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We have to keep that idea in mind today. The greatest threat to our democracy today, and certainly to freedom and democracy around the world, is the poisonous idea that what divides us is far more important than what we have in common; that as long as we have differences of opinion, we must have personal animosities, and we cannot have positive action. This is a dubious political strategy, a dangerous governing strategy, wrong as a matter of historical fact, and an affront to the sacred documents we gather here to save.

Despite their many differences, the Framers drafted, debated, and signed the Declaration of Independence in less than a month. They drafted, debated, and approved the Constitution in less than 5 months. If they could produce those enduring charters of freedom in a matter of months, surely there is no reason why we here in our time cannot make major progress in the remaining months of this millennium, to prepare our Nation for the new millennium and a 21st century which I am convinced will be America's best days.

We owe it to these children to honor their past, to imagine their future, and to build a bridge to that future every single one of them can cross. So as we preserve the documents that launched this, the greatest journey in freedom and opportunity in all of history, let us resolve to do all we can to keep alive the spirit that got us to this point. These children will do the rest.

Thank you, and God bless you.

NOTE: The President spoke at 3:55 p.m. in the Rotunda at the National Archives. In his remarks, he referred to C. Michael Armstrong, chairman and chief executive officer, AT&T; and students Jasmine Smith, Kevin Su, and Nora Skelly, who read passages from the Declaration of Independence and the Constitution of the United States. The transcript made available by the Office of the Press Secretary also included the remarks of the First Lady. A tape was not available for verification of the content of these remarks.

Statement on Export Controls on High-Performance Computers and Semiconductors

July 1, 1999

Today I am announcing reforms to the administration's export controls on high-performance computers (HPC) and semiconductors. These policies will strengthen America's high-tech competitiveness, while maintaining controls that are needed to maintain our national security.

These reforms are needed because of the extraordinarily rapid rate of technological change in the computer industry. The number-crunching ability of a supercomputer that once filled a room and cost millions of dollars is now available in an inexpensive desktop computer. Computers that are widely used by businesses and can be manufactured by European, Japanese, and Asian companies will soon exceed the limits that I established on high-performance computers in 1996. These business computers have become commodities, and next year U.S. and foreign vendors are expected to sell 5 million of them.

Maintaining these controls would hurt U.S. exports without benefiting our national security. Moreover, a strong, vibrant high-tech industry is in America's national security interests. That is why I have decided to raise the licensing threshold of high-performance computers to so-called "Tier 2" and "Tier 3" countries. For "Tier 3" countries, which present the greatest risk from a national security viewpoint, the administration will continue its policy of maintaining a lower threshold for military end-users than civilian end-users. I have also directed my national security and economic advisers to provide me with recommendations to update our export controls every 6 months.

Due to legislation passed by the Congress in 1997, this change will require congressional approval and a 6-month period before it can go into effect. I will work with the Congress to pass legislation that would reduce this period to one month, so that we

can keep up with the rapid pace of technological change. I also want to work with the Congress on a bipartisan basis to explore longer term solutions to how we deal with commodities like widely available computers and microprocessors.

Proclamation 7207—To Extend Nondiscriminatory Treatment (Normal Trade Relations Treatment) to Products of Mongolia and To Implement an Agreement To Eliminate Tariffs on Certain Pharmaceuticals and Chemical Intermediates

July 1, 1999

By the President of the United States of America

A Proclamation

1. The United States has had in effect a bilateral Agreement on Trade Relations with Mongolia since 1991 and has provided normal trade relations treatment to the products of Mongolia since that time. I have found Mongolia to be in full compliance with the freedom of emigration requirements of title IV of the Trade Act of 1974 (the ''Trade Act'') (19 U.S.C. 2432).

2. Pursuant to section 2424(b)(1) of Public Law 106–36, and having due regard for the findings of the Congress in section 2424(a) of said Law, I hereby determine that title IV of the Trade Act (19 U.S.C. 2431–2441) should no longer apply to Mongolia.

3. On November 13, 1998, members of the World Trade Organization (WTO), including the United States and 21 other major trading countries, announced in the WTO an agreement to eliminate tariffs on certain pharmaceuticals and chemical intermediates that were the subject of reciprocal duty elimination negotiations during the Uruguay Round of Multilateral Trade Negotiations (the ''Uruguay Round''). A similar agreement between the United States and 16 other major trading countries eliminating tariffs on enumerated pharmaceuticals and chemical intermediates was implemented for the United States on April 1, 1997, by Proclamation 6982, adding such goods to the scope of the agreement on pharmaceutical products reached at the conclusion of the Uruguay Round and reflected in Schedule XX-United State of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade (1994) (Schedule XX).

4. Section 111(b) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3521(b)) authorizes the President to proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX for products that were the subject of reciprocal duty elimination negotiations during the Uruguay Round, if the United States agrees to such action in a multilateral negotiation under the auspices of the WTO, and after compliance with the consultation and layover requirements of section 115 of the URAA (19 U.S.C. 3524). Section 111(b) also authorizes the President to proclaim such modifications as are necessary to reflect such duty treatment in Schedule XX by means of rectifications thereof.

5. On April 29, 1999, pursuant to section 115 of the URAA, the United States Trade Representative (USTR) submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (''the Committees'') that sets forth the proposed tariff eliminations, together with the advice received from the appropriate private sector advisory committee and the United States International Trade Commission regarding the proposed tariff eliminations. During the 60-day period thereafter, the USTR consulted with the Committees on the proposed actions.

6. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTS) the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

7. Pursuant to section 111(b) of the URAA, I have determined that Schedule XX should be modified to reflect the implementation by

the United States of the multilateral agreement on certain pharmaceuticals and chemical intermediates negotiated under the auspices of the WTO. In addition, I have determined that the pharmaceuticals appendix to the HTS should be modified to reflect the duty eliminations provided in such agreement, and to make certain minor technical corrections in the identification of particular products in order to ensure that products are accorded the intended duty treatment.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to section 2424(b)(2) of Public Law 106–36, section 111(b) of the URAA, and section 604 of the Trade Act, do hereby proclaim that:

(1) Nondiscriminatory treatment (normal trade relations treatment) shall be extended to the products of Mongolia, which shall no longer be subject to title IV of the Trade Act.

(2) The extension of nondiscriminatory treatment to the products of Mongolia shall be effective as of the date of signature of this proclamation.

(3) In order to implement the multilateral agreement negotiated under the auspices of the WTO to eliminate tariffs on certain pharmaceutical products and chemical intermediates, and to make technical corrections in the tariff treatment accorded to such products, the HTS is modified as set forth in the Annex to this proclamation.

(4) Such modifications to the HTS shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in the Annex for the respective actions taken.

(5) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

In Witness Whereof, I have hereunto set my hand this first day of July, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-third.

William J. Clinton

[Filed with the Office of the Federal Register, 11:02 a.m., July 2, 1999]

NOTE: This proclamation was published in the *Federal Register* on July 6.

Message on the Observance of Independence Day, 1999

July 1, 1999

I am delighted to join my fellow Americans across the nation and around the world in celebrating Independence Day.

Today we gather with family and friends to commemorate the 223rd anniversary of the signing of the Declaration of Independence. In marking this historic event, and in remembering the courage and sacrifice of the patriots and soldiers who fought and died that we might shape our own destiny, we are truly celebrating the birth of our great country.

Every generation of Americans owes a profound debt of gratitude to our Founders for envisioning a nation that, as President Lincoln so eloquently put it, was ''conceived in liberty, and dedicated to the proposition that all men are created equal.'' Inspired by this same vision, we have built together a society in which freedom and democracy do more than enlighten our laws and political institutions—they permeate our culture and way of life. We have only to look at the recent tragic events in Kosovo to recognize how blessed we are to live in a land where life, liberty, and equality are cherished rights, upheld by courts and custom, and where, as we realize more each day, our diversity is a source of strength rather than a cause for division.

On this day, as we look back with pride on our heritage of freedom, let us look forward as well with renewed hope for the future. Enjoying the fruits of a robust economy, the stability of a country at peace, and the talents and energy of an increasingly diverse populace, America is poised to lead the world into a new millennium full of fresh opportunities and challenges.

Hillary joins me in sending best wishes to all for a wonderful Fourth of July.

Bill Clinton

Interview With Rick Dunham of BusinessWeek

June 29, 1999

National Economy

Mr. Dunham. I was wondering if I can sort of start broadly and lead into it. I mean, the new economy, with the increase in productivity that's tied to technology and globalism has really led the United States to sustained economic expansion that's been amazing in the decade, and growth beyond just about anyone's predictions.

I was just wondering if you're a believer in this ''new economy'' scenario. And then the second part was, why, if there is such a booming economy, do you think it hasn't trickled all the way down to some of these distressed inner cities and the rural areas?

The President. First, I do believe in the new economy. I think that technology is rifling through every sector of economic activity, in ways that have given us dramatic increases in productivity and potential for growth without inflation, that I think most models have not accurately measured.

And I think that, therefore, the most important thing for Government policy is to be fiscally responsible, to create the conditions in which people can prosper, and then to try to do things which will accelerate the trends that are already underway. I think that that's what we're trying to do with Internet II, for example, and what we're trying to do with having heavy investments in biomedical research.

Now, why hasn't it trickled down to everybody? I think there are—I'd like to make three points. First of all, there has been a remarkable amount of trickling down. We have the lowest minority unemployment rate, among African-Americans and Hispanics, recorded in the nearly three decades we've been doing racially separate unemployment statistics. And many cities—Detroit, for example, has an unemployment rate that's roughly half what it was in '93.

On the other hand, I think there are two reasons why it hasn't. One is, there are enormous premiums in this new economy for education and skills, so that people who don't have an education are both more likely to remain unemployed, and even more significantly, more likely to remain underemployed or relatively undercompensated, which I think explains the lion's share of why you've had increasing inequality for over 20 years—which began to abate about the last 2 or 3 years.

Mr. Dunham. In the last couple of years.

The President. You've begun to see comparable and, in some cases, relatively larger income gains in the lower 40 percent.

I also think the wage inequality is also reinforced by the fact that people at lower income levels are less able to buy stocks, and an enormous amount of increased wealth has come from ownership, as opposed to just salaried employment. So you see a lot of the companies, for example, that offer their employees, even their lowest wage employees, stock options—something that Wal-Mart, for example, has done for a long time—those companies will have a better record of increasing equality because their workers can afford wealth. And I think that that's important.

The other thing is, of course, what you're here to talk to me about. The third point is that I think there are still disincentives to invest in the neighborhoods and communities, or people, which still need to be brought in. They're either real disincentives or they're imagined ones—there are, you know, we have these, I think there are accumulated preconceptions about where market opportunities exist and don't exist.

And what I'm trying to do with—what I've been trying to do from the beginning of my administration, with the empowerment zones and enterprise communities, with a vigorous Community Reinvestment Act—over $18.5 billion was loaned under the CRA in 1997, for example, that's the last year I have numbers for. With community development financial institutions, with the microenterprise lending, with all these initiatives, we've tried to remove the institutional barriers and create mechanisms which would allow capital to flow to people and to neighborhoods where they miss. We had the tax credits for hiring people off welfare or for hiring people that were in the empowerment zones or the enterprise communities. Those are things that have already had an impact.

But what we're trying to do—what I'm trying to do now is to deal with what I think are both of the problems that have kept some of our inner-city neighborhoods and poorest communities from fully participating. That is, we have this new markets initiative, which is basically designed to put together a package of loan guarantees and tax credits, to induce new investment in these areas at more attractive rates—and, also, the psychological barriers. We're going to take—we've got Sandy Weill and Hugh McColl and Dick Huber joining Republican and Democratic elected officials, and Jesse Jackson and Al From and, you know, all these people, to shine the light on the opportunity.

You know, you've got a purchasing power gap over actual sales, retail sales, that averages 25 percent in urban areas throughout the country. It's 35 percent in Los Angeles and 40 percent in East St. Louis, two places we're going.

Dick Huber actually made a kind of an interesting comment, only in jest, when we went to Atlanta to kind of kick off this program. He said, "You know"—he said, "I may be the only guy that's kind of sorry you're doing this, because we figured out there's a huge opportunity out there and now all our competitors are going to know." [*Laughter*]

New Markets Initiative

Mr. Dunham. Well, that's—that's one of the things that I was curious about. I mean, some of these corporations and executives—Citicorp, Aetna, NationsBank—have realized this. But at the same time, it seems to be uneven in the corporate community——

The President. Very.

Mr. Dunham. ——where others are sitting on their corporate hands. I was wondering what you can do, as President, or what could be done through legislation to try to encourage more companies to go into these areas.

The President. Well, I think there are two things we can do, and I hope to do both on this tour. The first is to actually make sure that all the people in positions to make investment decisions understand that there are very gifted, very hard-working, very creative people out there in these communities, and that there are enormous opportunities there—just to shine the light on what's going on and what's out there, including the infrastructure we've worked hard to put in place in the last 6½ years.

And secondly, I hope to build bipartisan support for passing the new markets initiative which will, in effect, make it more attractive for people to invest in these areas by giving them a tax credit of up to 25 percent and making them eligible—making certain investments eligible—for loan guarantees of up to two-thirds of the amount of the total investment. I mean, if you have Government-guaranteed loans on two-thirds of an investment, you get 25 percent tax credit on what you put up, that cuts the risk, considerably, in ways that I think are important. So I hope to achieve that.

And if I could back up, I asked the people to think about this in another way. I think there is a moral logic here, which is that we don't want to go into the 21st century, at an all-time high in prosperity, leaving so many people behind. That's not right. There's also a very compelling economic argument. You know, we've got all the debates now about what's the Fed going to do and do they need to raise interest rates and all that. I don't want to get into that. I think Mr. Greenspan and the Fed do a perfectly good job, and we've had a good partnership by recognizing each other's appropriate roles.

But let me—no one believes, I don't think, that we have completely repealed the laws of economics, traditional laws of economics; that we've completely repealed any tendency for inflation in our economy; or that we've completely repealed the tendency to have some business cycle. But we've dramatically improved it through this technological revolution that's going on.

So if you ask yourself—you put yourself in my position, and you ask yourself: Okay, you've got 4.2 percent unemployment; you've got the longest peacetime expansion in history—the country may be able to have the longest expansion in history, including wartime, in the next several months. Now, how can you keep this going? How can you keep growth going with low inflation? And that involves, is there a noninflationary way to add more workers? Is there a noninflationary way to raise wages? And the answer to that, it

seems to me, is—there are only basically three answers.

One is, we can sell more of our goods and services around the world, which is why I strongly favor new trade initiatives and not seeing America go back to protectionism. And that's a subject for another day, but you know I'm hoping we can continue to push that forward.

Then, secondly, you can look at discrete populations in America which are underemployed. There are basically only two now: people on welfare—we cut the welfare rolls in half, but we know that there are still people on welfare who could work, but they're harder to place; and the disabled. We're about to take a huge step in that direction, with almost unanimous votes from Congress, by allowing disabled people who get Medicaid health insurance to keep their Medicaid while they go into the work force. And that will bring a lot of extra people into the work force at competitive wage rates.

The third big opportunity—and I'm convinced the biggest one, because it's a two-fer, you get more workers and more customers—is going to the neighborhoods and the communities that have basically not participated in this recovery.

So it seems to me that, quite apart from our moral obligation to do this—if, in fact, there are business opportunities there, which are there right now, in the tens of billions of dollars—and if there are ways to make those opportunities even more attractive, by the passage of this legislation, that this is a major, major opportunity for our country to keep our economy going and to keep it going with low inflation. So, to me, it may be finally something whose time has come.

I also think we've learned something in the last 6 years about what works. And of course, there were models out there before the last 6 years. In the 1960's there was this great effort, through the Great Society programs, to build up the poor urban and rural areas. And we found that, actually, they did a lot of good, in terms of providing nutrition for people, in terms of providing health care, in terms of providing educational opportunities. But the Government alone could not build a sustaining economy. You couldn't build an economic infrastructure with Government alone.

In the 1980's, we learned that the stock market could grow, and we could create record numbers of new millionaires and billionaires, but the private sector alone could not do this, and that more and more people would fall further and further behind.

So what we've tried to do is to apply our Third Way philosophy—that we should have a partnership between Government and the private sector that would literally empower people to change the dynamics of their lives in these poor neighborhoods. That's what the whole empowerment zone, enterprise community initiative that the Vice President has so ably run, is designed to do; that's what these CDFI's are designed to do. That's what the—you know, that's why we've been so vigorous in pursuit of the Community Reinvestment Act. As I'm sure you know, over 90 percent of all the loans made under the CRA, even though its' been on the books for over 20 years, have been made during the life of this administration.

So this is the next logical step. The problem with all that is, it's sort of uneven, and it—the CRA applies nationwide, where there's available capital, but the CDFI's and the empowerment zones, the enterprise communities, they only apply where they are. And there are 125 of them, but they don't cover every place. And even in the places where they exist, they don't cover all the areas of need within the cities where they exist.

So if we can dramatically increase the awareness in the business community of the investment opportunities, through the use of the bully pulpit with the tour we're about to take with the business leaders and others, and if we can pass the new markets initiative, it is literally—it's a nationwide initiative. It would apply everywhere where there's an economically distressed area.

So I'm very, very excited about this.

Mr. Dunham. I've been talking to Sandy Weill, and he's a big backer of new markets initiative. He was saying that if the U.S. Government can create programs that help American corporations, protect them from some of the risks around the world, that it makes sense that something similar would be

offered to—more incentives in the United States. I was wondering how much of this may be modeled on some of the—OPIC, or other programs, that have been successful around the world, and if you've had any of the same kinds of thoughts in trying to model this.

The President. Yes. We actually—what we tried to do is to create at least the same, if not greater, incentives for American business to invest in America, that we give them to invest in developing economies overseas.

I've been a vigorous supporter of OPIC and the Ex-Im Bank. I think that they're incredibly important to our interests and to the welfare of the people of developing countries around the world. And I would—and I have strongly opposed attempts to cut back on them in the last 6 years.

But I think that it is—I woke up one day and basically realized—we started debating what we could do—that American businesses could get lower risk to invest in developing economies overseas than they could in the developing economy right here in America. And I think that's wrong.

So there is a—the American private investment companies that we set up, which would be eligible for the loan guarantees—$2 in loan guarantee for every $1 of unguaranteed investment put up by the private sector—it directly came out of our attempts to parallel the incentives for investing overseas with incentives to invest here.

Minorities in Corporate America

Mr. Dunham. You've mentioned both Al From and Jesse Jackson. I'm curious what you think of the efforts that Jesse Jackson has made, working with corporate America—Wall Street, now in Silicon Valley—to try to encourage corporate America to hire more minorities, to invest more in minority areas, and to help underwrite minority businesses. I was wondering both what your sense is of what he's done and how it may have helped shape what you're doing here.

The President. Well, I strongly support it, and I think that—you know, I've spoken to his Wall Street conference in each of the last 2 years. And I think he deserved a lot of credit. He's been out there trying to get this done for a long time.

And it also influenced my thinking because Dick Grasso, who, you know, sponsors this with him every year, and the others who help have—they really persuaded me that there was a lot more we could do, even within existing law. And I'm hoping that I can support his efforts, that there will be—that these things will be entirely complementary.

You know, maybe this is just the moment at which years and years of accumulated effort by a lot of people will be bearing fruit. I've been interested in this whole issue, and Hillary has, for a long, long time, every since we first learned about the efforts of the South Shore Development Bank in Chicago, and we brought a development bank like that to Arkansas, with a microenterprise loan program. And I realized that—AID was helping people like Mohammad Yunus, who's founded the Grameen Bank at Bangladesh, you know, to do this kind of thing around the world. And I thought we ought to be doing it at home.

And we had some good success in Arkansas. And in the mid-eighties, I headed, along with the Governors of Louisiana and Mississippi, the Delta Development Commission—the Lower Mississippi Delta Development Commission. And we looked at how to do these kinds of things in the Mississippi Delta, which is the poorest part of America.

And so, as I said, there are—lots of people have been out there working on this, trying to get this done for a long time. And it seems to me that we now have enough evidence that what we have done works but that we still have these two big barriers. One is, the business community is not fully aware of what opportunities they actually have to make money now. And the second is that there are, frankly, still some greater risks in these areas that we ought to try to overcome by putting in place a framework where there's much more incentive to invest, and at least as much as we give to invest overseas.

President's Upcoming Travel To Promote New Markets Initiative

Mr. Dunham. You've mentioned your upcoming trip that leaves July 5th and will go everywhere from Appalachia to Los Angeles. I was wondering if there are any kind of specific proposals that you see there, that will

bring improvement to the communities you're going to visit. If you're—I know that the idea is to leave rays of hope in each of the places, but I didn't know if there were any specifics that you're looking to leave.

The President. We're going to do—we will try to do three things. One, we will try to highlight initiatives that are working now, things that we—like, we'll have places that have benefited from the Community Development Financial Institutions, for example.

Two, we will try to highlight how the impact of the new markets initiative, if the Congress were to pass it, would take these benefits and immeasurably increase them, and do it on a national basis, wherever there's need. And the third thing we will do is to have a whole series of announcements by business leaders about things they are going to do on their own, because they would be profitable—and, by the way, they'll create businesses; they'll create jobs; they'll create opportunities in these areas.

So we will have a heavy emphasis on that third area, because I don't think that, as I said, for a minute that this is primarily a Government initiative. This is a partnership initiative. But there are lots of opportunities right now, here, that people are genuinely unaware of. And I think most Americans understand how much prosperity we have, and that no one could have imagined that the stock market would more than triple, and that we would have now almost 19 million new jobs in the last 6½ years, and that all these things would happen, and yet there would still be these pockets left behind. So I think there's a longing to see all of our fellow citizens caught up in this prosperity—everyone who's willing to work.

And I think that, you know, when people actually know the facts, that there's a lot of money to be made out there. Just on the retail—if you think about the retail issue alone, the fact that there's a purchasing power gap of 25 percent in these urban inner cities, that's a stunning statistic. And it's a bigger market than virtually all of our foreign markets. And that's just on retail—never mind the factories you could put in; never mind the other kinds of nonretail, small business services you could have. It's amazing.

Status of New Markets Legislation

Mr. Dunham. What is the status of the legislation? Republicans on the Hill say that they're still waiting for precise wording. It's pretty well known in general what will be in it. I was wondering if you have both timetable and game plan for going ahead and trying to get something done.

The President. Well, what I want to do, I wanted to do this tour first, and get—I know there will be a lot of Republican legislators, I believe, will participate in this because this really is something that Republicans should like. It's a completely—it's free enterprise. It's using the tax system to prove that the enterprise system can work in every community in America, which is what they believe.

And so what I'm hoping will happen, and what I intend to do is, during the tour and then immediately after, I want to consult with the leaders of Congress in both parties, see if there is the kind of bipartisan support for this concept that I think there should be, and then we will quickly move to get the legislation up there—because we've got it all budgeted, and it's well within the budget.

And it also would be well within the budget potential of many Republican initiatives. I mean, the interesting thing is, if you do loan guarantees and tax credits, they don't cost that much money for the enormous benefit that they bring.

Mr. Durham. I guess most of the Republican, the Republican approach where it differs is—zero capital gains, they're talking about, or some further regulatory relief. That is sort of separate from these kinds of incentives, and I don't know if there's any room for that in the final package or——

The President. But that wouldn't do anything—you know, we had a capital gains reduction in the Balanced Budget Act. But that wouldn't do anything to specifically increase the likelihood of money going here. Because what we propose to do is to increase the relative attractiveness of these investments, recognizing that the relative risk is still slightly greater for a lot of the things that we'd like to see done.

So I think that those conversations ought to occur in the context of our larger budget negotiations. But on this, I think that we still