

The White House,
February 25, 1998.

NOTE: This message was released by the Office
of the Press Secretary on February 26.

Remarks to the Technology '98 Conference in San Francisco *February 26, 1998*

Thank you very much. I also want to thank whoever turned the lights on. [*Laughter*] When Sandy and I first came out, you were all in the dark, and the lights were very bright. And I thought there was something rather anomalous about my coming to a high-tech conference and you being in the dark. [*Laughter*]

Actually, I had to fight with the Vice President to see who would get to come here today. Here's a guy who lives and breathes to talk about teraflops and gigabytes. But I pulled rank. [*Laughter*] And so here we are.

Thank you, Sandy, for your leadership and your kind remarks, and thank you for your friendship and your wise counsel. I'm very grateful.

I am delighted to be here. In many ways, I think my trip here today would be sort of like a President going to Pennsylvania in the 1890's to see the people who first struck oil, or transformed iron ore into steel, the people who built our great industrial-revolution America, for you have mined the myriad possibilities of the silicon chip and, likewise, have transformed America.

For those of us, like Congresswoman Pelosi and others who serve in the National Government, it's a very interesting challenge trying to assess where we are, where we're going, make the right decisions, and do it in a way that enables us to make the most of all this change while being true to our most fundamental values.

These are good times for America. Sandy talked about it. We are almost now up to 15 million new jobs in the last year and one month. We have the lowest unemployment in 24 years; the lowest crime rate in 24 years; the lowest welfare rolls in 27 years; the lowest inflation in 30 years; we're about to have our first balanced budget in 30 years; the highest homeownership in the history of America. These are good times.

The economic strategy that we have embraced, to balance the budget but to invest more

in our people and their future and to trade more around the world, is working. But I think everyone who has studied this economy believes that at the dawn of a new century the strength of our economy, the health and prosperity of our people, indeed, the very security of our Nation will depend more than ever on the scientific and technological revolution that so many of you have helped to set in motion.

Today, over 4 million Americans work in technology-related industries, earning 70 percent above average incomes. There are 70 new companies a week that start here in northern California alone in high-tech areas. There are new industries, biotechnology, super computers. But some of the most profound revolutions have occurred in old industries. Indeed, a great deal of information technology research and development is taking place in real estate, in services, in wholesale and retail trade, in construction, in transportation. The Ford Taurus that you drive today has more computer power than the Apollo 11 did that Neil Armstrong took to the Moon. It's an interesting time.

I came today to talk about what we can do to build on this progress by, in particular, promoting and expanding the fastest growing social and economic community in history: the Internet. Ten years ago, it was still the province of scientists, an obscure project developed by the Defense Department. Five years ago, the World Wide Web barely existed; I think there were about 50 sites. Today, there are 1 1/2 million new webpages created every day, 65,000 every hour. This phenomenon has absolutely staggering possibilities to democratize, to empower people all over the world. It could make it possible for every child with access to a computer to stretch a hand across a keyboard, to reach every book ever written, every painting ever painted, every symphony ever composed.

The next big step in our economic transformation, it seems to me, is the full development of this remarkable device and the electronic commerce it makes possible. One of the things that I have focused on very much lately is with the unemployment rate at 4.7 percent and the inflation rate very low and stable, the question arises from all conventional economic analysis, can we continue to grow robustly without new inflation? The answer is, if we're productive enough and we have enough technological advances, we probably can.

The second thing is, can we grow and finally extend the benefits of this explosion of enterprise to the isolated communities and people who have not yet felt this remarkable economic upsurge, the inner-city neighborhoods, the remote rural areas? I am convinced that the answer to both those questions can be yes if, but only if, we maximize wisely the potential of our technological revolution.

A new study, soon to be released by our working group on electronic commerce, documents the remarkable growth of the Internet. Within a single year Amazon.com, an on-line bookstore, increased its sales nearly 10 times selling 6 1/2 million books in 1997. In a year's time, Internet airline ticket sales nearly tripled and is expected to grow sixfold, to \$5 billion a year, by the year 2000. By 2002, electronic commerce between businesses in the United States alone will exceed \$300 billion. And of course, as with everything on the Internet, that is just the beginning.

This explosion of real commerce has the potential to increase our prosperity, to create more jobs, to improve the lives of our people, and to reach into areas that have not yet felt prosperity. But it raises new and serious issues as well: How can we further its growth and foster its magnificent freedom without allowing it to be used as a tax haven that drains funds our States and cities need to educate our children and make our streets safe?

Thirty thousand separate taxing authorities in the United States—I'll say that again, there are 30,000 separate taxing authorities in the United States—all struggling to come to grips with this phenomenon, with only their existing old tax methods to apply to a very new world. There should be no special breaks for the Internet, but we can't allow unfair taxation to weight it down and stunt the development of the most promising new economic opportunity in decades.

I think America should adopt a moratorium on discriminatory taxation so that a bipartisan commission of elected officials, business leaders, consumers, and representatives of the Treasury Department can carefully study the matter and come to a resolution. Therefore, I support the "Internet Tax Freedom Act" now before Congress, because it takes into account the rights of consumers, the needs of businesses, and the overall effect of taxation on the development of Internet commerce. The legislation does not prevent State and local governments from applying existing taxes to electronic commerce, as long as there is no discrimination between an Internet transaction and a traditional one. It does give us time to work through what is a very, very complex issue.

I'm committed to listening to the concerns of the Governors, the mayors, other officials and businesses, and to achieve a consensus that will establish rules that are pro-growth, nondiscriminatory, but will provide appropriate revenues our communities need to meet vital public purposes. I think this legislation will have the support of both parties. And I look forward to working with many of you to pass it and, along the way, to reach a greater consensus in our Nation about how to go forward from here.

To ensure that electronic commerce can flourish across international borders, I've also asked the Secretary of the Treasury to work with our international trading partners to block new or discriminatory taxes on global electronic commerce. Already, we've fought off a bit tax, a tax on every unit of data consumers download from the Internet. And we're working with the Organization of Economic Cooperation and Development to prevent such discrimination and streamline tax administration in cyberspace.

There are other ways our Nation must work to harness the potential of the Internet. We want to work with you to meet our goal of connecting every classroom and library in America to the Internet by the year 2000. Just this morning in Washington, Vice President Gore announced that we have now connected nearly 80 percent of our schools to the Internet; more than twice as many as were connected in 1994 when we had the first NetDay here in California under the leadership of many of you in this room. He also announced new private and non-profit efforts to connect underserved communities to 21st century technology, bringing us closer to ensuring that a child from the poorest

inner city, the most isolated rural area, or the most affluent suburbs all will have the same access to the same universe of knowledge in the same real time.

We want to work with you to make certain that cyberspace is a healthy place for our children in a way that does not overregulate the Internet or stifle the growth of electronic commerce. We will work with you to make sure that consumer protections and laws that promote competition remain strong in the new economy at the dawn of the new century, just as we built competition into the old economy at the turn of the last century.

We will work with you to make sure that the Internet never becomes a vehicle for tax evasion or money laundering. We will work with you to build a new Internet that operates up to a thousand times faster than it does today. My balanced budget includes \$110 million to develop the next generation Internet in partnership with leading U.S. high-tech companies and universities. Today I'm pleased to announce new National Science Foundation grants that will connect 29 more universities to help create the next generation Internet, bringing the total now to 92. And we will work with you in every way we can to lift our eyes to the remarkable potential of the Internet for learning, for the arts, as a means to spread our shared values.

The First Lady and I launched the White House Millennium Program to help our Nation honor our past and imagine our future as we come to this new millennium. In the State of the Union Address, I announced a public-private partnership to preserve our historic treasures for future generations and to help make them more accessible to more Americans, including the Declaration of Independence, the Bill of Rights, the Constitution, the Star-Spangled Banner. Putting our treasures on-line will help us to do just that. Our balanced budget will make 3 million objects from the Smithsonian Institution, the National Archives, and other collections available on the Internet by the year 2000. And together with the private sector, we'll help museums and libraries and communities all around our country to do the same thing.

Two weeks ago, thanks to Sun Microsystems, we launched the first-ever cybercast from the White House, when historian Bernard Bailyn from Harvard gave the first in a series of our Millennium Lectures. We started this special program to bring some of our greatest thinkers,

writers, historians, and scientists to the White House to talk about our Nation's history and our future at this pivotal time. Next week, the world-renowned physicist Stephen Hawking will be with us to talk about human knowledge in the 21st century and the innovations it will create. I hope you will join us on-line at www.whitehouse.gov. [Laughter] We'll be there. And this time, we will have the capacity not to shut down like we did last time.

This is a truly exciting time to be an American. The qualities of the digital revolution, its dynamism, its curiosity, its flexibility, and its drive, they're at the core of our character and the legacy of our original revolution. By once again adding the fuel of interest to the fire of genius, as Abraham Lincoln once said, our country is leading the world to new heights of economic and human development.

I ask you to think about these things together. The economic development is largely the means by which we seek to expand the quality of human life, not only for the people who directly participate in it but for those who benefit indirectly.

As I think more and more about a new century and a new millennium, I also think more and more about how we began. All of you are here today committed to an incredible entrepreneurial way of life and work as the descendants of a group of people who came here believing that free people would nearly always get it right. They came fleeing societies where people like you, with good ideas in the 18th century, were subject to absolute, arbitrary, abusive government power. And they forged a Declaration of Independence, a Constitution, and a Bill of Rights based on the simple idea that freedom worked better and that people ought to be free to pursue happiness within the context of a more perfect Union.

If you look at the whole history of this country, that's what it has been about. You think about every single period of change and crisis, whether it was the Civil War, the industrial revolution, the civil rights era, or the present information age, and the advances have come when we have deepened the meaning of freedom and expanded it to more people, widened the circle of opportunity and prosperity, and found a way across all of our myriad diversities to be a stronger, more united nation.

That is really what you are a part of, to a degree that would have been unimaginable to

the people who founded this Nation. But I believe it would make them very, very proud.

Thank you for what you do and for what, together, we will do to make our country stronger in this new era. Thank you very much.

NOTE: The President spoke at 11:30 a.m. in the ballroom at the Ritz Carlton Hotel. In his remarks, he referred to Sandy Robertson, chairman, Robertson Stevens.

Remarks in a Roundtable Discussion on Disaster Assistance in Oakland, California

February 26, 1998

The President. First, let me thank all of you for meeting with me today. I'm very interested in this project. One of the things that I promised myself when I ran for President was that if I got elected, I would give this country a first-rate disaster response operation through FEMA. When I was the Governor of my home State, Mayor Harris' other home State—[laughter]—and Mr. Witt was my State emergency services director, we had the highest frequency of tornadoes in the country. And we had some very serious flooding and a lot of other natural disaster problems. And it seemed to me that the United States Government owed it to the American people, basically in a completely non-political way, to have the highest level of confidence, as well as common sense and humanity, in response to emergencies. And we have worked very hard to give that to the American people, and unfortunately, we've had more opportunities to practice in California than any other place in the country because of all the difficulties that the people here have faced. But it's terribly important.

Yesterday I was in Florida dealing with the worst tornado there in 50 years and had, as you know, almost 40 people killed there. And we are very well aware of all the difficulties of El Nino here. But I just wanted to begin by saying I think this is an important part of our national obligation to one another, to deal with these things in the proper way.

Now, I want to talk a little bit about the project here, but first let me say that the people of California and now the people of Florida are giving the people of the United States some very painful examples of the excesses of this El Nino, which is apparently the strongest one in this century. We are doing what we can to help. Mr. Witt and I have been talking about

this now ever since we were in Florida yesterday and flying up here.

Based on his recommendations, we're adding four more California counties to the disaster list: Los Angeles, Orange, Stanislaus, and Trinity. We're announcing that all 35 counties are available for public assistance, and they will be eligible also, the ones on the disaster list, for individual assistance and for help with debris removal and other emergency proceedings.

The Federal Highway Administrator is here. We are releasing another \$20 million, in addition to the \$20 million announced last week by the Vice President, to help rebuild the road system. FEMA has already sent about \$5 million for disaster housing assistance. And SBA, HUD, and Labor are also providing support. But we are going to provide another million and a half dollars for emergency watershed funding from DOA to repair flood damage in Santa Cruz and San Mateo counties. So we're going to do the very best we can to help deal with these problems now.

The thing that I think is important as I have seen Californians deal with flooding, earthquakes, fires, hurricanes, you name it—I told somebody after the Northridge earthquake that California had been through so much I kept waiting for the pestilence to appear. [Laughter] But one of the things that I've been most impressed by is how quickly some visionaries in California have moved from dealing with the disasters to trying to prevent them and trying to accept the fact that there is a high probability of natural hazards in this area but that with enough work they might be prevented, or at least some significant number of them might be prevented from becoming devastating disasters.