewhere, by ethnic and regional—ethnic and racial and other kinds of divisions.

And I think it is very, very important that America recognize that another false choice is trying to say, "Well, I'm going to concentrate on domestic policy but not foreign policy." I said this all during the '92 campaign, and I don't think anyone ever heard this, but there is no longer an easy dividing line between our policy at home and our policy around the world—that the world is becoming a smaller place.

And that's why we tried to establish new partnerships with Africa, with Latin America, a whole new, broader relationship with a lot of Asian countries we weren't involved with before, and a lot of other things that I've tried to do, to work with the Europeans to help them deal with these horrible problems in the Balkans and become united and free—because I know that if we want good trading partners, we've got to be good citizens of the world.

And America, still—we've got 4 percent of the world's population and 22 percent of the income. If we want to keep it, the only way we can keep it is to sell some of what we provide to people beyond our borders. And for them to buy it, they need to be doing well, and they need to be safe and free and secure. And so, very often what is the right thing to do is also economically the right thing to do.

Now, having said that, I'd just like to say that that is the perspective—that's the world I've tried to leave for our children. And what I hope that all of you will be able to do as members of our Business Council is to keep

us moving down that path. Keep us making the tough decisions but not with false categories, not with presuppositions about what has to be done, not with the idea that we can't reconcile a lot of these internal difficulties that are there.

If you look ahead at the big challenges facing us in the 21st century—and I'd just like to mention a few of them, not all of them, but a few of them, and what I'm trying to get this Congress to help me do. I think they are as follows, in no particular order: Number one, how to keep the economy going at home and how to build a better economy in the world; how to keep the difficulties in Asia from biting us here and taking America's economic engine down and, instead, how to grow together. And I would just say I think there are three things we have to do.

One, abroad, I think we need to continue to expand trade. I think we have got to find a new consensus in America on trade. The Democratic Party should not be afraid of trade. It has generated more jobs than it has cost, and the jobs it has generated have higher wages. The Republican Party should not be afraid of the notion that we need new international understandings, just like we have national understandings, that lift environmental standards and lift labor standards, even as we expand trade so we have a race to a higher level of life, a higher quality of life—not a race to the bottom. And we've got to find a new consensus on it. But we can't run away from it.

The second thing we need to do is to deal with the world financial problems. And I won't bore you with the long exegesis on that, but the G–7 countries, the big economies, are going to meet in Germany this summer, and I'm hoping that we will have the next big step to take there to try to stabilize the world financial system so we don't have the kind of rampant crash we had in Asia in the last few years.

And let me just tell you what the basic problem is—and some of you who are involved in trading understand this. But if we're going to have a global economy where we have global trade and global investment, you have to move money around. And money is like anything else; if you move around enough of it, there will be a market for money. And farmers have known this for years with their crops, where they have to hedge against their crops.

But today $1.5 trillion—trillion—is exchanged around the globe every day in currency exchanges. That's many, many times more than the aggregate value of total trade in goods and services every day. And when the people that set up this system 50 years ago—and those of us who have been working in it for many years never focused clearly enough on that until the last couple of years. But that's going to be very important, because you're not going to be able to keep support for free markets and maybe even for freely elected governments in some of these countries if they think in a month they could lose what they worked for 10 years for, and all these people in the middle class all of a sudden are plunged into poverty.

The third thing we have to do is to recognize that a lot of people in America have not yet been touched by our recovery, as sweeping as it has been, and that they offer us a market to continue to grow our economy in a non-inflationary way, whatever is happening overseas. That's the new markets initiative I talked about in the State of the Union. Essentially, what I have asked the Congress to do is to pass a series of tax credits and loan guarantees to get private capital into poor inner-city and rural areas that are underinvested in, where the unemployment rate is too high.

The unemployment rate in this country is 4.4 percent. But here are neighborhoods in New York where it's 12 or 15 percent—and in most big cities in this country and in an awful lot of rural counties in this country, which are capable of getting investment and putting people to work.

And let me just tell you how it works. For example, suppose—I'll just take—suppose Newark, New Jersey, wanted to build some big facility in an area of high unemployment, and it cost $100 million. If my proposal were adopted by Congress, the investors—if they put it in a high unemployment area and guaranteed a certain percentage of the jobs; people would be trained for them, and then the permanent jobs would be given to people who could compete in that area—would get a 25 percent tax credit and would get then

two-thirds of the remaining investment with a guarantee. The investment would be guaranteed.

That's just what we do with the Overseas Private Investment Corporation, Export-Import Bank, other things. It seems to me that it's the least we can do in America is to give the same incentives to people who invest in underinvested areas in America we do to get them to invest in underinvested areas around the world. And I think that we ought to be for that.

The second thing I think we ought to do is to continue our work in education. We've got the best system of higher education in the world. One of the proudest achievements of this administration is that we virtually opened the doors of college to all with the tax credits and loans and scholarships and the AmeriCorps program and all that. But nobody thinks that every American child has the best access to elementary and secondary education. So we need to have higher standards.

And I recommended five things in the State of the Union Address, including ending social promotion, but giving children—all children—the right to go to summer school and after-school and mentoring programs if they're not learning, in return for the continued investment of Federal money. But I also want to continue putting more teachers in the classroom, to have smaller classes, and modernizing schools, hooking them all up to the Internet.

I think we have to deal with the—[*applause*]. Thank you. I think—but see? That's the false—are you going to be for spending more money on education or higher standards? Why should we make that choice? Why shouldn't we be for spending more money and having higher standards? You know, a lot of people say it's not a money problem, but it's been my experience in life that anytime somebody tells you it's not a money problem, they're usually talking about someone else's problem, not theirs. So why should we make that choice?

And I'll just give you one last issue, which goes back to economics, and that's dealing with the aging of America. There's been a lot of hand-wringing in our country for years about Social Security and increasingly about Medicare. But I hope you will forgive me when I tell you that these are very high-class problems. First of all, they're problems that we share with every other wealthy country in the world, because life expectancy is going up just at the time the baby boomers are aging. And medical science is providing people the opportunity to extend their lives and to extend the quality of their lives. But as you get older, you consume more health care, and if you access technology, it costs more.

So we have to make some fundamental changes in both the Medicare program and the Social Security program. But first we have to recognize that we have to put some more funds in them, because by 2030, there will be twice as many people over 65, only two people working for every one person drawing Social Security.

And what I've recommended is that we, in effect, use the surplus—77 percent of it—over the next 15 years to pay the debt down in a way that, in effect, gives claim on that money in the ensuing years when it will be needed for Medicare and Social Security. Now, if you do that, we can take the amount of money we're spending on debt service in the budget—it will make it a lot more fun to be in Congress—you can take the amount of money you're spending on debt service from about, now, down to 13 cents, down to 2 cents in 15 years. We'll have the lowest debt as a percentage of our income we've had since World War I. And whatever happens to the global economy, interest rates in America will be lower; investment will be higher; incomes will be higher; and jobs will be more plentiful.

So I think this is a very important thing. Now, it will sound a lot better when somebody else who comes along and the other party says, ''No, let's give half of it away in a tax cut.'' But we can give tax cuts to people who need it to keep body and soul together or who need it for specific purposes, like to deal with the climate change challenge or to deal with the challenge of long-term care in their families or to deal with the child care challenge and their families or to help more people save for their own retirement, and still save this money, save the bulk of this surplus.

Look, we were in debt for 30 years; we had a structural deficit for 12 years, and during that 12 years we quadrupled the national debt. If we were to pay it down two good things would happen to us economically. First, what I just said—we'd pay down the debt and have lower interest rates and higher investment. Secondly, we'd make it a lot cheaper for our trading partners to borrow the money in the world. And these poorer countries would get more money, get more investment. They would grow faster, and they'd buy more of our goods.

We've got someone here from Boeing tonight. You just talk to them about what the global financial crisis has done to them. Talk to the farmers in this country about what the global financial crisis has done for them. If our trading partners aren't doing well, they don't have the money to buy our output.

So these are the kinds of things that I want to do, deal with these big challenges—the aging of America, the education issues, keeping the economy growing, the challenge of climate change—these huge, big challenges in a way that benefits all people, because we do recognize we're in a community.

Now, I may not be right about all of this. But on the Social Security and Medicare and budget deficit, which will be the big questions we have to face this year, I think this administration is at least entitled to the benefit of the doubt based on the consequences of the policies of the last 6 years.

On the other issues that are very important—the trade issues, particularly—I asked the members of the Democratic Business Council to work with our friends in labor, work with our friends in the Democratic Party, and remind everybody that one of the reasons we got where we are in the last 6 years is we became the greatest trading nation in the world again. And that's one of the reasons we're here.

But that doesn't mean that you shouldn't do something for El Paso, Texas, if they lose 6,000 jobs. It's not a choice. You don't have to say, ''Oh, goodness, too bad about them. We're doing great.'' You should say, ''We should do what's best for the country as a whole and help them—because they're smart, too; they're hardworking, too; they're entitled to have their chance in the Sun, as well.'' So these are the kinds of thing we're trying to do.

And one last thing. I gave a long speech about Kosovo today, and I don't want to talk about that in any detail tonight, but I will say this: It is interesting that at the end of the cold war with this incredible explosion of technology and opportunity to create wealth, that the world is convulsed by people obsessed with making their lives on holding other people down because they're different. That's why I think it's important that we continue the President's Initiative on Race, which we're doing; why I think it's important that we pass the employment nondiscrimination act and the hate crimes law that I put before the Congress; why I think it's important we stand up against ethnic cleansing and keep fighting for peace in the Middle East.

And the darkest nightmare—I told you my happy dream for the future—the darkest nightmares of the future are the marriage of modern technology and primitive hatred, because terrorists can figure out how to get on the Internet and make bombs. You can get on the Internet and figure out how to make that bomb that blew up the building in Oklahoma City. You can have a little biological lab in a garage somewhere if you know enough.

And what we don't want to do is to leave our children with a world in which we've done a whiz-bang job with all the mechanical and economic things, but we haven't done anything to purge the collective spirit of our country and, insofar as we are able, the world of the foolish notion that our lives only can count when we've got our heel on someone else's neck, and we can say we're better than they are. This is a profound thing.

This is—this goes back to prehistory, folks. When people first aggregated themselves in tribes, they had to be suspicious of the other. And we have different skin pigmentations today and different facial features and all that for reasons that go back thousands, even tens of thousands of years.

And it falls now to America not to be a wild-eyed idealist but just to remind the people that we are trying to set a model for the world. And we're not perfect, but we're trying to say that any responsible citizen can be part of our community. And if we're going

to have the world we want, that has to be true everywhere. America has to try to be good at home and to be a force for good abroad.

And all the work we do on economics and technology and trade and everything else will, in the end, also have some very twisted manifestations, which will bedevil our children unless we also stand up for old-fashioned ideals. We believe in equality and freedom and our common humanity.

That's what I want the Democratic Party to be in the 21st century, and I want you to be a big part of it.

Thank you very much.

NOTE: The President spoke at 8:21 p.m. in the East Room at the Mayflower Hotel. In his remarks, he referred to Gov. Roy Romer of Colorado, general chair, Joseph J. Andrew, national chair, Andy Tobias, treasurer, Beth Dozoretz, national finance chair, Chuck Manatt, former chairman, and Mayor Dennis W. Archer of Detroit, MI, general cochair, Democratic National Committee; Alicia Menendez, daughter of Representative Robert Menendez; and Walker Nolan, founding member, Democratic Business Council, who introduced the President.

Remarks at a Democratic National Committee Dinner

March 23, 1998

The President. Thank you so much. I want to thank, first of all, Joe Andrew and Beth Dozoretz, and all the people with the Democratic Party for their work. But especially I want to thank Tom and Chris for having us here tonight. When I drove up in the backyard and I was walking up through the kitchen, which is bigger than my first house—[*laughter*]—Tom and I have been friends a long time, and I saw Tom, I said, "Tom, I have one question." I said "You really want to do something great for the Democrats?" He said, "Sure." I said, "Don't let any incumbent Member of Congress come to your house. They'll all quit." [*Laughter*] He wouldn't give me that commitment. [*Laughter*]

It's a beautiful home. It's a warm atmosphere, and I know that we all thank Tom and Chris for having us here. I'd also like to thank the people who prepared and served our food, and the wonderful musicians who entertained us before. Their songs were better than mine will be. But they're out there. Thank you very much for the music. You were great. Thank you. [*Applause*]

I want to thank you for your contributions, for your support for our party tonight. I would like to begin with a brief retrospective. In 1992 I ran for President because I wanted to change the direction of national politics, because I felt that there was a lot of rhetoric and not very much action being generated in Washington. And I thought the two parties were like locked gears, locked into sort of a rhetorical argument that just kept repeating itself over and over and over again, without allowing us ever to actually deal with something like the debts that are—deal with what national policy on education ought to be or deal with what national environmental policy ought to be or deal with what national health care policy ought to be.

And the people were kind enough to elect me President in '92. And then in '94, when we got beat in the congressional races, I thought they were saying they really didn't mean it, after all. [*Laughter*] Part of the reason we took such a licking is that we tried to break the mold. We tried to pass a deficit reduction plan which raised taxes on 1½ percent of the people that had the highest incomes—cut taxes, as Tom said, through the earned-income tax credit on the 15 percent of the people with the lowest incomes who were working for a living, so we could say nobody who works 40 hours a week and has a child in the house would be in poverty. And we cut a lot of spending.

And the economy had not turned around enough. And the Republicans offered their Contract With America. By 1996, thanks to the recovery of the economy, the passage of the crime bill, the family leave law, the Brady bill, a lot of the other things that were done, and a lot of the other initiatives in the administration, the efforts we made for peace from the Middle East to Bosnia to Northern Ireland, the country felt pretty good about itself, and we were given another term.

In 1998, under circumstances which appeared on the surface to be exceedingly difficult, in an election in which our party was