

a hard sell no matter who's there, and it won't change substantially if China's there. That's just not a vital argument, given where all the other countries are. That is not accurate.

A lot of you don't even agree with me on that, but I can just tell you, whether you agree or not, the membership of China in or outside the WTO, given the perceived interest of the other developing countries that are going to be in the WTO on these issues, will not materially change what the WTO does on that over the next decade. I feel very strongly about that.

So we've got a simple choice to make. And the first thing we have to do is to make it clear that there will be a vote on this and that we want the vote as quickly as possible. And no one should take a pass.

I know that—I met with a lot of Republican members who were very concerned about the religious liberty issue. I can just say—a lot of you may know this—but the religious groups with whom I have met, who have been involved in China for years, who have been doing their missionary work there for years, are overwhelmingly in favor of this. The forces that genuinely and sincerely advocate religious freedom and then oppose this agreement are overwhelmingly people who have not been involved in China, with the Chinese, seeing how the society works.

So I really believe this is a choice for America between fear and hope. They made a decision, and anybody who understands anything about Chinese history knows that these people are very deliberate, highly intelligent, and aware of the consequences of the decision they have made. And they have decided to bear the risks of be-

coming part of a more open society. They know it will require them to change in ways that they have not yet come to terms with.

We have the strongest economy we have ever had. We are the world's only superpower, and whenever we walk away from an opportunity to lead the world toward greater integration and cooperation, as I believe we did with the Comprehensive Test Ban Treaty, we bear a particular responsibility for future adverse consequences.

So I ask you to help me with Members of the Congress, without regard to party, based on the national interest, the clear economics, and going beyond the economics. This is a profoundly significant decision for the United States. It will affect our grandchildren's lives, and we dare not make the wrong decision.

Together, we can make sure it comes out all right. You can help us pass this, but it can't be a casual effort. It's not going to be a casual effort with me, and it can't be with you. And even if your companies don't have any direct stake in this, as an American you have a huge stake in it. As a citizen of the world—and most of your companies are citizens of the world—you have a huge stake in it. I'll do whatever I can. I implore you to do the same. And we'll have a good time at the signing ceremony.

Thank you very much.

NOTE: The President spoke at 11:45 a.m. at the Park Hyatt. In his remarks, he referred to Ralph S. Larsen, chair, Business Council. The President also referred to FSC, the foreign sales corporation provision of U.S. tax law.

Remarks to the Granoff Forum at the University of Pennsylvania in Philadelphia, Pennsylvania *February 24, 2000*

Thank you so much. Dr. Rodin, thank you for bringing me here to Penn and to this magnificent hall. Mr. Mayor, thank you for all the kind things you said. I enjoyed working with you and with Mayor Rendell for Philadelphia. I don't think any American can understand our history, our present, or our future without knowing something about Philadelphia.

And I want to thank the Members of Congress who have joined us today: Representative Chaka Fattah, Representative Joe Hoeffel, Representative Brady, thank you all for being here. I want to thank my Economic Adviser, Gene Sperling, and Karen Tramontano for coming from the White House, because they had a lot to do with whatever success we have enjoyed. And I want to thank Michael Granoff for giving

me a chance to attend one more inaugural than I'm entitled to under the Constitution. *[Laughter]*

They actually promised me a banquet with a Philadelphia cheesecake. I don't know—cheesesteak, I mean. I don't know if I got it yet. *[Laughter]* If you knew how many cheesesteaks I have consumed since I became a candidate here—*[laughter]*—I think I could get a special line of credit for the revival of the city's economy just as a consumer.

It's hard for me to believe that it was almost 8 years ago when I came here then as a candidate for President. It was a very memorable day for me. I had just come off an entire week without saying a word publicly, because I had lost my voice and my doctor ordered me to stop speaking. Now, that's torture for any politician, doubly worse if you're in a campaign you could still lose and awful if you think you might have something to say.

In those 8 years, a lot of wonderful things have happened to me. I look out in this audience, and I see so many people, young, old, and in-between, that I have gotten to know in the years since then. Judith talked about how different it is now from the time when I was elected Governor when I was 32, in 1978. It's also quite a bit different than it was in 1992.

When I took the oath of office as President, there were 50 sites on the World Wide Web. There are millions and millions now. At that time, we had high unemployment, deepening social problems, political gridlock, diminished hope. The Philadelphia Inquirer had just run a series which became a best-selling book entitled "America: What Went Wrong?" It was, unbelievably, a question that was on virtually everyone's lips just 8 years ago.

I had some pretty basic ideas that all boiled down to my conviction that there was nothing wrong with America that couldn't be fixed by what's right with this country and that the job of Government was to create the conditions and give people the tools to make the most of their own God-given abilities, their ideas, and their efforts.

When I came to Penn, I came here to outline a plan that I believed would unleash the pent-up potential of the private sector to build a new economy for all Americans, one that would literally breathe new life into the American dream. One of the things that I focused on

then was the importance of advancements and investments in science and technology.

Here at Penn before—even then, it was before the first graphical web browser had been created—I said we ought to have a national strategy to create a national information network to build on the promise of the Internet, to link every home, every lab, every classroom, every business in America. Well, today, thanks to the hard work of the American people and the vision of American entrepreneurs, we are seizing the potential of the Internet and other technologies. We have ushered in an economic transformation as profound as that of the industrial revolution, creating a high-performance economy powered by technology, driven by ideas, rewarding the values that are literally at the core of the American character: innovation, flexibility, and enterprise.

And 7 years and some-odd months later—one month, I guess—we have almost 21 million new jobs; the lowest unemployment rate in 30 years; the lowest African-American and Hispanic unemployment rates ever recorded; the lowest poverty rate in 20 years; the lowest welfare rolls in 30 years; the highest homeownership on record; the longest economic expansion in our history.

Today I want to use this inaugural lecture to talk fairly briefly about how we got here and where we go from here, to focus on how powerful new technologies are energizing every sector of our economy and how to keep this expansion going and to bring its benefits to people and places still far, far from the American mainstream.

For me, today's forum is a prelude to a major economic conference I intend to convene at the White House on April 5th, to deal with the big cutting-edge economic issues still before us, with some of the Nation's top economists, CEO's, and other experts. I want to ask them to identify ways we can build on America's strengths and deal with our continuing weaknesses, to take what President Theodore Roosevelt called the "long look ahead" for America over the next several decades.

But first, how did we get here? There are several reasons for this long economic expansion. I want to focus in detail on two, and then I will mention the others as well. First, fiscal policy was important. In an era where worldwide capital markets dominate the ability to get money and the price people pay for money,

nations can no longer purchase prosperity on the cheap by running continual big deficits and piling up debts.

By 1993, we had quadrupled the debt of America in the previous 12 years. It had given us enormous interest rates, a stagnant economy, a deep recession, and then a jobless recovery. One economics expert characterized it as a triple dip economy.

I think it's important to understand why that happened. In 1981, we had a difficult economy, and there was an argument for some economic stimulation, which traditionally, going all the way back certainly to President Roosevelt and the time of the Depression, had entailed either tax cuts or public spending or a combination of both. But everyone understood that in order for that to work when the economy started going again, you had to cut the deficit. And we just never did it, I think partly because we had this dominant idea that somehow Government was the enemy in America, that it would always mess up a two-car parade, that there was no such thing as taxes that were too low, and that the deficit really didn't matter. But plainly, it did.

I never will forget the first day, before I was even sworn in, that my then-designee for Secretary of the Treasury, Senator Lloyd Bentsen, the chairman of the Finance Committee, announced our economic plan. Just by announcing it, the bond market shot up, interest rates shot down, and the economy began to take off.

Then, as had already been said, we basically took two big bites out of this apple. We passed a plan designed to cut the deficit by \$500 billion. It actually did almost double that. It passed by one vote in the House, one vote in the Senate. The Vice President cast the tie-breaking vote in the Senate. As he says, whenever he votes, we win. *[Laughter]* And I signed it in August of '93.

It was a painful vote. A lot of Members of Congress were defeated for casting the vote, including Marjorie Margolies-Mezvinsky, who's here today. She gave up her seat in Congress to turn the American economy around. And the people who did it deserve the thanks of the American people, because it made all the difference in the world. And anybody who says that it didn't make any difference doesn't remember what interest rates were or what the level of investment was before it occurred.

Then in 1997, we took another bite at the apple, and we passed the Balanced Budget Act.

This time, it passed with a majority of both parties in both Houses, big majorities. And we had a national consensus for fiscal responsibility for the first time in 16 years.

Now we've enjoyed the first back-to-back budget surplus in 42 years. We will pay about \$300 billion off our national debt by the end of this year. We've actually been buying in some of the debt early, for the first time, as far as I know, in the history of the Republic.

Now, why is this a good thing? Because the deficit reduction set in motion a virtuous cycle, reducing interest rates, freeing up an enormous pool of capital for private sector investment. It enabled people to borrow money to invest in new businesses, in new technologies. It enabled consumers to borrow money at lower cost for homes, for car loans, for college loans. A study I received a few months ago estimated that the average American family had saved, now, as a result of lower interest rates, about \$2,000 a year on home mortgages and \$200 a year on car payments and college loan payments, because of the lower interest rates that were the direct result of getting rid of the deficit.

Therefore, I would argue that whether you are a Republican or a Democrat, whether you consider yourself a liberal or a conservative, you should be for this. If you are a conservative, the case is self-evident. If you're a liberal, you ought to be for it because it helps poor people as well as wealthy people, and it gives the Government money to invest in education and health care and social projects without harming the economy. America needs a national consensus for a solid economic policy that responds to the realities of the global economy, and I believe we have it now.

Now, I think it's also fair to say that almost nobody thought it would work as well as it did. And that's the second question. Okay, everybody—I thought it would work, but I remember when I was sitting around the table in Little Rock in December of '92 with the Democratic economists, not the Republicans, and I said, "Okay, how low can we get unemployment without inflation?" And the consensus was, somewhere between, oh, 5½ and 6 percent. You get below that, and you're going to have inflation, and the Fed will have to raise interest rates, and then it will slow the thing down.

My instinct was we could do better than that. But I can tell you, nobody thought we could have 4 percent unemployment on a sustained

basis without inflation. How did that happen? Because of a dramatic increase in productivity by American businesses and American workers. Productivity over the last 4 years has grown at the rate of 2.8 percent a year, about twice the rate we saw in the entire decades of the seventies and the eighties.

Why did that happen? That's the second thing I want to look at. Overwhelmingly, it was the role of technology investments, especially in information technology, that boosted this productivity. Today, information technology industries and firms alone constitute less than 10 percent of our employment, but have contributed about a third of our economic growth over the last several years, generating jobs, parenthetically, that pay about 80 percent more than average wages in America.

And just as Henry Ford's mass-produced motorcars and the assembly line itself had broad spillover effects on the productivity of the American economy, these new information technologies are doing the same thing, rifling through every sector of the economy and increasing the power of American workers and American firms to produce wealth and to broadly share it.

This is a little appreciated fact, I think, except in general, and almost nobody has been able to properly measure it, which is why everybody underestimated both the length and the depth of this economic recovery. There are very few models which can capture it.

But if you just look at the—take a traditional example that magnifies or illustrates the spillover effect. One of the biggest problems that businesses have is managing inventories. Let's say, if a manufacturer predicts that 1,000 units of his products will be needed in the month of July this year, and then July rolls around and demand turns out to be 10 percent less than the manufacturer thought it was going to be, 10 years ago when that happened, the manufacturer might not have recognized the drop in demand until it was too late and even larger inventories in parts and finished products had piled up in warehouses. And then because the inventories were so large, the manufacturer might have to cut back on orders, let's say, as much as 20 percent, which would often lead to significant job layoffs and an increase in unemployment.

Today, information technologies allow industries to recognize instantaneously changes in de-

mand and to manage their inventories much more quickly. A lot of the biggest retailers in America today literally have daily reports on every single product they have in every single store and manage all their inventories accordingly. That means that they can plan in a stable way to maintain the work force. And they also don't get behind when they have the opportunity to sell more of something.

None of this would be possible if it weren't for information technology, even though its impact may be felt in the most traditional of business activities in America. It's the sort of thing that you see in every aspect of the American economy.

Information technology is also having a profound impact on the speed with which new products are being brought to market. Detroit's automakers, for example, have used supercomputers and advanced networks to reduce the time it takes to develop new cars from 60 months to 30 months or less.

I grew up in the automobile business, and one of the biggest kicks I've gotten as President is going to the Detroit auto show. I only regret I didn't get to go every year. But it is fascinating to watch the progression of these new models and to see how much more quickly they're coming on-line and to also see the intersection of the information technology revolution with the revolution in material science, something that a lot of people on the Penn faculty have also been involved with over the last 10 or 15 years.

Pharmaceutical companies are using supercomputers to simulate literally millions and millions of possible candidates for new drugs, cutting down development time for new anticancer drugs, for example, by several years.

And of course, information technology is creating an infinite number of possibilities for electronic commerce for traditional businesses. Just for example, this past holiday season I bought a couple of Christmas gifts on-line from members of the Lakota tribe at the Pine Ridge Reservation in South Dakota, a place that still has an unemployment rate of 70 percent, in a country with an unemployment rate of 4 percent. One of the reasons that their unemployment rate's so high is that they don't want to leave the lands of their ancestors, which are so physically distant from markets and consumers. But information technology can change all that, and in time, I'm convinced, can give us the chance

to build a truly national economy as we build a truly global economy.

Business-to-business E-commerce is growing even faster than retail E-commerce. In 3 years, it may reach a staggering \$1.3 trillion in the United States alone. Companies moving their operations on-line have found enormous savings. During a—listen to this—during a single hour of bidding in a recent business-to-business auction, the price of printed circuit boards was bid down by 42 percent, saving the ultimate buyer \$6.4 million in one bid.

When the Vice President and I first came into office, it was clear to both of us that technology would be an important part of our productivity growth. And we asked ourselves, what should the Government be doing? What is the Government's role in sharpening our high-tech edge to develop and disseminate new technologies?

Well, first, we negotiated with our trading partners an historic information technology agreement which will eliminate tariffs on \$600 billion worth of semicomputers, computers, telecommunications equipment, and other high-tech products. We fought for and achieved the first comprehensive telecommunications reform in 60 years. We transferred large blocks of the airwaves from Government to the private sector, which has spawned new digital wireless industries. And thanks to the E-rate, which was part of the Telecommunications Act, Internet discount rates have been given to schools, to hospitals, to libraries in ways that have increased the number of our classrooms connected to the Internet from 3 percent in 1994 to 63 percent in 1999. And soon, we'll have 100 percent of our schools connected, except those that are too old to be wired, and that's a story for another day. But I'm trying to fix that, too.

We've also worked to accelerate R&D at every level, pushing for an extension of the research and experimentation tax credit, increasing our national science and technology budget every single year over the last 7 years.

You know, Dr. Rodin mentioned ENIAC. Nearly all of the information innovation in the entire information age started as long-term research projects beyond the 3 to 5 year time horizons of most corporations and their ability to fund their own research. That is why we have tried so hard to expand the Federal Government's role and why we continue to do so.

So, I think the role of fiscal responsibility was important. The role of technology is profoundly important in explaining not only why we had this recovery but why it's gone on so long and why it's operated so strongly and why it hasn't been overcome by inflation.

Before I go on to talk about how we can keep it going and spread it, let me just mention, there are other factors as well. I don't think there's any question that, in addition to fiscal policy, we've had good monetary policy coming out of the Federal Reserve. And the reason is, the Chairman of the Federal Reserve, Mr. Greenspan, was able to look at the evidence of the new economy over the traditional ideology, which would have said, "You better stop this thing now, because it's gone on longer than anything else has. Therefore there is by definition inflation, even though you can't see it. So raise interest rates and stop it right now." He was resisting that, because he knew something was going on, even though no economist could give him a model which proved it. And I think that that has been very important.

I think the fact that we have had two decades of bipartisan support in the White House for open markets in America has been very important. You know, when politicians talk about trade, they only talk about the products and services we sell around the world, and then they become vulnerable because we have a trade deficit. Well, one of the reasons we have a trade deficit is we quadrupled our debt over the previous 12 years before I came here, and another reason is that our economy has been stronger than other people's economies, so we've had a demand greater than our ability to sustain it here at home. But I think it's important to point out that it's not just exports that are good. Imports can be good, too. Most of you who are here are wearing something that was made in another country. And you might rail against imports, but I bet you're not going to throw it away, whatever it is. It broadens consumer choice. And something else that has happened that almost nobody talks about is that the fact that we have had open markets has contributed to greater competition and kept down the risk of inflation.

I never will forget when interest rates came way down in a hurry after I took office, and the homebuilding business just was booming. And everybody started buying homes because they could finance their mortgages at such low

rates. And there was a shortage of timber, and the price went through the roof. And I looked at the indicators, as I have every month since I've been here, and I said, "Oh, my goodness, maybe we're not going to—surely this is not going to happen right now. Surely we're going to get more than a 2-year recovery." And it wasn't 2 months before the price of lumber had gone back down because of import substitutions, because when the price went up, the market became attractive; the market became sated, went back down, and we continued to grow without inflation.

So I think that has been underappreciated. That's why we've tried to build bridges to Latin America, to Africa, to the Asian-Pacific countries, and I'll say more about that in a minute. But I think it's very, very important.

I think the role of sophisticated capital markets in America is very important. Everybody knows what mistakes were made in the bad days in the eighties with the savings and loan crisis. We don't give enough credit to the fact that people have been able to get credit when they needed it for venture capital enterprises, continue to invest, and build the new economy. And those of us who want to see it spread believe there ought to be more venture capital into places and to the people who haven't had access to it.

But our markets work better than most other countries do for entrepreneurs. That's why you have so many people just a couple of years older than most of the undergraduates here who are worth a couple hundred million dollars with their dot-com companies. It makes all of us who are older think we were in the wrong line of work for a long time. But an idea is not worth anything unless it can be translated in business into an enterprise, and that requires capital.

And finally, I think you have to give a lot of credit to the businesses that restructured in the tough years of the eighties and to the American workers who put a higher premium on their own education and training than ever before and who have been very sophisticated in this economy, asking for pay increases more in line with the increase in earnings of their companies than ever before.

One of the things people used to tell me, when I was an undergraduate in college, was that economic expansions were broken because working people saw the economy growing and they wanted their share of it and they would

always ask for more than a growing economy would warrant and that would build inflation into the economy. You haven't seen that here. And it's a tribute to the people who work in America who understand the connection between economic growth of their firms and growth in their own paycheck and earning.

So there's plenty of credit to go around. President Kennedy once said, victory has a thousand fathers; only defeat is an orphan. And I do think it's important to recognize there are many factors in this recovery. But I think they would not have happened, we would not have had it in the first place, had it not been for a responsible fiscal policy. And it clearly would not have gone on as long as it has and the way it has without the information technology revolution.

So the next question is: Can we keep it going, and if so, how? And can we spread the benefits to people in places that have been left behind? I would suggest the following things. The first is, you can't forget what got us here. We have to maintain our fiscal discipline. When I put out my last budget, it was interesting. I figured I got it about right because I was attacked from the left for practicing Coolidge economics, because I want the country to pay its debt down; and I was attacked from the right for investing too much money in education, health care and the environment, and science and research. So I said, "I must be doing this about right." [Laughter]

But let me take the fiscal discipline argument. One of the ways we've continued to grow is to make capital available to the private sector. There's a lot of debt out there now, business debt and personal debt. It doesn't look damaging today because the debt-to-wealth ratio is still very good, because so much wealth has been generated in this economy. But we have to maintain confidence, and we have to keep interest rates down, which means we have to keep paying this debt down.

We could, in effect, pay off all the publicly held debt that the Government has over the next 13 years. That would make America debt-free for the first time since Andrew Jackson was President. That's even before I was around—1835. Now, I would argue that in a global economy that's a good deal. Why? That means that your children will have a structure of interest rates lower than what would otherwise be the case. And unless you believe that

the process of globalization is somehow reversible and the global capital markets will somehow cease to exist, that has got to be good policy. So that, I think, is the first thing we have to do.

The second thing we have to do is to continue to invest in our people. We have to continue to improve the productivity and availability of American people. There are still lots of people in this country that are unemployed or underemployed. We have to take all the people that are on public assistance of some kind or another, make sure they all have education and training and then access to jobs.

I just announced an initiative yesterday rooted in the fact that two-thirds of the new jobs are being created in the suburbs and three-quarters of the people who want jobs are in inner cities or rural areas, not suburbs. And the Government that gives them assistance also has put all kinds of barriers in the way of these people having cars or social service or faith-based institutions buying vans and getting them from where they live to where the jobs are. But this is very important.

We've got to continue to invest in education and training. The increases in the Pell grants we've had so far and the work-study program and the AmeriCorps program and the HOPE scholarship, which is a \$1,500 tax cut a year for most people for almost all of college, has in effect made 2 years of community college available to every American. We now have a proposal before Congress to make up to \$10,000 of college tuition deductible for all Americans, at a 28 percent rate for people in the 28 percent income tax bracket or the 15 percent income tax bracket. And if we did that, we would in effect make 4 years of college available at some 4-year institution to all Americans. I think it's an important thing to do.

I urge all of you who will be undergraduates or graduate students here after the census is completed, whatever your field of study, to get a copy of the census and the analysis of it, because one of—the census data, whether you're into statistics or not, paints a picture of America unlike anything else. And it will document to you, in stunning terms, the premium of education, even more than you instinctively know. This is a profoundly important issue if you want America's economy to grow over the long run.

The third thing we have to do is to continue to push for open markets and free trade. That's

why I strongly support bringing China into the World Trade Organization. It's the biggest market in the world. Only about 5 percent of it is open to us now. We make no new concessions in our markets to get massive access to Chinese markets, in return for putting them into the World Trade Organization. It is economically a good deal. It is also very much in the national interest.

If you—those of you who are young have no memory of the fact that your country fought three wars in Asia in the 20th century because of turmoil and instability. And China still does things that we don't agree with. But everything I've ever learned, not only as President but about human nature in my life, indicates that if we give them a chance to be a part of the global community and they have decided to take the risk of enterprise and lack of control and creativity—all of which runs counter to a top-down, totally controlled society—that we ought to give them a chance to make it.

We can't control what China does. And I'm not going to stand here and tell you that they're going to turn out as we would hope. But I'll tell you this: We can control what we do. And if we do this, 20 years from now we'll look back and wonder why we ever even debated it. And if we don't, 20 years from now we'll still be kicking ourselves in the seat of the pants for turning away from an enormous opportunity to give our children a safer world. That's what I believe.

I also think it is very important to recognize that in order to keep this economy going, we have to find more and more new customers. I'm going to the Indian subcontinent in a few days. I'm trying to get Congress to pass a new bill to open trade opportunities with Africa, with the Caribbean Basin, to do more with our neighbors in Latin America. Last year, Congress agreed to begin with me a historic effort for the United States to do its part to relieve the debt of the poorest nations in the world. A lot of the poorest countries in the world can't be our trading partners, can't grow, can't stabilize, because they're spending money they ought to be spending on education and health care and economic development paying interest on debt. And they'll never catch up. We're never going to get paid off anyway. And if we can get a commitment for that money to be reinvested in the economy and the education and the health care of the kids, we ought to have

a massive effort to relieve debt of countries that are well-governed and responsible.

The next thing we have to do is to continue to open markets here in America. If you heard the State of the Union Address for the last 2 years, you probably have heard all this before. But if I look for ways to continue to grow America's economy without inflation, I look to the areas of high unemployment. If you can create new businesses, new business owners, and new employees who are also consumers within our borders, that will grow the economy without inflation. It will also fulfill our moral responsibility to give everybody a shot at the American dream.

I mentioned to you that the Pine Ridge Indian Reservation has an unemployment rate of about 70 percent. But there are plenty of inner-city neighborhoods, including some in this city, and many rural areas that have unemployment rates that are still 2 times or more the national average. And yet I believe intelligence is pretty equally distributed throughout this whole world.

I bet a lot of the students here have bought and sold things on eBay. You ever use eBay? Everybody that ever used eBay, raise your hand. Some of the young executives at eBay, I've become acquainted with them. And one of the things I learned is that 20,000 Americans now make a living on eBay—not working for eBay, not working for the company—make a living on eBay, buying and selling, and that many of them used to be on welfare. No car, no way to get to a job; get hooked up to a computer; find eBay; go around the neighborhood; find people you can do business with. And poof! You've made a business.

Now, there is a real opportunity here. And I think we ought to—my basic theory is this: We ought to give the same tax incentives to Americans to invest in poor areas in America we give them to invest in poor areas of Latin America or Africa or Asia. I think it's very important. And it's a real opportunity.

We've had great success in our enterprise zones, one of which is here; with our community development financial banks, which make loans to people who couldn't get them otherwise, one of which is in Philadelphia; with vigorous enforcement of the Community Reinvestment Act, which has been on the books for 22 years but over 95 percent of all the investments have occurred in the last 7 years, because it's good business to invest in honest people with skills

and ideas and markets, who are in places that are underserved. And it will help the rest of us to keep this economy going.

Final thing I'd like to say is, we've got to continue to deal with the full implications of this revolution that we're in—one, to stay on the far frontiers of science and technology in every way. Sooner or later, even the most hard-headed rejectionist will have to acknowledge that the problem of climate change is real and that we had better find a way to grow our economy and improve our environment at the same time, including reducing the amount of greenhouse gases we put into the atmosphere. When we do that, we will realize that there is a \$1 trillion potential market out there that will do wonders for the American economy if we are out there with the products and services necessary to save the planet.

The same thing will be true with all the incredible discoveries that will be made in biology in this century. So we—that's why I recommended a \$3 billion increase in our 21st century research fund and why I hope and pray and believe that there will be a bipartisan support for it in Congress.

And the last point I want to make in this regard is that we have to close the so-called digital divide. When I mentioned to you that I bought those Christmas gifts from the Indian reservation through E-commerce, that's closing the digital divide. I mentioned to you that we're trying to hook up every classroom and library; that's closing the digital divide. We're going to try to train huge numbers of new teachers in all the schools in our country so their kids don't know more about the Internet than they do; that's closing the digital divide. We're going to establish 1,000 community centers so adults can have access to the Internet who don't have it now; that's closing the digital divide. We're doing to take a whole tour on that this spring.

But I believe that not only within the United States but beyond it, we could skip years and years it would otherwise take to bring poor areas up to standards and educational opportunities and economic opportunities if we maximize the use of technology. And again, I think it's a great economic opportunity. But it won't happen by accident. We'll have to make a deliberate decision to do it.

So these are the things that I think we have to do. We've got to stay the course on fiscal

discipline. We've got to stay the course on expanding trade. We've got to bring economic opportunities to people and places that haven't had them here in the United States. We've got to continue to lead to the far frontiers of science and technology. We've got to close the digital divide.

One last point I would like to make, that I readily concede grows out of my political philosophy. Life is about more than economics, and societies do well economically when they are strong generally. That means I believe that when we passed the family and medical leave law, which has allowed 20 million people the ability to take time off from work for a newborn baby or a sick parent without losing their jobs, I think we strengthened the American economy. When we raised the minimum wage, I think we strengthened the American economy.

And we have to continue to look for ways to balance work and family, because most people will tell you that the biggest challenge a lot of Americans face, now that most people have a job, is figuring out how to be good parents and successful in the workplace. And this is a challenge faced increasingly not just by people with low incomes but by people who are in middle and upper middle income positions. This is important.

We have to face the challenge of the aging of America. Now that we're not spending this surplus that's being accumulated by your Social Security taxes, I think we ought to take the interest savings and put it in the Social Security Trust Fund. And if we do it right now, we can run that Trust Fund out to 2050, which means, when all the baby boomers get in retirement years and when we double the number of people over 65 in the next 30 years, that those of you who are having your children then will not have to worry about whether you can send your kids to college because you've got to pay for all of us. It's a great social question, but it will have a profound impact on the economy.

So I ask all of you who are—particularly you young people—don't ever forget that there are what the economists used to call "externalities" that will affect the health of your economy. And the strength and cohesion of our society, the sense of fairness and justice and energy with which people get up and go to work every day, which are unmeasurable, will have a profound

impact on the health and welfare of our American society.

I think we have to keep working to eliminate hate crimes and the feelings of discrimination we have against people just because they're of a certain race or of a certain religion or because they're gay, because I think all that is not only bad, it has an impact on our ability to work together, to be productive, to make the most of our own lives. And I hope you will never forget that.

I worked as hard as I guess any President ever has to fulfill our campaign commitment, which in 1992 in James Carville's eloquent words were, "It's the economy, stupid." And I believe that, but I never believed it was just about money, and I never believed it was just about jobs.

One of the most exciting things to me is that so many of these young people I see making huge sums of money in an economy of ideas are leaving all their money in their firms and still living on fairly modest wages and are a lot more worried about what they're going to spend their money on that's good, rather than what they're going to buy with their wealth.

So the purpose of all this, never forget, is to build the more perfect Union of our Founders' dreams. That's the purpose of it. It's to give people control over and direction over their lives and the ability to raise their children and to follow their imagination. And no generation of Americans has ever had this chance to the extent that all of us do.

So I hope that all of you will think about these things and ask yourself these questions: How did we get here? How are we going to keep it going? How are we going to give these opportunities to people in places that have been left behind? And what else do we have to do to be a better place, so we'll all be free to live up to the fullest of our God-given abilities?

Thank you very much.

NOTE: The President spoke at 3:55 p.m. in Irvine Auditorium. In his remarks, he referred to Dr. Judith Rodin, president, University of Pennsylvania; Mayor John F. Street and former Mayor Edward Rendell of Philadelphia; and Michael Granoff, founder and chief executive officer, Pomona Capital, who established the annual Granoff Forum lecture series. A portion of these remarks could not be verified because the tape was incomplete.