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and Jesse Helms, chairman, Senate Committee on Foreign Relations.

Remarks at the Electronic Industries Alliance Dinner

March 30, 1999

Thank you. First of all, I want to thank you all for giving me a chance to come tonight. I thank my longtime friend Dave McCurdy for his introduction and for his leadership of EIA. You made a good decision when you named him your president. And I know what you're laughing about out there. [*Laughter*] Two or 3 years from now, you'll think it's an even better decision. [*Laughter*]

I want to also pay my respects to your vice president, John Kelly, who went to Georgetown with me, although he's a much younger man. [*Laughter*] John—when I was a senior, John was actually president of the freshman class. And I've been trying to think out of respect for the will of the people—the only people we knew back then—whether I should still address him as ''Mr. President.'' [*Laughter*] But then that would confuse the EIA, so I didn't do it.

Mr. Major, thank you for your invitation. Mr. McGinn, thank you for your remarks. That was very impressive. I couldn't even keep up with all the new things you announced tonight.

I'm glad that our FCC Chairman, Bill Kennard, is here, and I think Secretary of the Army Louis Caldera is also here. And General Jones, I thought you gave a terrific invocation. Thank you very much. I appreciate that.

You know, I was trying to think tonight whether there was any way I could say what I originally wanted to come here and say, which is to talk about some of the technology policies that we're trying to pursue that I hope will help you, but in the process will strengthen our democracy and the sweep of opportunity and freedom around the world, and at the same time say a few words, as I feel I must, about our important mission in Kosovo.

And before I came over here tonight, I had a long meeting, and I went and had what has now become almost my daily phone call with Prime Minister Blair. And I sat down and I thought about it. I thought about how grateful I am to the members of this organization for the phenomenal successes you have enjoyed in these last few years and the major contributions you have made to the economy of the United States, the opportunities you have given our people. And I thought about this terrible brutality that is going on in Kosovo, replaying what happened not so long ago in Bosnia, and in a way, replaying what we see around the world, the modern world, that seems to be troubled with ancient hatreds rooted in racial and ethnic and religious differences.

If you think about the major forces alive in the world today, the move toward globalization and the explosion in technology, especially in information and communications, they really not only, as all of you know better than I, are dramatically changing the way we work and live and relate to each other and to the rest of the world. They represent both a pull toward integration and a dramatic force toward decentralization. And I would argue to you that both forces have within them the potential for enormous good and enormous trouble for the world of the 21st century.

If you think about the forces toward integration of the global economy, for example, that's a wonderful thing. But it can be very destabilizing if we leave whole countries and vast populations within countries behind.

If you think about the explosion in technology and how wonderful it is in empowering individuals and small firms and communities, and enabling communities—little schools I've seen in poor African and Latin American villages—to hook up to the Internet and have access to learning that would have taken them a whole generation, at least, to achieve through traditional economic development processes in their countries. It is breathtaking.

But looked at another way, it also provides access to technology for every terrorist in the world to have their own website, and for independent operators to figure out how to make bombs and set up chemical and biological labs.

And when married together with the most primitive hatreds, like those we see manifest in Kosovo today, the advent of technology

and decentralized decisionmaking and access to information can be a very potent but destructive force.

When I ran for President in 1992, what I was seeking to do was to articulate a vision to the American people of the way I wanted America to look in the 21st century, in a world I hope we would be living in then, and what I thought the President and the Government of the United States should do: to take advantage of the benefits of globalization and the explosion of technology and to provide those policies and bulwarks necessary to guard against the deepest problems of the modern world. There are so many things bringing us together and so many things breaking apart. We have to decide a lot of new questions.

And if I could just say a word about what we tried to do—and Dave McCurdy and I have been working on this through the Democratic Leadership Council for more than 15 years—I believe that if we could create a country in which there was genuine opportunity for every responsible citizen, and in which we had a real sense of community, of belonging, of mutual responsibility, one to another, so we all felt we would be better off if everybody had a chance as well; and that if we could maintain America's sense of responsibility for leading the rest of the world toward peace and prosperity and harmony, both with the environment and with others across all the lines that divide us, that the best days for our country and the best days for humanity were still ahead. I still believe that.

Every story you can tell about every company represented in this room reflects that. But we cannot forget that there will never be a time when life is free of difficulties and where the organized forces of destruction did not seek to move into the breaches of human conduct for their own advance.

And that is what we see in Kosovo. It is a sad commentary, indeed, that on the edge of a new millennium there are still people who feel they must define their own self-worth and merit in terms of who they are not; and who believe that their lives only really count not when they are lifting themselves up but when they are holding someone else down; and sometimes who believe that it is literally legitimate not only to uproot totally innocent civilians from their homes and their villages but to kill them in large numbers.

This is, of course, not confined to the Balkans; it is still at the root of the troubles in the Middle East; it is still at the root of the problems we are oh so close to getting finally resolved in Northern Ireland; it was at the root of an ancient tribal difference that led to the deaths of somewhere between 500,000 and 800,000 people in 100 days in Rwanda just a few years ago.

We see it everywhere, the fear of the other. It led a couple of demented people in a little Texas town to dismember and drag an African-American to death and a couple of other people in Wyoming to kill a young man at the dawn of his life, apparently because he was gay.

We have to find a way to use all this technology in a way that celebrates our differences instead of uses them for destructive ends. And the only way to do that, I am convinced, is to somehow reaffirm that amidst all our differences, what it is we have in common as human beings is more important.

And ultimately, that is the liberating logic of the telecommunications revolution, so much of you have powered. The idea that if we just gave everybody a chance, ordinary people would do extraordinary things, and so they have.

And so I ask all of you tonight to support what the United States and our 18 other NATO allies are trying to do in the Balkans—first, because of all the little people who may never even see most of the things you invent and sell and market, but who could if they could live in peace. Second, because the problems could spread, and you see them beginning to spread with the outflow of refugees. And third, because the United States and our allies will always have to provide for some order in a world where you want to maximize freedom and individual initiative. There have to be some limits beyond which we collectively do not wish to see our country go, our world go.

I know you had Congressman Davis and Governor Gilmore here today. The White House, as all of you know, is quite close to the Potomac River. Right across the river in Virginia—I used to run down there every day

and look at this and just be amazed—in the Fairfax County School District, there are children from 180 different racial, ethnic, and national groups. They speak about 100 different languages as their first language. It is the most diverse of all American school districts; but what they represent is happening everywhere.

I went home a couple of weeks ago to the little town in Arkansas where I was born. There are about 9,700 people there now. It's a lot bigger than it was when I was born there. And there is a little grade school in this little town in southwest Arkansas named for me—which I appreciate; usually you have to die before they do that. [*Laughter*] And anyway, in this little grade school in my little hometown there are 27 immigrant children, first generation immigrant children whose parents, by and large, were migrant farmworkers who settled there.

This is an incredible asset for America. But we have to say to people, whatever your national background, whatever your racial background, whatever your religious convictions, you can have a home here in this country and you ought to be safe in the world if you are willing to abide by the norms of civilized conduct everywhere. We must not allow, if we have the ability to stop it, ethnic cleansing or genocide anywhere we can stop it, particularly at the edge of Europe.

So I ask you to support our men and women in uniform, but to support the proposition that the 21st century world will be a case of—yes, there will be a lot more decentralization, there will be a lot more individual empowerment, but it will not be a time of chaos and madness. We will not let it descend into the vision of the darkest of the science fiction writers, because we believe our common humanity is better than that. Thank you. [*Applause*] Thank you; thank you.

Now I want to say what I came to say. [*Laughter*] But it relates to what I just said. I believe in the information age the role of Government is to empower people with the tools to make the most of their own lives, to tear down the barriers to that objective, and to create the conditions within which we can go forward together.

Now, the answers to all the questions will not always be easy. But at least I want you to know that's how I think about this. I see myself trying to help create the conditions of dynamic balance so we can get the maximum benefit from market economics without giving up the idea of community and without leaving anyone behind who's willing to try to do the right thing.

And I see our environmental policy in the same way. I think we have to take on the challenge of climate change because I'm convinced the science is real; but I believe we can do it in a way that grows the economy, not undermines it. And all the big questions we're facing this year as a country require that sort of decisionmaking. You don't have to agree with the decision I make, but you ought to ask yourself what is the basis of your decision.

We're dealing with the challenge, for example, of the aging of America. And the older I get, the better I like that challenge. [*Laughter*] I've never understood all this handwringing about Social Security and Medicare, this is a high-class problem. [*Laughter*] Some of you have helped to bring it about. [*Laughter*] We're living longer, and that's good, isn't it? And there's more medicine, and that's good, isn't it? But as a consequence, you know, the average age in America is 76.7 years.

Anybody in this room over 60 who still doesn't have any life-threatening conditions has probably got a life expectancy well in excess of 80 years already. Any child born in America that's under the age of 15 that's healthy and stays healthy has probably got a life expectancy of about 84. And with the baby boomers retiring, this is an issue we have to deal with.

Now, I'll tell you how I think about this. I believe we should make maximum use of technology, maximum use of modern business organizations and competition. I think that we have to be willing to reform the Medicare system. But I don't believe we should turn the Medicare system into, in effect, a defined contribution, as opposed to a defined benefit plan, because health care is not like retirement, and it's a lifesaver for people.

And I'm willing to work with Congress to save it. And we'll have some philosophical

differences, but I'm trying to achieve the dynamic balance of maximizing the change while maximizing the sense of community and the fact that it's a lifesaver for so many people.

Social Security—we're going to have an interesting debate. By 2030 we'll only have two people working for every one person drawing Social Security. Now, by 2034, 35 years from now, the Social Security system is projected to run out of money, the Trust Fund, which means you only have three choices: You can raise revenues, reduce benefits, or increase the rate of return on what we're investing.

And there are a lot of people who believe that we should, in effect, take this surplus and give it back to the American people as mandatory individual retirement accounts; let them invest it in the stock market, because the stock market always outperforms the Government bonds over any long period of time. And if you happen to be one of those unfortunate people who retire in a period like we had between—in the 1960's and early seventies, where the value of the stock market is going down, then the Government would make up the difference between what you would have gotten under the old Social Security program and what you in fact get.

The other way to do it is to do what Canada does, which is set up an independent board, like the Federal Reserve, and let the whole Trust Fund earn money. And then you'll know you'll always be able to have uniform, but higher, returns for people.

None of us want—no Republican or Democrat I've talked to believes we should raise payroll taxes, because the tax is regressive. More than half the working people in the country already pay more in payroll taxes than they do in income taxes; and small businesses just getting started have to pay that, whether they make money or not, unlike the income tax. So we don't believe that's an acceptable thing.

So when you hear this debate, think of the dynamic balance; think of how you can maximize the market forces that are good and still preserve a sense of community so—and maybe even improve it. For example, I want to lift the earnings limitations because people are living longer, and I think once you earn Social Security, you ought to be able to work. I want to do something about single women, because the poverty rate among elderly single women, if they're living alone, is about twice the poverty rate for other seniors in our country. That's the framework in which I hope this debate will play itself out and get resolved this year.

The last issue I'll tell you is that I firmly believe we ought to deal with Social Security and Medicare in a way that maximizes the amount of the surplus we use over the next 15 years to buy down the public debt.

Now, that is much less popular than the alternative proposal by the congressional majority, which is to give most of the surplus away right now in a tax cut. It's your money anyway, they say. And of course, it is. It is your money anyway. But keep in mind, our country quadrupled the national debt between 1981 and 1993. And in an uncertain economic climate in the rest of the world, with all the financial troubles you've seen in Asia, it seems to me to be given a chance to pay down our debt to the lowest level we've had since before World War I is better for most of you than a short-term impact of a tax cut.

Why? Because it will give us lower interest rates, lower inflation; it will lower interest rates for countries that have to borrow money that you want to sell your products to; it will maximize growth; it will, therefore, maximize income and job-generating potential in America. And to me, the benefits of having an America that could be out of debt in 17 years, that's quite staggering. Because we might have to borrow money ourselves someday, again, and we don't ever want to do—ever get back to the way we were when we were having to borrow money just to pay the bills.

Most of your companies have borrowed a lot of money, but presumably, you didn't do it very often just to make payroll. And that is what we—that's the decision we've been given the opportunity to deal with. So it seems to me that's the right decision to do.

And I think that—when I look at our technology policy, I think about that. I think about how can we have the dynamic balance, how can we maximize this. This is almost 100 percent positive good. And if there is something that has to be done to limit it in any

way, shape, or form, how can we minimize the damage to the economy and to the rapid spread of opportunity.

Now, that's what we've tried to do for 6 years, and it's worked pretty well. So we've cut the deficit and balanced the budget, but almost doubled investment in education and training.

I believe very strongly that we have to continue to expand trade. That's another issue. Most of you support that position. Most of you believe the President should be given fast-track authority. And most of you believe if we can get an agreement with China that is good for the American economy, we should extend the opportunity to them to join the World Trade Organization. I believe that.

But I ask you to think about how are we going to get this passed in a Congress where there are some people who are afraid of trade and some people who are basically—they're afraid trade hurts more of the people they represent than it helps—and others just are afraid trade gives power to countries that they feel will be adversaries of the United States over the long run. Some people feel that about China now, that they're inevitably our adversary.

I say there has to be a dynamic balance here. We should be trading more. We should be opening our markets more. We should be getting more open markets, but we should make sure we're investing what is necessary here to help people who are dislocated by trade through no fault of their own, and we should support the same thing in other countries. When we elevate trade, if we increase national income it should lift the incomes of all working people. It should be a race to the top, not a race to the bottom.

And when we deal with China, we should recognize that we're advantaged when we open China more, economically, informationally, culturally; but if we have honest differences with them over political and human rights, we ought to say it. And we ought to encourage them to air their differences with us but not in a way that isolates us one from another.

Keep in mind what I said to you about these ethnic wars. There are people who cannot bear to live without somebody to be afraid of or look down on. And there are—sometimes I have the feeling that we're looking for a new enemy in America. I'm not looking for a new enemy. I didn't pick Mr. Milosevic, for example. His conduct made him the adversary of the United States and people who believe in the inherent dignity of every religious and ethnic group in the world. I did not look for a new enemy.

So I say to you, if you want us to go forward with China, then remind everybody the same debates we're having about China today are being held about the United States in China. I promise you there are people inside the high councils of government who say, ''Those Americans don't want us to amount to a hill of beans. Those Americans want us to be their enemy so they will have a way to increase the defense budget. Those Americans will do everything they can to promote discord in our country; that's why they're all for political and human rights. They want us to just pure disintegrate, just like we did once before.'' And by the time—you know, you just keep on talking like that, and there is enough mutual misunderstanding until finally you get the political equivalent of a divorce.

So I say we should be careful. We should evaluate our partners, our friends, our potential adversaries based on the facts at hand. But we should always be working for the best future, even as we prepare for something we might not like. And that's where I think you are.

So I ask you to work with us to help to fashion a fast-track bill, for example, that will reflect a new consensus on trade; that will be able to say: we want more trade, but we want to lift people up and we don't want to tear the environment up, and there is a way to do that. And, yes, we would like to have a good relationship with China that includes a frank, sometimes even uncomfortable airing of our differences, but we recognize that the Chinese people will be better off, and we'll be less likely to have conflict in the 21st century if there is more constructive relationships—not just commerce, but also culture, education, all kinds of information. And so let's try to build that sort of relationship.

And that again I say, it seems to me you folks are in a unique position to make these arguments because if you take—well, Rich

was giving his speech tonight, and I was thinking about what his company does in Newark, New Jersey. Now, most of the people there helping in Newark, New Jersey, will never work for Lucent. But it will be a more successful company if everybody is at least literate enough to make a decent living, have a good job, and buy those products. And life will be a lot better if every inner city in this country has a set of thriving businesses beyond the drug trade, and where the children feel safe walking on the street, and where the schools are functioning at a high level and people aren't dropping out of school. And so they invest in that; not because it immediately shows up on the bottom line, but because they have a sense that life is of a whole texture and you have to understand what these relationships are. That's what we have to do as Americans. And that's how we have to look at this.

So let me just mention two or three specific things that I think we should do in your area—and I ask you for your help. First, we have to work to keep America's lead in science and technology, which means you have to do your part, but we have to do ours. Basic Government investment in research and development is important and fulfills a role fundamentally different from that done by most companies.

Tonight I ask you to help us to increase our investment for the seventh straight year in research and development. Our budget provides those kinds of investments that will spur the next generation of information technology, meet the challenge of climate change, find new cures for medical difficulties, explore space, protect our infrastructure against terrorist attacks.

The budget resolution passed by the congressional majority would inevitably lead to big reductions in many of these investments. It is not necessary for us to do this. We can find a way to be fiscally responsible without cutting our R and D investments, and I ask for your help in that regard.

Second, I ask you to work with me to maintain the right conditions for entrepreneurship in electronics. Just a few years ago, E-commerce did not exist. In 4 years, retail trade on the Internet could reach $100 billion, business-to-business trade above a trillion. Two years ago the Vice President and I released a framework for seizing the potential of global electronic commerce. We said the Internet should be a free-trade zone, with incentives for competition, protection for consumers and children, supervised not by Government but by the people who use the Internet every day. Most of you thought that was a pretty good idea.

Now, in the coming months we've got to fill in the blanks of that nice sounding general statement. I want to work with you to find ways to give consumers the same protection in the virtual mall they now have at the shopping mall, to enhance the security and privacy of financial transactions on the Internet, an increasingly deep concern of citizens everywhere, and to bring advanced, high-speed connections into homes and small businesses.

I may not know as much about cable modems or T–1 lines as the Vice President—[*laughter*]—"may" is a misleading word there. [*Laughter*] But I know what this can do for our children's future.

The third thing I'd like to ask you to do relates to something Dave McCurdy talked about. I want you to help us continue to work to bridge the digital divide. We have to have shared prosperity and leave no one behind. Today, affluent schools still are more likely than disadvantaged ones to have Internet access in the classrooms. And white households are more than twice as likely to own a computer as black or Hispanic ones. The digital divide has begun to narrow, but it won't disappear on its own. We'll have to work at it.

Dave talked about the first NetDay in 1996. Listen to that—before that day, only 8 percent of our classrooms were wired to the Internet. Today, well over half of them are, and we are well on our way to connecting every classroom to the Internet by the end of next year.

I'd like to ask you to do one other thing, as well. A lot of you have had a hard time finding sufficiently trained workers in the United States to do the work you need done. Last year I agreed to increase the number of H–1B visas as an emergency measure. But over the long run, the answer to this problem of the lack of skilled workers cannot simply be to look beyond our borders. Surely, a part

of it has to be to better train people within our borders to do this work.

For many years, your foundation has made this a top priority, and many individual firms have, as well. Cisco Systems is now working to establish a networking academy, for example, in every empowerment zone high school that wants one. These academies will provide students with the skills they need to get certified for jobs in information technology. It's like giving a student a first-class ticket to a high-skill, high-wage future. We have to do more of that.

Because you have done so well, I would argue that you have larger responsibilities as citizens than those who have not. And many of you are fulfilling them remarkably.

The last thing I'd like to say is this: You were very kind when I spoke about Kosovo earlier—kind to stand, maybe just hoping I was through with my speech. [*Laughter*] I believe there is a hunger for substantive information on the part of our citizens greater than I have ever seen before. And the more you give them ways to get information, the more hungry they feel. But keep in mind, you can sit in front of your television and channel-surf all night long. You can have 50 channels, or 70 or 80 or 90. You may pick up a lot of facts, and you may go to bed bleary-eyed at 3 in the morning, and the next day your understanding of what it is you have seen or heard might not be any greater.

And so the last thing I would like to say is, with your employees, with those in the community with whom you work, help people to understand that the forces of globalization can be good, but they present challenges that must be met. Help people understand that the forces of decentralization, of the breaking up of old blocs can be a magnificent story of individual empowerment and democratization, but they, too, present challenges that must be met.

I have done everything I could to fashion a Government that could do its part to meet those challenges. It's the smallest Government we've had since President Kennedy was here. It has given more power to States and localities. It works more with community groups and churches and social programs. It does a lot of things that need to be done badly, and I'm sure we can do better.

But in the end, there will be these gaps, and someone must be standing in the gap to reaffirm our basic devotion to freedom and democracy, to peace and prosperity, and to the principle that we must be a community, that out of many we are one, and that we are still about the business of our Founding Fathers, forming a more perfect Union.

Thank you, and God bless you all.

NOTE: The President spoke at 8:25 p.m. in the Grand Ballroom at the J.W. Marriott Hotel. In his remarks, he referred to John E. Major, chairman, Electronic Industries Alliance; Richard A. McGinn, chairman and chief executive officer, Lucent Technologies; Brig. Gen. Hiram (Doc) Jones, USAF, Deputy Chief of Chaplains, who gave the invocation; Prime Minister Tony Blair of the United Kingdom; Gov. James S. Gilmore III of Virginia; and President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro).

Statement on the Conventional Armed Forces in Europe Treaty

March 31, 1999

I am very pleased that yesterday negotiators from the 30 countries that are party to the Treaty on Conventional Armed Forces in Europe (CFE) reached an agreement setting the stage for a final adapted treaty. All countries agreed to deeper limits on their conventional forces and stronger measures to ensure compliance. The decision preserves NATO's ability to fulfill its post-cold-war missions, to ensure its new members are full military partners, and to deepen its engagement with Partnership For Peace states. It also takes into account the interests of non-NATO states and helps fulfill the commitment President Yeltsin and I made last September to conclude a final adapted treaty by the OSCE summit this year.

At a time when we are trying to end a pattern of escalating insecurity, brutality, and armed conflict in the Balkans, I am gratified that these 30 countries, comprising the vast majority of European nations, are moving in a different direction. Together, we are building a Europe in which armies prepare to stand beside their neighbors, not against them, and security depends on cooperation, not competition.