

Remarks to the Aspen Institute in San Jose, California March 3, 2000

Thank you very much, Eric. I appreciate your kind remarks, except I don't want you telling anybody that. *[Laughter]*

I'm delighted to be here with my friend Reed Hundt, our former FCC Chairman. And President Johnson, thank you for having us here at the Aspen Institute. Senator Feinstein, thank you for coming out with me this morning, along with Congresswoman Tauscher. And I thank Representative Eshoo for coming and Representative Lofgren for welcoming us to her district.

Governor Leavitt, thank you for being here. Governor Leavitt is the leader of the Governors this year. He just spent 3 days with me in Washington. I thought he would find something else to do. If he spends any more time with me, they'll run him out of the Republican Party. *[Laughter]* However, being a Baptist, not a Mormon, I believe in deathbed conversions. You're always welcome over here. *[Laughter]*

I want to thank Mayor Gonzales for welcoming us. And I thank Mayor Menino for being here, and our former Governors, Roy Romer and Gaston Caperton, and former Mayor Schmoke from Baltimore. And I thank Bill Kennard, our present FCC Chair, for coming out with me today.

Gun Safety Legislation

I do want to talk a little bit about the meaning of this 50th anniversary of the Aspen Institute, but because this is my only opportunity to speak to the American people through the press today, there was a late-developing event last night in the Congress I'd like to comment on, related to the gun violence and what our national response should be in the wake of the tragic shootings this week.

Over the last couple of days, I have once again asked Congress to meet and pass commonsense gun safety legislation that they've been sitting on for 8 months. Let me mention, in the aftermath of the Columbine shootings, I asked the Congress to pass legislation that would provide for child trigger locks on all guns, close the loophole in the Brady law which requires background checks for guns bought at gun shops but not at gun shows or urban flea markets, and ban the importation of large capac-

ity ammunition clips, which are now illegal under the assault weapons ban that Senator Feinstein gave us, if they're domestic. And I asked for also a national law on adult supervision responsibility if children were recklessly allowed to get guns, and that's, of course, exactly what happened in the case, the tragic case in Michigan.

Well, anyway, 8 months ago the House passed a version, and the Senate passed a version. And from my point of view, the Senate bill was much better; it was much stronger. And it passed when the Vice President cast the tie-breaking vote. But for 8 months there's been no action on this legislation, so I asked for it.

Well, last night, Senator Boxer offered a non-binding resolution that would put the Senate on record as saying we need to pass commonsense gun safety legislation now. And after all we went through this week, the resolution failed on a 49-49 tie, with 100 percent of the Democratic Senators and 10 percent of the Republican Senators voting for it, and 90 percent of the Republican Senators voted against it.

Now, this is not a partisan issue, I don't believe, anywhere but Washington, DC. Again, it's a great credit—you've got to give credit where credit is due—it's a great credit to the power of the NRA in Washington. Just this morning they said they were going to launch a \$20 million campaign to target Members of Congress who do this kind of thing, try to keep guns out of the hands of criminals and children.

And right now they're running ads that treat the possibility that we could have technology to develop smart guns—that is, guns that could only be fired by their owners—as some sort of a joke. Well, I don't think it's very funny when a 6-year-old can pick up a gun and go shoot another 6-year-old, and a child safety lock would have prevented it; smart gun technology would have prevented it.

We know the Brady background check law has kept half a million felons, fugitives, and stalkers from getting guns, and I think that we ought to close the loophole that allows a lot of people to buy at these gun shows and not do the background checks. They work.

And I believe, and I know Senator Feinstein believes, that we ought to ask handgun owners to have a license, the way we ask drivers to do.

But the main thing I want to talk about now is, there is a practical bill before the Congress which would deal with the fact that we're losing 12 kids a day to gun violence. And in addition to the intentional deaths, the accidental death rates of children under 15 by guns is 9 times higher in the United States than in the next 24 biggest industrial countries combined.

So I ask you—I know I didn't come here to talk about this, and I know the American people may think I'm a broken record about it, but I think the older you get—you said something about when you get to 50 you begin to—whatever you said about being 50, I'm not so sure. [Laughter] The Vice President once gave me a birthday present that said that the Cherokees believed that people didn't achieve full maturity until they were 51. All I know is that if you've ever had a child, everything else seems small by comparison, including the most wonderful job in the world. And I think this is crazy, what we're doing.

I come from a State where half the people have a hunting and fishing license. I fired my first .22 when I was 10, 11, 12 years old. This has nothing to do with any of this. We are a big, complex society, and we can save more of our children. We've got a 30-year low in the murder rate, 30-year low in the gun death rate, but we can make this the safest big country in the world, and we can do it without undermining the personal liberties of other people. So I hope you'll forgive me, but I wanted to say that, get that off my chest, and ask them to send me the bill in the next few days.

Internet Security and Privacy/Digital Divide

Now, I think it was interesting—I was thinking about what things were like when the Aspen Institute started 50 years ago. The first conference took place as scientists were close to giving us our first glimpse of the double helix, and there was a revolution in communications technology: color television. From that day to this, the Aspen Institute has had a proud tradition of informed and enlightened dialog on emerging national and global issues.

And of course, I look out on this audience, and some of you were referred to by me or by previous speakers, that all of you are people

on the front lines of change. All of you are people who care very much about our future. All of you are people who have a greater grasp of what is going on than most people have time to gain, given their own lives and responsibilities. And that's why it's important that you gather and think about these things.

There is no question that one of the reasons that—and perhaps the primary reason this has been both the longest and the strongest economic expansion in history is because of the explosion of technology. The high-tech companies alone account for only 8 percent of our employment, but they've been 30 percent of our growth. And perhaps even more profound, the technological innovations that are the core business of many of the companies represented in this room and certainly in this area are rippling through the whole rest of the economy, adding to the overall productivity of the American economy in ways that, frankly, have not been measurable.

I'll just give you one example. In 1992, after the election, when I gathered our economic team around the table at the Governor's Mansion at home in Arkansas, I asked these economists, many of whom were young and vigorous people, I said, "Now, how low can we get the unemployment rate before inflation sets in, the Fed will have to raise interest rates, and we'll be back in the tack again? How low can it go?"

And a couple of them said 6 percent. A couple of them said 5.5 percent. They were universal in their belief that if we ever got the unemployment rate down to 5 percent and it stayed there, we'd have raging inflation, and we'd have to break it, and it would be the end of the recovery. And these were people, obviously, that had a—they were members, by and large, of my party; they shared my political philosophy, though they had a philosophical predisposition toward believing that low unemployment was a very good thing however it was achieved. Yet, they thought that.

Why is that? Because economists had no tools, as recently as 1992, to measure the impact of technology on this economy—something that Governor Romer's son was pointing out to us before, I think, before anybody else, at least that I know of, in the country—had no tools to appreciate what the impact on productivity would be and how it would rifle through the economy and lift the whole thing in a way that

would enable us to have 4 percent unemployment for a sustained period of time.

We had the new unemployment figures come out today. We had 4.1 percent, and we're almost bumping 21 million new jobs now, in the last 7 years. And the biggest concern we've had about inflation is the rising oil prices, which is part of the old economy, if you will, and something that has to be worked out a different way. But it's very interesting. And let me give you an example of why we've had a hard time understanding what the potential of the economy is.

We, the people who do this work, started to count software investment as a part of GDP only in October of 1999. It's amazing. Think about this. We began counting retail sales as part of GDP in 1947, and we've done it about the same way ever since. Yesterday we got a new benchmark for the new economy when the Department of Commerce yesterday released its first-ever quarterly report on E-commerce, telling us the Internet sales in the fourth quarter of last year, the holiday season, were \$5.3 billion—about \$65 of those attributable to the President. *[Laughter]*

Now, that was more than twice the previous year. But many believe that E-commerce will climb to \$1.3 trillion—trillion—a year within just the next 3 years. When I became President in 1993, there were 50 sites on the World Wide Web. Today, there are more than 10 million. I visited a company involved in the web last week in northern Virginia, UUNET. They did their first contract in 1988; by 1994, they had 40 employees. They have 8,000 now.

So we now know that we have a new and different economy. We now are beginning to figure out, A, how to measure it and, B, how to assess where tomorrow's growth will come from. I also think it's very important that we assess precisely what the role of Government should and should not be. And I want to commend Governor Leavitt here for taking on the completely thankless task of trying to figure out how Internet sales should be dealt with in the taxation systems of State and local government. You talk about a stone-dead loser. *[Laughter]* It is a totally thankless—I admire him for many reasons, but shouldering this burden may be the most compelling example that he really has a good heart and willingness to do what has to be done.

But if you think about it, how this is managed is an example of what will be a whole new set of questions about what the role of Government should be. And they can't all be answered now because things are developing too fast. And let me just suggest that I think that our guideposts ought to be that we should have a Government that tries its best to establish the conditions and then to give individual Americans the tools necessary to make the most of this emerging economy.

Vice President Gore and I have really worked hard on that. We negotiated historic trade agreements on information technology, to open markets, establishing conditions. We tried to bring our export control policies up to date and still be sensitive to what our national security people say. That's the framework, the conditions. Maybe one of the most important things we did was to fight for the right kind of comprehensive telecommunications reform in the first overhaul of that bill in 60 years. And we worked very hard in the White House to make sure that it was a reform that was oriented toward competition, toward giving new firms a chance to enter new markets and entrepreneurs a chance to really create wealth and jobs out of their ideas.

And I think it's clear to me now, looking back, that the fights we waged to try to be pro-competitive, pro-entrepreneur, in that rather herculean legislative battle, had even more positive impacts than I had imagined they would.

Those are the conditions. What about the tools? The E-rate, which the FCC did, and I want to thank both our former and our present Chairman of the FCC for their support of this. We got discounted Internet rates for schools and libraries, which increased the percentage of our school classrooms connected to the Internet from 3 percent in 1994, when the Vice President and I did our first NetDay in San Francisco, to 63 percent in 1999. And we're up to over 90 percent of the schools have at least one connection. And we'll soon be at a point where the only schools that don't have at least one connection will be schools that are literally too old and decrepit to be wired, which is a problem for another day. But we have a lot of our urban school systems have school buildings with an average age of 65 or 70 years of the school buildings, and it's a very difficult problem.

But we're on our way to universal student access because of the E-rates. Otherwise, without the E-rate, a lot of these schools could never have afforded to hook up, and a lot of these small libraries in rural areas could never have afforded to hook up.

We've also worked to accelerate the Federal investment in research and development and to—conditions—help you extend it by an extension of the research and experimentation tax credit and by expanding our national science and technology budget every year. After all, Government-funded research helped to spark everything from the Internet to communication satellites.

This year we have proposed an increase of \$600 million in information technology research and almost \$500 million for a major new initiative in nanotechnology, the ability to manipulate matter at the atomic and molecular level, something that will, in my view, give you a whole new generation of revolutions in this remarkable area.

Now, we only know some of the likely developments as a result of this R&D. We know it is highly likely that soon we'll have technology that will put all the contents in the Library of Congress in a device the size of a sugar cube, and find and treat cancerous tumors when they're just a few cells in size so that you won't have to have the ravages of side effects of cancer treatment and the effectiveness of the treatment will be far greater than it is today. And those are only two things. There are many other things. If this nanotechnology business really works, and we can figure out how to, in effect, use that to develop information storage, then what will happen within a reasonably few years is literally beyond the limits of my poor imagination.

So I will say again—but we do know this; we know that whatever happens, the Government's role, in my judgment, should be to try to establish the conditions in which good people, working hard, will be rewarded in a way that will be positive for society as a whole and then to give people the tools to make sure that everybody has a chance, no matter where they start in life. That, I think, to me, will in all probability be the key responsibilities of Government for quite a long while to come.

And if they are well fulfilled, whether it's in maintaining fiscal responsibility and paying down the debt so that there is more money

available for investment capital to start all these new firms and give life to all these new ideas, or investing more in education and in what works and in giving States like California that have pioneered charter schools the right to have more and the support they need to have more, or giving every kid who is in a tough neighborhood the right to an after-school or a summer school program—those things will have to be done so that we have both the conditions and the tools consistent with a society that is both successful and genuinely egalitarian.

Now, I know that the Forum on Communications and Society is also working hard to be a catalyst for change and for better and broader use of technology. Of all the areas where we might work together, I would suggest that there are two which are absolutely vital to keep the information economy and all America growing strong. The first is Internet security and privacy, and the second is closing the digital divide. The first, from our point of view, relates to conditions; the second relates to giving all Americans the tools they need to make the most of their own lives in this remarkable time.

We know we have to keep cyberspace open and free because it sparks creativity and innovation, because its infinite networks can do so much to bring us together. But we also know that cyberspace must be a community of shared responsibilities and common values.

Last month I met with high-tech leaders to talk about making our networks more secure and resilient. They urged the Federal Government to do something we have committed to do, to lead by example, to take that responsibility very seriously. We have formed a Government-industry partnership for security. I've requested more than \$2 billion from Congress to fund cybersecurity initiatives and research.

Today I'm ordering a review of every Federal agency to determine our vulnerability to denial-of-service attacks and to make sure that Federal computers cannot be used by outsiders to attack others. They will be reporting back to my Chief of Staff, John Podesta, so that we can prepare a strong response. And I hope industry will follow that example.

We must also do more to uphold Americans' high expectations that their right to privacy will be protected on-line. That includes making sure that as Government works to protect our citizens in cyberspace, it does not infringe on our civil

liberties. We must not undermine freedom in the name of freedom.

Our administration has encouraged Internet firms to work together to raise privacy standards. The response has been good. The share of commercial websites with privacy policies went from 15 percent to 66 percent in just one year. That's a very impressive record.

But the American people know it's still not enough. Some subjects are so sensitive, I believe they should have legal protection: our medical records, our financial records, any interactions with our children on-line. Business must find ways to give Americans the confidence they expect in these and other privacy concerns. So today I think we must all ask ourselves and everyone in this area: Do you have privacy policies you can be proud of? Do you have privacy policies you would be glad to have reported in the media? I hope that all of you will work with us and work together among ourselves to maximize the possibilities of an open Internet by securing Americans' fundamental right to privacy.

I can tell you that I spend—you know, one of the things I have tried to do as the President is to avoid becoming isolated from the concerns of ordinary citizens, and among other things, I have a special ZIP Code for old-fashioned mail at the White House that I gave to a bunch of people that I grew up with who are just citizens in all walks of life. And for 7 years now, they've written me about what people were mad at me about. [*Laughter*] They've written me when people thought I made a mistake. They've written me when they thought the Government was totally irrelevant to their lives because they were concerned about other things.

And I also spend a lot of time just talking to people. You know, when I go places, very often I'll stop and just go down and have an unscheduled stop and get out and shake hands with people and ask them what's on their mind. People are worried about this. This is a big deal to people. You know, ordinary folks, even people who aren't on-line yet, are very excited about the prospects of this age so many of you have done so much to create. But they are really concerned about this. They are afraid they will have no place to hide.

And so I would argue again that the continuing success of this phenomenal enterprise, which has no parallel in history, requires us to seriously take into account the core of what

makes America a unique place, that freedom requires a certain space of privacy.

Now, I also would say, to go to my second condition—that's about the conditions; this is about the tools—I think business must work with us to make sure that we close the faultline between those who have access to computers and to the Internet and those who do not. It has now become known as the digital divide.

This spring I will take another one of my new markets tours designed to convince the private sector that places in America which have still not fully participated in our economy are great new markets. The Indian reservations, the rural areas, the inner-city neighborhoods are opportunities for us. And we know the only way we can fully maximize them is to bring the information age to every family in every community, yes, first to make sure all our schools have the technology and then that all our teachers know how to maximize it and use it, but also to make sure that adults have access as well.

I want to congratulate Mayor Menino on what Boston has done, opening more than 80 community technology centers in underserved areas to serve adults, while bringing thousands of computers into schools and setting up training and job training programs with private sector partners. We should do this all over the country. I've asked Congress for tax incentives for companies that donate computers for technology training for every single new teacher in this country, and for funding to establish 1,000 community technology centers so that adults can also have access to the information economy.

I've proposed a pilot project with industry to bring computers and the Internet to low income families, like Oakland's ClickStart or the program started by Governor King of Maine yesterday, where he's really going to try to get a laptop into the home of every family. It's an amazing thing. Let me say, he's going to do it. They will start with the seventh graders. Let me explain what the program is in Maine, if you didn't see it. They're going to start by giving every seventh grader a laptop, but the way they're going to do it is to make sure that the seventh grader will also be able to take the computer home and to try to involve the parents in it. And that, I think, is a remarkably good thing.

I never will forget visiting a program in northern New Jersey that Lucent did with a school district there, where most of the kids were first-

generation Americans and their parents were immigrants whose primary language was not English. And because they were just picking one school district, they could make sure that there were computers in the home, as well. So they got all these people who would never dream of using a computer to start using it in a way that enabled them to E-mail the teachers, E-mail the principal, and they had a dramatic drop in the school dropout rate and a dramatic increase in the student performance rate because of the connections between the two.

So it will be interesting to follow how the Maine program works out. I want to give credit where credit is due. Governor Caperton, when he was Governor of West Virginia, was the first Governor in the country to virtually computerize all of the elementary schools in his State and give all of his kids access to this kind of technology, and most of us were just trying to follow in the wake here. But this is very exciting stuff.

But again I will say to you, I don't think education is enough here. We have a chance to bring the benefits of enterprise to areas that have been left behind. We've got Indian reservations in this country where the unemployment rate is 70 percent. The unemployment rate in this Nation is 4.1 percent today. We have lots and lots of urban neighborhoods and rural areas where unemployment is still in double digits, where people want to work and can be trained. And a part of making people, especially those who are physically isolated because they're in rural areas or distant Indian reservations or physically isolated in cities because they don't have cars to get around—a part of bringing them into this economy is using technology to bridge the distances, not only between what they know and what skills they have but actually where they are.

So I think this is a big deal and, as I said in the State of the Union Address, if we don't do this now when we've got the strongest economy in our lifetime, when will we ever get around to it? We actually have a chance to let everybody ride along with the American economy. Doubtless it will slow down someday; doubtless we'll have another recession someday. But at least people ought to have a chance to take the elevator up, since they get to stay on the ground floor when it's down. And we'll

never have a better chance than we have now to do this.

So, in closing, let me just say, if I could make one request of every technology whiz in this room, it would be this: Your skills and your ideas and the companies that you have created have the potential for so much good. But no sector of the economy can be totally isolated from the health of the overall society. So this is a case where what is morally right and what is economically intelligent coincide. We have to think about how the networks that you dominate can close the gaps that divide us, light the darkness that clouds us, and spread the freedom that lets each of us have the chance to live our dreams.

If we do it right, if we can make every American technologically literate, if we can make our Government wise not only in its own use of technology but in setting those conditions and giving those tools, if we keep building the right kind of information economy which respects privacy and has security but is an entrepreneur's dream, then what we have achieved in the last 7 years will be just a small prolog of what will occur in the years ahead.

But I'm absolutely convinced we'll do it only if we're committed to doing it together, if we believe everyone counts, if we believe everyone should have a chance, if we believe everyone has a role to play, and if we believe we all do better when we help each other. That's a pretty old-fashioned statement to end a new economy speech on, but it's the very best I can do.

Thank you very much.

NOTE: The President spoke at 11:08 a.m. in the Silicon Valley Conference Center at Novell Headquarters. In his remarks, he referred to Eric Schmidt, chief executive officer, Novell; Elmer W. Johnson, president, Aspen Institute; Gov. Michael O. Leavitt of Utah; Mayor Ron Gonzales of San Jose; Mayor Thomas M. Menino of Boston, MA; former Governors Roy Romer of Colorado and Gaston Caperton of West Virginia; former Mayor Kurt Schmoke of Baltimore, MD; Paul M. Romer, professor of economics, Stanford Graduate School of Business; and Gov. Angus S. King, Jr., of Maine.