

health and safety. It is vital that this authority be preserved.

I urge the Congress to join with me in opposing this legislation and ensuring that we fulfill

our responsibility to protect this and future generations.

Remarks at a Democratic National Committee Reception in Palo Alto, California

October 1, 1999

Thank you. You know, Tom cracked that joke about the White House. *[Laughter]* I'm a Southerner. What I thought sitting here watching him is we have reversed all the roles in "Gone With the Wind." *[Laughter]* We're about to remake the whole movie, and it's going to be better this time. *[Laughter]*

Let me say, first of all, I am delighted to be here. I thank Tom and Jeanne for opening their beautiful home and bringing their beautiful family together, and their larger family, for this event. I thank my dear friend Senator Boxer for being here and for her leadership. I want to thank Governor and Mrs. Romer for being here; and Beth and Ron Dozoretz, and Joe Andrew, for all their work; and Art Torres, the chairman of the California Democratic Party; and I thank Steve Westly and Chris Larsen and everybody else who had anything to do with this event.

There are people here tonight who started with me in 1991 and 1992, and there are people here tonight I've never met before. And that's sort of a metaphor for what's happening to the economy and the society of Silicon Valley and the whole, what I hope is happening to our Democratic Party.

I want to take a few minutes to sort of put all these specific issues that are flying back and forth across the airwaves and over the Internet into some larger context, if I might. Our economy has been strong for so long now a lot of people have forgotten what it was like in 1992, when we had high unemployment, high interest rates; we quadrupled the debt in 12 years of this country. We had had stagnant wages, and the society was beginning to fray rather badly. We had escalating crime rates, escalating welfare rolls, increasing racial tensions. We had a lot of problems.

And we had people who believed that they could get elected by driving deeper wedges into our American society instead of by bringing us together. And when I first came out here—and Larry was one of the first people I met with when I came out—when I first came out here, I knew that a big part of making America work and preparing America for the 21st century would be to model and learn from what was happening here.

You know, this whole technology-based economy here is about 8 or 9 percent of the American economy now directly, but it has accounted for 30 percent of our growth since I've been President. That's a stunning statistic that all of you should know, if you don't. And if you think about how it works, it's the way America ought to work. You know, ideas matter. If you've got good ideas, there are supplies of capital. Teamwork is terribly important. And where you come from and what you did before and who your father was and what your race is or what your gender is or what your sexual orientation is, they don't matter; ideas matter. Can you do something that makes the world a better place, that provides something that other people want that they can hook into? That's very important.

I think—let me just give you one example that I had no earthly idea about until Steve told me tonight. It's a big joke in the White House that when I picked Al Gore to be my Vice President, I was trying to balance the ticket because he was technologically adept and I was technologically challenged. *[Laughter]*

I'll never forget the first time I heard about eBay. I thought it was such a neat deal. I thought, now, that's something I'd like to do; that's my kind of deal. I like to buy and sell and swap and give things and do things. I'd love that. Steve told me tonight there are now 20,000 Americans who do not work for eBay

who make a living doing transactions through eBay, 20,000 Americans, including all kinds of people who can now work at home, people who used to be on welfare, people—and he said that one of the people said this is capitalism for the rest of us.

So with that background, let me say, when I started in 1992, it seemed to me that the problem with national politics was that it was frozen in time, but everything else was terrifically dynamic; that it was designed to take a bunch of people and politics in Washington, which is a long way from Palo Alto and a long way from everywhere else, a long way from Beltsville, Maryland, on some days—[laughter]—where there were lots of layers between the people there and real voters, and to structure voters' choices in such a way that they hoped would help the politicians, but had almost nothing to do with solving the problems of America. So you had to be a liberal or a conservative, or you had to be left or right, or you had to be for this position or that one or you weren't politically correct.

We basically had a whole string of paralysis, and we found ourselves after 12 years of so-called supply-side economics having quadrupled the debt. We were economically paralyzed, and nobody wanted to raise taxes, and nobody wanted to cut spending. And as a consequence, we were slowly sort of squeezing the lifeblood out of our public life. No one could set priorities; nobody could make decisions; nobody would take chances. And it seemed to me that if you look at the things that worked in America, where we were leading the world in private sector endeavors, or if you looked at classrooms that worked that I had visited in the poorest places in America with high crime rates, and they still—there were classrooms in the early nineties that still had no dropouts, no violence, 100 percent of the kids going on to college, everybody performing well. They were different from most places like it, but they were working. They all rejected all those false choices.

It seemed to me that's what America had to do. We had to say, "Look, we believe that we can reduce the deficit and balance the budget and still continue to invest in education and technology and the environment. We believe that we can help business and lift up working people at the same time. It's not an either/or thing. We believe we can grow the economy while we improve the environment. We don't

think it's an either/or thing. We believe we can punish criminals who ought to be punished and prevent more crime and reduce the crime rate. We believe we can require able-bodied people on welfare to work, but do it in a way that helps them to become better parents, not worse parents, through medical care and nutrition and child care." And on and on and on.

You can take any issue, but basically, what I wanted to do was to make America work the way the best of America was already working. And I wanted to hook America up to the future that so many of you are doing so much to make. And I wanted to clean out a lot of the sort of dead wood, accumulated dead wood of ideas and procedures and practices that were weighing Washington down.

I remember—I think Bill Gates said once what I thought was kind of funny. He said, "You know, our world works three times faster than normal business, and Washington works three times slower." [Laughter] "That puts them behind by a factor of nine." There's a lot of truth in that. And so we set about to try to change the whole way Government works.

And after 6½ years, you know the economic statistics. We have the lowest unemployment rate in 29 years; the lowest welfare rates in 32 years; the lowest crime rates in 26 years; the lowest poverty rates, we learned yesterday, in 20 years; the lowest African-American poverty ever recorded. The first time we've had 2 years of budget surpluses in 42 years. We also have—but some other things you ought to know. With the HOPE scholarships and the other additions to student aid and the changes in the student loan program, virtually anybody in America who is willing to work for it can get a college education. We have, thanks to Senator Barbara Boxer, begun to offer large numbers of young people the opportunity to go to after-school programs to stay off the streets and out of trouble and learn more. And that's very important.

And during this time, we've raised the standards for clean air, for clean water, for safe food. We've cleaned up more toxic waste dumps, and the economy has gotten better, not worse, under what the sort of politically predictable right says is an unconscionable burden on the business community of cleaning up the environment.

We have, as all of you know, a more activist Government, but the size of the Federal establishment, thanks largely to technological innovations spearheaded by the Vice President, is the

smallest it has been since John Kennedy was President in 1962. The Federal Government is the smallest it's been since 1962.

So what I would like to say is, I feel that in the last 6½ years, we have at least prepared America for the 21st century. We've gotten things going again in the right direction. But the atmosphere in Washington is still entirely too partisan and entirely too ideological, driven largely by the majority party in Congress. Now, I would never say that any of us are totally blameless, but that's where most of the pressure is. And so we have a lot of things that don't make any sense to me going on there now.

And let me say, what I think we should be doing is to build on what is happening now and ask ourselves, "Okay, what are the biggest challenges out there, and how can we set in motion a framework that will allow the American people to meet those big challenges?" And I'll just give you four or five real quick that I think are important and compare that with what's going on, and that will illustrate why it's important that you're here tonight.

Number one, the number of people over 65 in this country is going to double in 30 years, as we baby boomers retire. I turn 65, if the Lord lets me live that long, in the year 2011, and I am the oldest of the baby boomers. So the baby boomers will all turn 65 between 2011 and 2029. Now, when they do, at present participation rates in the work force, there will be two people working for every one person drawing Social Security. For most of us, it's no sweat because we'll have other ways of supporting our retirement. But Social Security still is responsible for lifting about half of our seniors out of poverty, even if they have other sources of income as well. So we have to make sure that when we retire, the cost of the baby boomers' retirement, since we're such a big generation, does not burden our children. This is not about older people; it's about our children and our grandchildren. I'm telling you, everybody I know my age is worried about this.

So I asked the Congress to save the Social Security taxes but, as we pay down the debt, to give the interest savings that we get from saving the Social Security taxes, instead of spending them, to give the interest savings to the Social Security Trust Fund so we can run it out to 2050 and get it beyond the life expectancy of most of the baby boom generation, when things will right themselves again. This is a big

deal. And if we can't do it now, when we're in such good shape financially, we'll never get a way around to doing it.

The second thing we've got to deal with is Medicare. We're all going to be living longer. Any person that lives to be 65 today has a life expectancy of 82. The younger people in this audience, it is literally conceivable that those of you who are 35 or younger will have children who will have a life expectancy of nearly 100. That is literally true. By the time we get all the mysteries of the human genome decoded and we know how to raise children from infancy with adjusted diets for them and their genetic structure and all those things, and we have all the medical care and all the pharmaceuticals and all the research we're making into cancer, these kinds of things will happen.

Now, in the meanwhile, we don't want Medicare to go broke. And interestingly enough, because Medicare was developed 30 years ago, when the world was a very different place, there is no prescription drug coverage for Medicare patients. Now, out here where biotech is a big deal, that must strike you as fundamentally absurd. You would never orchestrate, set up a program like that today without that. But three out of four seniors in this country don't have access to affordable prescription drugs. And the consequences are pretty catastrophic for some of them and enormously difficult in terms of burdens on the health care system. So I proposed a plan to fix that.

The third thing we have to recognize is, we have the most diverse student body in the history of our schools in terms of race and religion and culture, and it is a godsend in a global economy if, but only if, they can all get a world-class education. And so we have to do that. But we know how to do that. I am telling you, I have been to schools in this country that have solved every problem you can mention in American education. But we have not systematized it. And the trick is how to have a system that has the right rewards and sanctions—just like the marketplace does—with enough creativity, just like your companies do, to let people solve these problems at the grassroots level. That's what we're trying to do.

And let me just say two other things. The next big problem that particularly those of you who are younger will face—and I predict to you that for the next 30 years, we will be obsessed with trying to find a way to deal with

the challenge of climate change and to deal with—to get the world to give up another bad idea. We gave up supply-side economics now; nobody thinks that was a good idea anymore. We're all back to basic arithmetic. It's wonderful. It didn't have anything to do with the digital economy. We went back to arithmetic. [*Laughter*]

But there is still all over, in America, in the Congress, in the business community, and all over the world in emerging societies, in China, India, other places, there are people that honestly believe you cannot have a modern economy without industrial age energy use patterns which are a prescription for environmental disaster in this country and around the world. And we have to abandon it. And a lot of the solutions will be found by people out here.

But we have offered a market-oriented response to the challenge of climate change that I think is very important, and there are two more issues that I think are big deals because—and keep in mind, every one of these issues that I'm mentioning, there is a profound difference between where we stand and where the other party stands—two more issues. We've got to find a way to bring the benefits of free enterprise to people and places that haven't been touched by this recovery, and then we have to find a way to show people in other countries how to do the same thing. We know a little about this, but not a lot.

But if 20,000 people can make a living trading on eBay, then we ought to be able to find a way to cure the 73-percent unemployment rate on the Pine Ridge Indian Reservation in South Dakota, even though they're physically separate from other people. We ought to be able to find a way to get all those poor communities in the Mississippi Delta that never recovered from the collapse of the agricultural culture that followed the impact of the Great Depression, to find economic opportunities that will reach those people. We ought to be able to find a way to get into Appalachia. We ought to be able to find a way to get into the inner cities, not just for this or that or the other individual but a critical mass of people that can create a real economy, a real market economy in these places.

And finally, on the economic issues, I think we need a long-term commitment to setting an environment that will free you to do what you want to do. That's why I have said any tax

cut we have should not interfere with our effort to pay off the publicly held debt of this country over the next 15 years to get us out of debt for the first time since 1835 when Andrew Jackson was President.

Now, why would the allegedly more liberal party—and I say—or the actually more liberal party—be for paying the country out of debt? It's the progressive thing to do. Why? Because in a global economy where interest rates are set by global markets as well as by central banks, our ability to grow depends upon your ability to get money. And our ability to give people a good life depends upon their ability to finance their homes, their cars, their businesses, their college loans for their kids.

And if we can get America out of debt, then, number one, we won't be crowding our own people, and interest rates will be lower here, which will mean higher growth and lower living costs for people; and, number two, when our friends get in trouble, as the Asian societies did a couple of years ago and we need to help them get back on their feet, they'll be able to get money at lower costs.

This is a huge, big idea. For 30 years, everybody in my generation was taught in college that a country had to have a good deal of debt; it was a healthy thing. There's not a soul here over 35 years old that took any number of economic classes that wasn't told that in economics. And it was right, under the model that existed at the time. But in a global economy with global capital markets, if we can get this country out of debt, we ought to do it so you can continue to borrow to grow the economy and create opportunity for a generation. It will change the whole future of America for 30 years.

The last thing I want to say is this. We must believe that all of America can be like this crowd of people standing in this yard tonight. That's why I'm for the employment non-discrimination act. That's why I'm for the hate crimes legislation. That's why I started that—I've got a Presidential office on race now.

I've spent so much of my time trying to make peace in the Middle East, trying to make peace in Northern Ireland, trying to stop the Bosnian Muslims and the Kosovar Albanians from being slaughtered, trying to give the Africans the capacity to avoid the future Rwandas. And all over the world, I see people in this so-called modern world where we're celebrating all of your modern ideas and your modern achievements—what

is the biggest problem in the world in America? We are dragged down by the most primitive of hatreds. It's bizarre. It's bizarre.

We celebrate all these companies that are here, and we read about Matthew Shepard being strung up in Wyoming and James Byrd being dragged to death in Texas, and a crazy guy that belongs to a church—alleged church that believes not in God but in white supremacy—goes out and starts killing people of color in the Middle West, and another crazy guy goes and shoots a bunch of kids at a Jewish school and then guns down a Filipino postman in California. You think about it. It is unbelievable that at the dawn of a new millennium, where technology is changing the way we work and live and relate to each other and the rest of the world more than at any time in history by far, opening vistas of human possibilities no one could have dreamed of a few years ago, we are being paralyzed by primitive hatreds.

And, therefore, I say to you the most important thing of all—more important than the economic policy, more important than anything else—is that our Nation stand for the proposition that we believe in the innate dignity and equality of every human being, and anybody who is law abiding and hard working has a place at the American family table. That is the most important thing of all.

So what are we fighting about in Washington? The Congress—first, they wanted to have a tax cut that would give away the entire non-Social Security surplus, which they said they could do without cutting anything. I vetoed that because it wasn't true and it wasn't responsible. Now, their own Congressional Budget Office says they've already spent \$18 billion of the Social Security surplus this year, which proves that the tax cut couldn't be financed. And all they're doing, instead of coming and trying to work it out with me, is running television ads trying to say we're doing it even though we don't have a majority vote in Congress.

Meanwhile, today Barbara Boxer spent all of her time fighting to keep our commitment to give the funds to the States and the school districts for 100,000 teachers so we can get class size down in the early grades, with the biggest student population we ever had in 1998. When the Congress passed it right before the election, all the Republicans went out and said, "This

is our kind of program: no bureaucracy, no problems, great things, smaller classes." Now they're trying to kill it because they don't want the Democratic administration to have any achievement that is demonstrable and tangible that changes the lives of people. It is the smallest kind of politics. And who cares what happens to the kids?

So if you believe we have changed America for the better, then you should know—a lot of you have been my friends; you were there for me in the beginning, and I'm not on the ballot in the year 2000—but I want you to understand something. All I feel about this is gratitude. I am grateful that I had a chance to serve. I am grateful that I had a chance to play some role in this. But the reason we're around here after over 220 years is that principles and ideas are more important than individuals.

And that's why this Presidential race, that's why every Senate race, that's why every House race is so important. That's why your presence here is so important. So I implore you—I thank you for being here. I thank you for your contributions. It's a long way between now and the year 2000, but I'm telling you, every time you nodded your head tonight on every single issue I mentioned, there is a difference between where we stand and where they stand. So you stand with us and stand with us all the way until November 2000, and then we can make all of America more full of the things that you celebrate here in your own backyard.

Thank you, and God bless you. Thank you.

NOTE: The President spoke at 7:20 p.m. at a private residence. In his remarks, he referred to reception hosts Tom Adams and Jeanne Lavan; reception cochaIRS Steve Westly, chief executive officer, eBay, and Chris Larsen, founder and chief executive officer, E-Loan; former Gov. Roy Romer of Colorado, former general chair, Beth Dozoretz, national finance chair, and Joseph J. Andrew, national chair, Democratic National Committee; Governor Romer's wife, Bea, and Ms. Dozoretz's husband, Ronald; Larry Stone, assessor, Santa Clara County, CA; and Bill Gates, chairman and chief executive officer, Microsoft Corp.