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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

outspent by more than $100 million, our party's candidates for the House of Representatives picked up seats in the sixth year of a President's term for the first time since 1822. And we had no losses in the Senate when, just 3 weeks before, most experts thought we would lose between four and six seats.

Now, what I would like to say is—about that is, I believe that selection in 1998 came out the way it did and the one in '96 came out the way it did and the one in '92 came out the way it did, because we ran on Democratic values and new ideas, because we ran on our willingness to be held accountable for results, and because we tried to build new coalitions and asked people to think about the future and not the past.

And what I want to say to you tonight is, I—first of all, I am profoundly grateful for your generosity and your support. But I also ask you to bring to the Vice President and me and our administration, to Joe Andrew and Roy Romer and Beth, and all the members of the Democratic Party the benefit of whatever you know that you think would help us do a better job serving America, because we'll win more elections if people think we're standing for the right things and they think we deliver.

I told any number of people that I was convinced that the real reason we won in '98 was not so much a reaction against the Republicans; it was that there was a reaction, coupled with the fact that we said, ''Hey, vote for us; our policies are working; and if you vote for us, we will keep the economy going, save Social Security and Medicare before we squander the surplus, pass a Patients' Bill of Rights, and modernize our schools and give you smaller classes.'' We had an agenda. People could remember what we stood for, and it resonated out there. And it was not the same things that people had been saying year-in and year-out.

Therefore, I say to you tonight, the reason I ask for your help and your ideas is I think it is quite important that we make every effort to produce. I try—the closer I get to the end of my term, the less time I try to spend talking about what we have done and the more time I try to spend talking about what we ought to do. We still have about 25 percent of the time that this administration has been given by the American people, almost half of a full Presidential term. And I think it is absolutely imperative that we take advantage of this enormous prosperity that we have been blessed with, with the first surplus we've had in 30 years now 2 years in a row and say, ''Hey, we're a year from a new century and a new millennium, and we're living and working and relating to each other in a very different way now. We need to deal with the great unmet challenges that are before us.''

And there are many. And I won't—I don't want to give you a policy speech tonight, but I just would say this. I think we owe it to the American people to make the reforms necessary to save Social Security and Medicare for the 21st century. I think we also owe it to the American people to set aside a significant portion of the surplus, about three-quarters of it, to fund those programs along with the reforms and to pay down the debt at the same time.

Now, a lot of you have followed this Social Security and Medicare debate. Let me just say this: There is not a single expert I have talked to who seriously believes that we can reform Medicare and keep it going without putting more money in it, because we're living longer and older people use more medicine. The only way to fix Social Security when there are only two people working for every one person drawing, you either have to cut benefits, put more money in the program, or raise the rate of return on the money you've got in the program.

To do everything we want to do, we might have to have an amalgam of that. But first and foremost, before we raise the payroll tax, which is already too high, I think we ought to take some of this surplus, pay down the debt, and do it in a way that obligates that money as it repeats itself to go into—to pay for Social Security obligations in the out-years. We still have to make some changes. It's important.

Let me also say to you, if we use the money—if we set it aside for Social Security and Medicare and pay down the debt, we can, in 15 years, have the lowest debt we've had since World War I, since the beginning of World War I. Now, a lot of you are in international business. I'm doing my best to

fix the international financial system. I'm going to do my best to do whatever I can to bring the Asian countries back, to help Russia restart its economy, to keep Latin America from being totally afflicted by what happened in Asia. I'm going to do my best.

But whatever happens, we need to make America as strong as possible. If we were to pay down the debt over the next 15 years, if we would go from spending 13 cents of every tax dollar you spend on debt service down to 2 cents, we would have lower interest rates, higher investment, more jobs, lower car payments, lower college loan payments, lower home mortgage payments, lower credit card payments, higher incomes. Simultaneously, we would be freeing up that money to be borrowed by others in other parts of the world, at lower interest rates. And they need the money. And their incomes would rise in a way that would permit them to buy more of what we have to sell.

And I cannot tell you how important I think it is for the Democratic Party that gave the people of this country Social Security, that gave the people of this country Medicare, and now has brought this country back to fiscal sanity, to say, ''Hey, we can fix Social Security and Medicare for the 21st century and do it in a way that dramatically increases the prosperity of the American people for the next 20 years.'' And we have no excuse for not doing it, unless our friends in the other party stop us. We should be focused on getting these big things done. And I want you to help us.

I also believe we have a very ambitious education agenda, that I think also goes beyond another choice. People—I used to hear this debate all the time. Every time I'd come to Washington, my friends in the Democratic Party back in the eighties would always want to help me with more Federal aid to education. And then the Republicans that I knew would always say they would want to be for higher standards, back then; they've abandoned that now, unfortunately. I hate that, but they have if you look at the debates.

But anyway, they were for higher standards back then. But they would say it's not a money problem. And as I've said many times, one of Clinton's laws of politics is whenever you hear somebody stand up and tell you it's not a money problem, they're talking about somebody else's problem. [*Laughter*] That's a lecture we like to give to other people; we never look in the mirror and say it's not a money problem.

And our approach is to increase our investment in education. We nearly doubled the investment of the Federal Government in education in the 5 years that we were balancing the budget. We were cutting other things enough to dramatically increase it. So we should have smaller classes. We ought to hire 100,000 teachers. We ought to have modernized school buildings. We ought to have Internet access for every classroom in the country. But we also ought to stop giving money away without saying, ''Look, here are basic standards that we know work every place they've been tried. End social promotion, but don't brand the children failures——

[*At this point, a cell phone rang in the audience.*]

The President. ——and don't give every kid a cell phone.'' [*Laughter*] Don't be—I'm just glad it didn't happen to me. [*Laughter*] This is—I was just really trying to see if you all were paying attention. [*Laughter*]

This is a big deal. The United States Government has never been for both approaches. We have never done both at the same time. We've had periods where we really thought we were coming out for education reform. Then we've had periods where we knew we had real needs, and we provided funds. We've never been serious about saying, ''We're going to raise the standards. We're going to judge results. We expect children to learn. We're tried of patronizing poor kids and saying they can't learn, but we're not going to brand them failures. We're going to have more after-school programs. We're going to have more mentoring programs. We're going to have more summer school programs. We're going to give them the chances they need.''

This is a huge deal. No serious person believes that America has an adequate system of elementary and secondary education for every child in this country. And as we get more and more diverse, it will become more and more important that we do that. Every

one of you know about the additions to economic value that all people have when they have a better education.

So this is a big issue. We've got the best system of higher education in the world. It's open. We've now made it pretty much affordable for everybody, with the tax credits, the HOPE scholarships, the student loans, the work-study programs, the AmeriCorps program. Now we've got to spend 2 years really doing some things. And I'm telling you, it won't be popular. There are people who are going to scream to high heaven when I—we've got to reauthorize the $15 billion we're spending on schools. And they'll say, ''Okay, we'll give it to you again next year, but we would like you to show some results to keep getting it or at least get caught trying.'' And I don't mean to denigrate—most people do a good job. But the people that do a good job don't need it one way or the other. What we want to do is to make sure we take what works and replicate it throughout the country.

Any person who's ever spent any serious time working on education reform will tell you two things. One is that every challenge in American education has been met superbly by somebody somewhere. Two is, we are not very good at replicating what works. Most of you who have been in entrepreneurial, competitive environments would quickly go broke if somebody did what you were doing better and you didn't figure out how to at least meet the competition. We do not do that. And we have to find a way to do it. And I think I've given some good ideas here.

Let me just mention one last issue. I think that we have convinced the American people that we can bring the benefits of free enterprise to people who have not previously enjoyed it. You have poverty rates going down. You have the lowest unemployment rates among minorities ever recorded in this country. We finally have wages going up.

But we should be under no illusion that everybody in America has participated in this recovery. It is simply not true. In almost every big city in the country, there are huge census tracts—big blocks of areas where there has been no new investment. There are rural areas where the unemployment rates are still quite high. And because of the financial crisis overseas and a few other factors, our farmers are facing the worst financial crisis they've had in 20 years, at a time when we've got this record low unemployment.

And I have asked the Congress to pass a series of tax credits and loan guarantees which would give incentives to people like a lot of you in this room, like take Mr. Titelman here from Philadelphia, to go to the—let's say there's a big section of Philadelphia that hasn't had any new investment in a long time and if it can qualify—kind of like the empowerment zone program that the Vice President is already doing such a good job of running the last several years. But let's suppose you could get a $300 million investment in a place like that. If this bill passes there would be a 25 percent tax credit on the first $100 million for the investment. And the next two-thirds of the investment would be subject to getting a loan guarantee, just like American investment in designated foreign countries is today. It just seems to me that it is elemental good sense to set up the same sort of financial incentive structure for people to invest in underdeveloped markets and people in the United States that we give our American investors to invest overseas.

And I hope this has great appeal to the Republicans, because it gives us a real chance. You just think about it. Think about how many places in this country you could say, ''If we raise $300 million and we invest it in place X in a viable-going concern that meets all the criteria for getting credit, we only have $75 million at risk.'' That's not a bad deal. That's not a bad deal.

If we can't take a few chances to develop the rest of America now, when will we ever get around to it? The unemployment rate in New York City is still too high—the unemployment rate in a lot of rural communities, not just out in the South and the Mississippi Delta or in Appalachia but in the Mid-Atlantic States, in New England, other places. We need to do these kinds of things, face the big challenges, get them right.

The last point I want to make is this—I don't want to talk about Kosovo tonight, for obvious reasons—I made the best argument I could today when I spoke to the AFSCME group, and they, I understand,

showed extensive coverage of it on the media. But I will say this. I want to make two points only.

One is, I talked until I was blue in the face when I ran for President in 1992 about the fact that we can no longer make a clear distinction between domestic and foreign policy. We live in not just a global economy, a global society. We are being drawn closer together in ways that are good, in ways that are uncomfortable or potentially dangerous. And we have got to stop as a people putting this little box over here and calling it ''foreign policy'' and having a big box over here and calling it ''domestic policy'' and every now and then say, ''Oh, I've got to go pick up this other box.'' We have to see it together.

What does that mean for the Democrats? It means, number one, I've got a responsibility to do everything I can to modernize the financial architecture of the world so we don't have another crisis like the one we had in Asia. It means, number two, we have got to find a consensus on trade, because a big part of our growth has come from selling more things overseas. We've got 4 percent of the population and 22 percent of the wealth. It's not rocket science to figure out, if that's where you are, you've got to sell something to somebody else.

But on the other hand, we have been caught in the vice where some Members of Congress, representing a lot of people in America, are worried about the dislocations of trade, and other Members, many in the other party, see the benefits of trade but don't worry about the dislocation. So we wind up, well, are you going to get the benefits and say too bad about these people, or are you going to protect these people but slow down the economic prospects of the country? This is a dumb thing to do. It is very wrong to make either one of these decisions.

We need to build an American consensus in which we say ''We're going to reach out. We're going to lead the world. We're going to open up our borders.'' We've got a lower unemployment rate than any other advanced country, for the first time in decades, even lower than Japan. But we ought to say, we also—''We're the party that believes in preserving the environment. We're the party that believes in the dignity of labor and elemental labor standards, and we're going to create a global economy where we lift people up instead of hold them down.'' And we just ought to do it and quit wringing our hands about it. It's very important.

And the last thing that I would say about that is, I think it is terribly important that we recognize that economics cannot exist in a global context in the absence of security and peace and freedom. So that if you really believe that our future depends on that and that Europe is a big trade and investment partner of ours, we have to ask ourselves, don't we have a responsibility when our friends in Europe ask us, through a group that we all belong to, NATO, to help end the kind of chaos we see that we had first in Bosnia and now that we have a chance to prevent the most severe manifestations of in Kosovo—isn't that more than just a foreign policy issue? Even though I think there's a huge moral component there, it will have direct personal benefits to Americans if we have a stable, free, united Europe.

The last point I want to make is this—and then I'll stop. Both at home and abroad, there are two great dynamics going on in the world today. One are the forces of integration that you see most positively in the growth of the Internet and the World Wide Web and everybody sharing information and everybody knowing—you know, pulling us together. Secondly, there are great forces of decentralization, when they're positive, and disintegration when they're negative. And you see that in the decentralization of all kinds of operations.

When I ran for President in 1992, 3 million people were making a living primarily out of their own home. When I ran for reelection in 1996, 12 million people were. In 1998, by the mid-term elections, 20 million people were. Rising exponential—decentralization, that's all the flexible work rules, and all the stuff you know about. And all ethnic groups, you know, recovering their heritage in a happy way, having festivals. And you know, Hillary's from Chicago. I love to go to Chicago every year, when they have the ethnic festival, because I can eat for 3 miles—[*laughter*]—and never have the same thing twice. [*Laughter*]

You know, decentralization—you have all these little companies coming up, fitting certain niches in the market, all these specialty magazines, everything—and you see it all over the world. That's the good news. The bad news is, decentralization when you see the ethnic fights in the Balkans, or people unable to get along. They want to be apart.

The American idea, modernized for the 21st century, is that out of many, one. *E pluribus unum.* Believe me, the Founding Fathers never had a clue what they were talking about. They could never have—I don't mean that in a pejorative way. They weren't thinking about the Fairfax County school system in Virginia, right across the river from me, that has children from 180 different racial and ethnic groups, speaking 100 different native languages. They never—they didn't have a clue about that. That's not what they were thinking about. You had to be a white male property-owner to vote when they started. But they had the right idea. And we've been struggling for over 200 years, now, to cram the new facts and our new perceptions and our true values, into that idea.

And so that's the last thing I want to say to you. I think that—if somebody asked me why I was a Democrat now, in 1999, I would say, because I really believe everybody who's responsible enough to work for it ought to have the opportunity to live out his or her dreams, and because I really believe in the idea of community, of belonging, of mutual responsibility. I do not believe that my life or my child's life will be as good as it would otherwise be, unless everybody else has a chance to fulfill themselves.

I believe we can do more together than we can apart. I like the fact that we all look different from each other, but I think what we have in common is more important than even all the interesting things that we have that are different about us.

And believe me, the big threat the world faces today is the marriage of modern, integrating technologies, with the negative, disintegrating forces of people with primitive notions that their lives only matter when they've got somebody they can look down on, somebody they can put their foot down on their neck on, somebody they can—lift themselves up by pushing somebody else down, whether it's in Northern Ireland, the Middle East, Bosnia, the tribal wars in Africa, or you name it.

You plug all that negative stuff into access to how to make missiles, how to make chemical weapons, how to make biological weapons, how to jam records, computer records and banks, or powerplants, or all these sort of—you know, what may seem like fictional scenarios. That is the threat our children will face, the combination of primitive disintegration with modern, integrating technology.

And we, America, we have to say, "Hey, the people that started us were right." We have—out of many, we must be one. And we've got to be willing to carry our load in the world. And today, I can tell you that the Democratic Party, by far, is more likely to bring that kind of approach to the world, and home to every American community. And in the end it counts more than everything else.

Thank you very much.

NOTE: The President spoke at 10:27 p.m. at a private residence. In his remarks, he referred to Joseph J. Andrew, national chair, Beth Dozoretz, national finance chair, and former Gov. Roy Romer of Colorado, general chair, Democratic National Committee; Tom and Chris Downey, dinner hosts; and William Titelman, executive vice president, managed care and government affairs, Rite Aid Corp.

Memorandum on Delegation of Authority

March 23, 1999

Memorandum for the Secretary of State

Subject: Delegation of Authority Under Section 577 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as enacted in Public Law 105–277)

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including section 301 of title 3 of the United States Code, I hereby delegate the functions and authorities conferred upon the President by section 577 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as enacted in Public Law 105–277) to the Secretary of State, who is authorized to