

Remarks to the Democratic Leadership Council October 27, 1997

Thank you very much. If you listen closely, you will hear that I am in my annual voice-loss mode. *[Laughter]* I think I can get through this talk. We celebrated Hillary's 50th birthday over the weekend. A lot of our friends came in, and the weather changed. And about once a year when this happens, this happens. *[Laughter]* I'll do my best.

Let me thank Al From and Senator Lieberman. My good friend Sandy Robertson, thank you for what you said. To all the Members of the Senate and House who are here and who have been so good to the DLC over the years; to all my predecessors as chairman of the DLC, including several Members of the Congress and former Congressman McCurdy.

It's hard for me to believe that it's been 7 years since Al From, in his sort of gentle, demure way—*[laughter]*—persuaded me to become chairman of the DLC. It's hard to believe it's been 6 years since I announced my candidacy for President, nearly 5 years since we began to work together to prepare America for the 21st century. But it has been.

And for nearly 5 years, we have worked together on a simple but profound vision to say that the American dream should be alive for everybody who is responsible enough to work for it; that our country must continue to lead the world for peace and freedom and prosperity; that we have to find a way to bring our people together, across all the lines that divide us, into one America.

The success of the last 5 years owes much to the ideas and the work of the DLC and its grassroots leaders, going back to the mid-1980's, when a small handful of us organized it. Even then, the DLC was working to go beyond the stale debate and the false choices of Washington, DC, with modern policies, good ideas, mainstream values. Today, from time to time, I still lament the fact that we have not rid the rhetoric of our Nation's Capital of a lot of the old debate and a lot of the old false choices. But believe you me, out there in the real world where Americans live, we're a long way from where we were just 5 years ago, and you should be very proud of it.

First, we had to define what the role of Government should be in preparing our country for the future. We had to reject the idea of those who say we should do nothing with Government and reject those who say we should try to do everything. Instead, we gave the American people a Government that is very much smaller, more focused, but more committed to giving people the tools and the conditions they need to make the most of their own lives.

Then we had to go area by area to abandon those old false choices, the sterile debate about whether you would take the liberal or the conservative position, that only succeeded in dividing America and holding us back.

On the economy, we replaced trickle-down economics and its huge deficits with invest-and-grow economics, a strategy aimed at both reducing the deficit and investing in our people. On crime, we replaced all the tough talk with tough action, with a strategy that had both punishment and prevention, along with more police officers on the street. On welfare, we went beyond those who were complacent on the one side and those who condemned all people on welfare on the other, with a strategy that is tough on work but good for children and welfare families. On education, we went beyond the old debate of abandoning public education altogether or simply throwing more money at the status quo with a strategy of standards, reform, and investment. On the environment, we rejected the idea that protecting the health of our families has to hurt the economy. Instead, we embraced a strategy designed to preserve and enhance the environment and our public health while growing the economy. We also restored the primacy of family and community to our work with initiatives like family and medical leave, the dramatic expansion of the earned-income tax credit, the empowerment zones for distressed areas in our inner cities, AmeriCorps, the national service proposal, which the DLC did so much to begin. And along the way, we soundly defeated the Republican Party's 1995 Contract With America.

Our philosophy of opportunity, responsibility, and community, guideposts embraced by the DLC before 1993, are now America's guideposts to the 21st century. Our vision has, in large

measure, become America's vision. And because of that, America is stronger than it has been in a long time: our economy the healthiest in the world, our social fabric mending, our international leadership unchallenged. With 13 million new jobs, low inflation, low unemployment, homeownership at an all-time high, crime down for 5 years in a row, record millions of people moving from welfare to work, we are preparing America for the 21st century.

Once again, we face the future with confidence, confidence that must give us strength for the work ahead. For today I want to talk to you about that, what we still have to do to prepare our people for this new era. Today, it seems to me the central challenge for the DLC, for all Democrats, indeed, for all Americans, is how to seize the benefits of a new economy in a way that benefits all our people, that keeps us all moving forward together.

The cutting-edge industries of the future, computers, biotech, aerospace—in those, America leads the world. We also lead the world again for the first time since the seventies in automobile production and sales. In sectors old and new, information and technology and global commerce are leading the transformation. The new wealth of nations is to be found in skills, knowledge, and imagination. But this must also be backed up by strong trade policies, strong economic policies, a commitment to the environment and to giving all our people the chance to succeed.

Here again, this must not be an either/or choice. We must embrace both the global economy and the idea that there should be a social compact of mutual interdependence and responsibility.

Now, in the industrial age, the progressive movement and the New Deal forged the social compact in which the success of the economy was premised on the security of working people. The 20th century social compact served us very well. It built our middle class. It embodied the American dream. But it is not adequate to deal with the rapid change and energy of the information economy.

Therefore, it is up to us—to all of us—the generation of the computer revolution, to craft a new social compact for a new economy, a new understanding of the responsibilities of Government and business and every one of us, of what we owe to each other. It is up to us to make sure that our people have the strength,

the skills, the security, the flexibility we need to reap the rewards of the 21st century.

Now, when I took office in 1993, the new economy was within reach, but our policies were keeping it from us, building up big deficits, high unemployment, stagnant wages. We took a new and different approach—first, to reduce the deficit, to free our people of the dead weight that had been on us since the 1980's. In 1993, with your strong support, we did just that. Normally, I don't dwell on the past, but I think it's worth pointing out one more time: the deficit reduction plan of 1993 was supported only by Democrats, enacted in the face of the most withering partisan criticism and real political risk that cost some Members their positions in Congress. Well, it's time for the naysayers to admit they were wrong. It worked, and America is better for it.

On the day I took office, the deficit was \$290 billion. I am pleased to tell you that today, the budget deficit this past year was \$22.6 billion. That is a reduction of \$267 billion, more than 90 percent, even before the balanced budget law saves one red cent. The Democratic Party gave that to America, and I am proud of them for doing it.

Our deficit today is the smallest share of our economy since 1970, the first time in 50 years the deficit has gone down 5 years in a row, the first time in decades our economy has grown while the deficit went down, not up. Now the balanced budget law will complete the process, give us the first balanced budget in a generation. And I hope the DLC will always be proud of its role in replacing trickle-down economics with invest-and-grow economics.

The second strategy of—the second element of our strategy has been to expand exports. You all know the arithmetic: We are 4 percent of the world's population, 20 percent of its income; 96 percent of the world's consumers live somewhere else; the developing countries are growing 3 times as fast as the developed countries. We are the world's number one exporter. If we want to keep our income, with our population base, we have to sell even more to the other 96 percent, especially those who are growing the most rapidly.

Export-related jobs pay more. Fully a third of our economic growth in the past 5 years came from trade. This has happened in no small measure because we have negotiated tough trade agreements—over 200 of them—to open

new markets to American products. Our markets in general have been open to the world for decades. The core of our international economic strategy has been to open the world's markets to us. Our workers, when given a fair chance, can outcompete anyone. When I've had the authority to make broad agreements, I have used it in America's interest.

That's why it's critically important that the President be given this fast-track authority again, to negotiate trade agreements and submit them to Congress, the same authority every President of either party has had since Gerald Ford, the ability to create open and fair trade for business and working people and to advance our prosperity.

Let me just give you one example. The information technology agreement we reached with 37 other nations just a year ago will eliminate tariffs and unshackle trade of \$500 billion in computers, semiconductors, and telecommunications. This \$5 billion cut in tariffs on American products can lead to hundreds of thousands of high-wage jobs for our people. And we can do more of this if I have the power to do it.

I want to open trade in areas where American firms are leading: computer software, medical equipment, environmental technology. I want to open foreign markets to our agricultural products that aren't open to them now. I want to open the markets of Chile and other Latin nations to our goods and services, and other nations that are growing 3 times the rate of the American, the European, and the Japanese economies. If we don't seize these opportunities, our competitors will.

Last year, for the first time in recent history, Latin American nations had more trade with Europe than the United States. Now that Canada has negotiated a trade agreement with Chile, every major economy in the hemisphere has duty-free access to Chile's markets but one—ours. Now, that's a bad deal for our businesses and our workers. It's an "America last" strategy. For the life of me, I can't figure out why anybody in the wide world believes it will create jobs for us to stay out of markets that other people are in, when we can win the competitive wars.

The fast-track legislation I support is responsible. It recognizes that America is not alone in needing to see that the new economy is accompanied with a new social contract. It will give us leverage to make progress with our trad-

ing partners on child labor, labor standards generally, the environment. The most detailed and concrete authority for these issues ever to be included in this kind of legislation is in bills reported out by the committees.

Now, there are some who want more, who would prescribe what has to be in a trade agreement even before I negotiate it. They want to delay fast-track authority because they don't think, apparently, I have enough of it. But walking away from this opportunity will not create a single job. It will not save jobs. It will not keep a single child in another country out of a sweatshop. It will not clean up a single toxic site in another nation. Turning away will not expand our economy, enhance our competitiveness, empower our workers. It will simply give away markets and jobs and global leadership that Americans should have.

Now, again I say, like so many other things, this is not an either/or proposition. I want to thank you for fighting for fast track. I want to ask you to keep fighting for it. I still believe we're going to win it. But we have to fight every day till the last vote is taken. But I also want to challenge all of you here to recognize that those of us who support open trade and want to reap its benefits have a responsibility to figure out what no advanced society has yet fully done, which is how can you embrace all the changes of the technological information age, all the changes of the global economy, and still preserve some measure of social contract so that everybody who's responsible has a chance to get a good education, to find a decent job, to build a strong family, to be part of a thriving community.

What is the new social compact? Well, we know at a minimum it's investing in the skills of all our people. We know that the core of any agreement in society in this economy must say that we have to equip everyone to reap the rewards of change. The risk and rewards of this economy don't fall evenly. Those who are better educated, who are flexible, who have skills and confidence to move on from one job to another and seize new opportunities, they are rewarded.

Therefore, we must make education our most important tool in erecting this new social compact. We cannot rest until we know that every one of our 8-year-olds can read, every 12-year-old can log on to the Internet, every 18-year-old can go to college, every adult can learn

for a lifetime. And as I said at the beginning, we have to say in education we must be—to succeed—for standards, reform, and investment.

We've worked hard to open the doors of college to all who want to go—the biggest increased investment in higher education in 50 years. We're moving forward to renew our public schools with school choice and thousands of charter schools which the DLC has been so strongly advocating, to connect every classroom to the Internet by 2000, to raise standards so that every child can master the basics.

And again, I say, if Congress walks away from this standards fight, I can't for the life of me see how we're going to help one single, solitary poor child by saying, "It's okay with us if you stay in a school, and you get out, and we don't know whether you know math or whether you can master the language or not." That is a terrible mistake, and you ought to hang in there with me on the standards fight and make sure we win it.

Today, good news—I expect to sign into law full funding for the America Reads challenge, which will significantly increase support, Senator Wofford, for AmeriCorps, a legacy of the DLC, so that our young citizen service can harness the energy of a whole army of volunteer tutors, now including over 800 colleges and universities in America who are going out into schools to teach young children to read.

We are trying to create opportunity and security for working people in other ways: giving them more pension portability and security, making it easier for people to carry their health insurance around, investing more in the health insurance of children of working families who don't have it now, the big increase in the earned-income tax credit. All these things will help people to build coherent work, family, and community life in the midst of change.

Our new balanced budget provides for more investment in empowerment zones, new community development financial institutions to help those areas that haven't been hurt by trade but haven't been helped by it either—all in the name of trying to make it possible for us to have a coherent life for responsible citizens in America, to empower people so that they can make their way.

Now, I think we have a special obligation to people who have not felt any benefits from this economic program. And I think we have a special obligation for those who are going to

be displaced. I have never denied that with every economic change there would be displacement. But there has always been displacement. When we had electricity, the people who made candles didn't have so many jobs. Does that mean they weren't good people, that their lives had less meaning, that they had no dignity? Of course not. But it also meant we didn't abandon electricity.

So what is the proper answer? The proper answer is to recognize fully and frankly that we have not done as well as we should to deal with people who are displaced by the modern economy. We need to be humble about this. Nobody has solved this problem. You look at every advanced economy, they're trying to struggle with this. Nobody has a magic bullet, but we know we have to do better. And the DLC ought to be on the front line of saying, "You bet we're for fast track, but no, we don't want to leave those people who lose their jobs behind. And yes, we understand there are neighborhoods in this country where there still hasn't been any economic prosperity, and you bet we're concerned about them, too." That ought to be our contribution to this debate—more trade and more opportunity to make it in the new economy for everybody.

We're working with some Members of Congress to develop new initiatives to bring more Americans into the winner's circle, which we will announce next week. We also have to increase our investment in workers who do lose their jobs, whether it's because of a trade agreement, technology, or for any reason. We have to increase our investment in communities that suffer from dislocation.

We have learned a lot from our experience with military base closures. And based on that, we're going to step up our involvement when a factory closes because of trade or technology. And we have to do more to tap the potential of our inner cities and our poor rural communities. They are the great, nearest untapped market for American enterprise, the most important source of new economic growth. And we have to lift people up there so they can become a part of the growing middle class.

All of these things we have to do—balance the budget, expand exports, invest in our people—this will create a vital new economy. It is a strategy that has been developed and hammered into place out of the ideas that the DLC was advocating a long time ago. Now, we can't

turn back, and our party can't turn back. We need an economy for the 21st century, a Democratic Party for the 21st century to lead the way.

Every generation of Americans, at every critical juncture of our history, has fulfilled its responsibility to the progress of our great American experiment. And each step along the way has required us not only to advocate our independence but to acknowledge our interdependence.

The first American social compact was forged by the Pilgrims braving stormy seas to flee religious persecution and begin anew. As he came to join this colony, John Winthrop told his shipmates gathered in the hold of their ship that in America we must be knit together in this work as one man—rejoice together, mourn together, labor and suffer together, always having

before our eyes our community in the work, our community as members of one body.

At the dawn of the new century, we ought to remember Mr. Winthrop as we write a new social compact. We must be the authors of our time. We can master this new economy, but we have to do it as one America.

Thank you. God bless you.

NOTE: The President spoke at 1:40 p.m. in the Regency Ballroom at the Omni Shoreham Hotel. In his remarks, he referred to Al From, president, Democratic Leadership Council; Sanford R. (Sandy) Robertson, event chairman; former Representative Dave McCurdy of Oklahoma; and former Senator Harris Wofford of Pennsylvania, Chief Executive Officer, Corporation for National and Community Service.

Statement on Signing the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998

October 27, 1997

I have signed into law today H.R. 2158, the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998."

This Act will fund vital environmental, veterans, housing, community development, space, and science programs. Specifically, it provides funding for the Departments of Veterans Affairs and Housing and Urban Development, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, and several other agencies.

The Act funds a number of my Administration's high priorities, including the Corporation for National and Community Service and the Community Development Financial Institutions (CDFI) fund. National Service gives young people the opportunity to obtain funded for a college education while serving the country in areas of great need, such as the environment, public safety, and human services. While the Congress did not fully meet my request for America Reads within National Service, there are funds to give additional tutors the opportunity to help

young students in their community. Funding for CDFI will increase the flow of capital to distressed neighborhoods and their currently underserved low-income residents, and provide financing for neighborhood redevelopment and revitalization efforts.

The Act provides \$7.4 billion for the EPA, which will enable the agency to adequately enforce our environmental laws. I am pleased that H.R. 2158 fully funds my request for the Drinking Water State Revolving Fund, adequately funds the Clean Water State Revolving Fund, and provides an advance appropriation for Superfund, the EPA's major program that ensures the continued cleanup of hazardous waste sites. I am, however, concerned about reductions to the 1998 requested levels for Superfund, the U.S. Climate Change Action Plan, the Montreal Protocol efforts to prevent ozone layer depletion, and EPA's right-to-know programs. These reductions impede our ability to clean up 900 Superfund sites by the year 2000, hamper our ability to meet our international commitments on climate change and ozone depletion,