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**Keynote Address by
Vice President Al Gore
at the CNN World Report/
Carter-Ford Latin America Conference Dinner
Tuesday, April 29, 1997**

Thank you very much. Thank you very much President Carter. I am humbled by your kind words and generous introduction.

It is a great honor to be here this evening to join with so many distinguished citizens of this hemisphere, from North and South and Central America, as we work together to usher in a new century of democracy and peace for our hemisphere. It is also an honor to be in the company of so many friends who have been working with conviction over the years to build a hemispheric partnership based on trust, democracy, the rule of law, and the prospect of prosperity for each of our citizens. President Carter, and Mrs. Carter... I'm very grateful for the opportunity to come here. And President Ford, it is such an honor as well to be here with you tonight.

Let me say how appropriate it is that we gather under the auspices of the Carter Center. President Carter, I want to thank you for helping to make sure during your Administration that human rights would become central to America's foreign policy. I also want to pay tribute to Mrs. Carter. It's not long ago that she convened a summit of experts to focus on mental health as a critical issue throughout the Western Hemisphere. This was indeed an important gathering. My wife, Tipper, is such an admirer of your work, Mrs. Carter... and we appreciate your guidance and leadership. And incidentally, I told President Ford that Tipper was very honored to be with Mrs. Ford last week when she was honored for being one of the original pioneers for raising the awareness throughout the United States of the disturbing problem of breast cancer. All of those who are now building momentum towards a cure should recognize her wonderful contribution to kick-off this effort.

To all the members of this Council, I'd like to acknowledge that the era you and your colleagues envisioned at your inaugural meeting eleven years ago is in many ways now in full flower. This group has made wonderful contributions to the progress that we have seen in this hemisphere. From Port Arthur in the north to Tierra Del Fuego in the South, the nations of our hemisphere are now building a future built on a foundation of free trade, strong democratic institutions and growth that protects the environment. We're building a future strengthened by a shared commitment to reduced poverty and corruption. A future secured by a strong commitment to advance justice, health care and free enterprise.

Just think of the historic transformations that have marked our hemisphere's development in the past few years. I mentioned the revolution toward democracy. Not long ago, many of the economies and societies of Latin America were closed as tight as a drum. Economic policy was driven by regressive import substitution. The governments were not only largely non-democratic, but often idiosyncratic. Prospects for investment and trade were, to say the least, daunting.

Because of leadership from President Clinton and from those of you gathered here, and so many other visionary leaders in our hemisphere, the shackles of our hemisphere's illiberal past have given way to a new era of opportunity and openness and greatness. Today, nearly half of the globe stretching from both poles and between two great oceans is a land of the free. In Haiti, because of the courage of so many of its citizens, and the resolve of President Clinton and the timely leadership and assistance of President Carter, and Colin Powell and Sam Nunn, and because of our international partners, democracy is now on the march. Throughout our hemisphere, nearly three quarters of a billion people are choosing their own laws and leaders. Virtually all of them are living in peace. In these fertile lands, we are nurturing one of the world's fastest growing free markets. We are replacing trade barriers with trade bridges. We are settling national debts. We are making our instruments of governments more efficient and responsive to the needs of our citizens. As Octavio Paz once urged us, we have joined together in inventing our common future. As Paz wrote, and I quote, "World history has become everyone's task, and our own labyrinth is the labyrinth of mankind."

I think that Ambassador Paz would be proud of the way we are navigating this complex labyrinth of experience and history. We have done this through visionary bipartisan leadership, willing to see history and our future in very broad terms. We have said no to the voices of isolation and to those who would counsel retreat. And we have said yes to engagement, to leadership and to the creation of an enduring hemispheric partnership that will provide benefits to our children and to their children for generations to come. This is the essence of the message that President Clinton will take with him on his two extended upcoming trips to Latin America and the Caribbean, and then later in next March when he goes to the upcoming Summit of the Americas in Santiago. As the Prime Minister said earlier, this meeting takes place at an interesting interval, a timely interval between the meeting in Miami and the meeting in Santiago on the eve of three important journeys by President Clinton twelve months.

The agendas for these trips will be broad and substantive, focusing on free trade, strengthening democratic institutions, responding to transnational threats, fighting narcotrafficking, and encouraging sustainable development. These trips will offer an historic opportunity to reaffirm and deepen our hemispheric partnership. And above all, they will offer President Clinton the opportunity not only to take stock of our shared successes these past few years, but also to consider what we must do to consolidate these gains in the upcoming century and a revitalized hemisphere. After all, we live in a hemisphere now in which our nations move forward with hope, not backwards with pessimism. We have a vision of the future that is based

on the promise of opportunity, worker rights, human rights, a cleaner environment, and the rule of law.

I would like to state briefly to you the principles that will guide the work of President Clinton's Administration during these trips and during the run-up to the summit meeting in Santiago:

First, the United States of America is committed to expanding and strengthening the circle of democracy and prosperity -- of free minds and free markets -- especially in our hemisphere. Anyone who understands the critical importance of the Western Hemisphere to this country's economy cannot help but work to support this goal. The Western Hemisphere, last year was the recipient of nearly 40 percent of all U.S. exports. We exported more to the Western Hemisphere than we did to the European Union. We exported more to the Western Hemisphere than we did to the Pacific Rim. Many citizens of the U.S. are not aware of the profound new volume of exports from the U.S. within this hemisphere, and the reason is that they have increased so rapidly. Trade with Latin America has grown three-fold in less than the last ten years. This is a new reality that our business leaders are tuning into very rapidly. Now, it's true that in the aftermath of NAFTA, Mexico's financial difficulties in 1995 -- unrelated to NAFTA -- tested the strength of NAFTA. But even during that period of adversity, look at what happened. Europe's exports and Asia's exports to Mexico dropped forty percent. Exports from the United States in the same period went up almost ten percent, and the reason is the new agreement safeguarded the flow of trade.

Today, we can all be proud that President Clinton did the right thing, both by the United States and Mexico, to protect global prosperity. The Mexican economy now is approaching full recovery, and last year U.S. exports reached record levels -- all-time record levels -- and are continuing upwards. Of course, if you look at the overall trade within NAFTA, it is just astonishing. Prime Minister Craton was in Washington a few days ago, and used one example that I think drives home the volume of trade there. He pointed out that there's one bridge, between Detroit, Michigan, and Windsor, Ontario, and across that bridge, connecting Canada to President Ford's home state, there is more two-way trade going across that one bridge than between the United States and the nation of Japan.

We're used to understanding the huge flows of trade with Japan, but they're so completely dwarfed by the trade flows in this hemisphere, even across that one bridge, that we need to think freshly about the critical economic importance of expanding trade. We share values with Canada, and it is near to us and those are the reasons why this trade is so large. As we now share values with virtually all the nations to our south, and they are near to us. It is only a matter of time before these already huge flows of trade grow even more rapidly. I met with some business leaders out at the airport earlier today and they talked--from Georgia -- and they talked about how difficult it is to expand their business opportunities here in the mature markets of the continental United States compared to the tremendous opportunities opening up in the rapidly growing economies to our South. Our future depends so greatly on seizing these

opportunities.

Creating a Free Trade of the Americas will expand the benefit of trade to all the people in our hemisphere. Not just for the ~~United States~~, but all our nations. And you know, in Latin America last year, inflation was lower than in any year since 1977.

Net capital flows were up. Just last month, my good friend Enrique Iglesias predicted that if these economic reforms stay on track, Latin America's growth rate could soon double from the average of three percent in the early 1990s. We've all witnessed the tigers of the Pacific Rim in Asia with their rapid growth rates. This is beginning to happen in places in Latin America, and with continued progress and reform, it will happen. We need to prepare ourselves here in the United States to take advantage of this new reality. Shouldn't we be concerned that MERCOSUR is beginning to do more trade with Europe than with the United States? Shouldn't we see that as a warning to move more rapidly toward locking in these gains, opening up these markets, tearing down these barriers, creating the jobs here in the United States that will result? Of course we should.

Across the board, real exports within the region increased three-fold since the beginning of the decade and that translates into good jobs which pay an average of almost twenty percent more than jobs that are not export-related. You know, just ask people here in Georgia what a difference this makes. Trade from Georgia to NAFTA countries increased by one-third during the last two years. Georgia's exports to Mexico alone were up by sixty-four percent. And overall, Georgia's jobs that are a direct result of exports grew by almost twenty percent. Out there at the airport I talked with the employees of the center at Delta Airlines who have thousand of jobs that are a direct result of this new flow of trade with Latin America.

Now, opening markets, building prosperity, and engaging the new international economy are among the most important pillars of our foreign policy. And that is why the President and I support speedy passage of fast track legislation. The time is now to move forward. Our position is clear. We need support. It's a winner, it's a win-win for the U.S. and all the other nations that will be affected by it. That is why we are actively laying the ground work with our Congress, particularly in the House, to build support for the Administration's approach. And here I want to especially thank the assembled members of this council for creating the opportunity for the dialogue that you had last night which could, I think, be very, very helpful in promoting passage of fast track because protections for labor and the environment of course represent part of our core principles in the United States, and in many other countries as well, and recognizing that they have to be addressed in the course of expanding trade is only a responsible approach. So, if we don't seize these opportunities, we will be foolish indeed. Our competitors will certainly fill the vacuum. It is high time for us to move on passing fast track and getting on with the business of creating a Free Trade Area of the Americas.

We must also focus on a second goal, and that is taking steps to share the benefits of higher productivity that can come with the new technologies that are so central to this new era

that we're entering into: the Information Superhighway, the Global Information Infrastructure. It is important that we help one another to adapt to these new technologies. We also have to address the problems of poverty and hopelessness. It is critically important that social justice be a part of our agenda. We are working very hard on problems like education and health care. In fact, First Lady Hillary Rodham Clinton has made several productive trips to Latin America, most recently to attend the First Ladies Summit in La Paz, where USAID inaugurated the Partnership for Education Revitalization in the Americas. And also, the Pan-American Health Organization, with our active participation, has launched a hemisphere-wide program to eliminate measles, a disease that has caused so much pain to so many thousands of young children throughout the family of the Americas.

This brings me to my fourth core principle. We must promote stability and peace in the hemisphere. We have addressed the challenge of reforming and reshaping the militaries in the Western Hemisphere and enhancing confidence and security building measures. It is absolutely critical that we consolidate the gains as we have moved away from militarism in the Western Hemisphere. It is also critical that we enhance stability by continuing the fight against corruption. President Sanchez de Lozada, who left earlier, taught me an insight about corruption that has stayed with me. He said that corruption is like inflation; you will always have a little bit, but you must at all cost avoid the hyper variety, because it causes the diversion of energy and resources to accommodate the problem instead of allowing work on the solution.

And of course the fight against corruption means that we must do all in our power to fight drug trafficking. You had a very productive discussion of this topic here at your conference and you heard from General Barry McCaffrey and others. I just want to reaffirm, as he did, our absolute determination that drug traffickers will not prevail and they will be defeated.

Now, finally, the fifth and final principle that informs the policy that President Clinton will be taking with him on his journeys and to Santiago. It is the need to be responsible stewards of our environment. This was the subject of discussions among regional leaders at the summit on sustainable development in Santa Cruz last year that some of you attended and it is critical to our future. As I was flying to that meeting in Santa Cruz, I flew across the fabled lands of the Cerro Rico -- the richest hill ever discovered, a silver mountain that was a symbol of the great riches found in the New World, but is now the preeminent symbol in the hemisphere of poverty, exploitation, and degradation. Unspeakable cruelty was visited upon those who worked that silver and the wealth was taken away from the region. It was not used in a sustainable way and now, what was a symbol of unimaginable wealth is now a symbol of poverty and degradation.

In our Western Hemisphere, we have what we could call a Tierra Rica -- a rich land. Will it become like the Cerro Rico of Bolivia or will it be sustained? Will we respect it? Will we treat it as it should be treated on behalf of future generations. Working for sustainable development is good citizenship and good business. Next year, sales of American environmental products to the region are expected to reach eight billion dollars. Whether it's contracts for wastewater treatment projects in Sao Paulo or auto emissions inspections systems in Mexico, our

companies are doing well by doing good.

And so in conclusion, whether we are addressing sustainable development, fighting corruption the promotion of democracy, we all are in this together. And we pledge to recommit ourselves once again to doing more throughout our hemisphere... More cooperation. More openness. More modernization. More sharing of our experience Together as business men and women, as elected officials both past and present, as journalists as partners and as friends, let us continue our epochal march towards progress and peace. Let us create a broad and sturdy path -- for our best days -- our best moments as citizens of the Americas are yet ahead. President Clinton and I look forward to sharing that journey with each and everyone of you. Thank you very much.

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THE WHITE HOUSE

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Remarks of Vice President Al Gore
Greater Nashua Chamber of Commerce
Nashua, New Hampshire
May 27, 1997

Thank you for inviting me to speak to the Nashua Chamber of Commerce. Governor Jean Shaheen thank you for your outstanding leadership. I think that history is being made in New Hampshire under this governor's leadership with the reform and revitalization of education, with the establishment of kindergartens. With the kind of bold and dynamic leadership across the board that is obvious in the governor's office and I would like to pay my respect and say good luck in the difficult work that remains to be done. And all who are friends of children in the future of this state wish you well and thank you for doing a great job, Governor Jean Shaheen. (Applause) We appreciate it very much. I want to say a special word of thanks for what I say was a special five minutes for me, for my family . . . and if I may be so bold . . . for America.

Historians will look back fondly on the Gore Administration. They'll write that during the Gore Administration, our country was at peace . . . at home and abroad.

During the my Administration, the economy boomed -- with low inflation. We created 3.1 new jobs -- 1.2 here in New Hampshire.

And with all due respect to President Clinton, history will record there were fewer crimes committed during my administration than any other in American history -- Democrat or Republican. We made America's streets safer with two new community police officers . . . Eddie and Duane.

Even though they said it could never be done, during the Gore Administration partisan bickering gave way to bipartisan harmony . . . that lasted the entire term. In fact, if you listened closely, it was almost as if patriotic hymns echoed from the steps of the United States Capitol.

I think it's partly for that reason that by the end of the term, a chant began in Washington, and soon swept westward across the nation: "Five more minutes . . . Five more minutes."

I've selected a site for my presidential library for my papers. It's a shoebox in Nashville (laughter). And thank you Governor for bringing it up.

Thank you Mike McCluskey, vice president of NYNEX, New Hampshire, for your

remarks. It's always a pleasure to share the stage with a vice president. (Laughter)

You know, Mike McCluskey and I have a lot in common. Back in high school we both were elected second most likely to succeed. (Laughter).

In any event, I do want to acknowledge Mike and his wife Margaret. In addition to Governor Shaheen, I want to acknowledge my colleagues in the federal government -- Senator Judd Gregg. We see each other at our daughters lacrosse games. They're on opposing teams and we're on the sidelines being polite about not cheering so loudly that we can accuse each other being Little League dads. But it's great fun. And also Congressman John Sununu. (Additional introductions by the vice president are not included here).

Of course it's great to be in the Granite State. I feel at home here. Some people have told me I have been in a granite state all my life. (Laughter)

But it is really great to be here, because New Hampshire in general -- and the Gateways area in particular -- has an amazing story to tell. You are setting a world standard in entrepreneurship, innovation, high technology and progress. To anyone who wants to know what it takes to succeed in the new economy, the competitive landscape of the coming century, I say: Come to Nashua. Come to New Hampshire. You will see the future unfolding right here and New Hampshire is leading the way. It's an exciting time and exciting time for this Chamber. Because this is where the new economy is being born.

And what makes this remarkable story all the more remarkable is that I remember very well that not too long ago, New Hampshire was in a world of hurt. Five years ago this chamber had different stories to tell than the ones who can share at your tables this evening. New Hampshire was in the grip of a merciless, deep, enduring economic recession. Here in Nashua, one out of every six jobs disappeared during that downturn. You remember very well. Your employees remember vividly. Throughout the state, businesses large and small went belly-up. Bankruptcies and unemployment rates reached record levels.

For the people of New Hampshire, the economy was like a permanent winter -- permanent, bitter, cold, icy, unforgiving. What happened? Well, we had gone very deeply into debt. Our national debt had quadrupled in a short period of time. The deficits has also quadrupled. And the government was borrowing so much money that every time businesses felt a little strength in the economy and went out to borrow money to expand or to hire new people they ran headlong into the government's heavy demand on the credit markets. So, as soon as there began to be some sign of a recovery that meant that right away that pressure to borrow pushed interest rates up. And as soon as interest rates went up the recovery stifled and just sputtered out. Three times in a row New Hampshire's economy tried to lift itself up only to hit that barrier and fall back down all the while unemployment went higher and higher. Jobs were shipped over seas. Families lost hoped. Many left the state and many who remained wonder whether or not there was a way out. It was time for a new approach.

Then Governor Bill Clinton came here and I joined him later in that season and we asked the residents of this state to consider a new approach -- not just on a partisan basis but because

we deeply believed that our nation as exemplified by the experience of New Hampshire needed to try something completely new -- fiscal discipline coupled with investments in the things that really matter when we're trying to create opportunity for the twenty-first century.

We called for a brand new approach that would start with reducing the deficit, investing more in education, technology and the environment, and third by expanding markets overseas so we could sell our products all across the world.

Our economic strategy was criticized from all sides. Because the plan was new. It was different. It defied traditional political labels. It broke from the past. It upset the status quo. And for each and every component, we had a bitter battle.

You may remember, after the election when we tried to implement this new plan it was a struggle like none Washington had seen for a long, long time. I don't know if you remember this but I remember it vividly because it passed by a single vote margin in the House of Representatives. A lot of people lost their seats over it by voting very courageously in our view. I thought that one vote margin was as close as it could get. Then it came over to the Senate where it was a 50-50 tie -- causing momentary despair. (Laughter) Some of you know you're Constitution well. There is a provision therein, little know but extremely significant, which roughly translated says, every time I vote, we win. (Laughter) I voted. And this new approach was put into effect.

And may I say it has worked. Many said it would not work. Many said it would lead to even higher deficits, higher unemployment, a deeper recession, that it would never be beneficial. They were wrong. It has worked and it has worked extremely well.

I cite as exhibit A, the state of New Hampshire. The unemployment rate here four and half years ago was 7.6 percent. It is now to 2.7 percent and here in Nashua it is 2.3 percent.

This state's poverty rate has fallen to the lowest level in many years. And you are continuing to move in the right direction. Just look at the business community in this state and count up the jobs now being gained. You were losing 10,000 jobs every year. Now you are gaining 17,000 jobs every year. That's a 180 degree turn to head in the right direction.

After creeping downward for several years, New Hampshire incomes are finally on the rise again in every category. And the gap between rich and poor, which had widened so considerably, is now closing up again for the first time in many, many years.

We're seeing more new small businesses, more private home ownership. And all of this is taking place at a time when the budget deficit is going down, at a time when interests rates are lower.

New Hampshire is back. With the right policies in Washington and a great Governor leading your state here at home, and with the hard work of the people of this state, New Hampshire is roaring into the future. So let me say congratulations. You are making America proud and the rest of the world envious. New Hampshire's economy is second to none. (Applause)

But New Hampshire has done more than break recession's grip and point your economic

numbers up instead of down. You have transformed the very structure of your state's economy. And this is a historic change. For much of this century, New Hampshire was a powerhouse of the old economy — an economy built on heavy industry and mass production. But today, New Hampshire has become a leader of the new economy — a 21st century economy, powered by high technology, relentless innovation, and a skilled and entrepreneurial workforce.

In 1926, when this Chamber was formed, Nashua's biggest companies sewed blankets, stitched together shoes, hammered out kegs and barrels, and manufactured caps for milk bottles. Today, Nashua's biggest companies assemble cutting-edge computers, engineer electronic systems and components, perform tests on circuit boards, and design avionic systems.

Earlier today, Governor Shaheen and I dedicated a brand new facility, the New England Development Center of the Oracle Corporation. Right here in Nashua you are going to have a facility with more than 200 new jobs incidentally, good paying new jobs, that will be at the cutting edge of the most exciting new developments in the information-age. Pioneering the emergence of new machines specifically designed to cruise the information superhighway. Different from personal computers, stripped down, cheap, inexpensive, accessible machines that store all of the knowledge that you need not inside its own memory but out in the network. Machines designed to give you speedy access to all of the knowledge that is now out there in databases around the world. It is an exciting new development. Emblematic of many exciting new developments that are now occurring in New Hampshire.

You're inventing a new New Hampshire. You've still got the snowcapped mountains and the beautiful blazing colors in your forests and autumn, the bed and breakfasts, strong families, and strong values, all the things that people think about when they think about New Hampshire. But you've added a New Hampshire of high-speed chips, sophisticated software, and a bold invention of the future. As a matter of fact, New Hampshire now has the highest concentration of high technology jobs of any state in the entire union. That's the new New Hampshire. The Granite State is now also the Silicon State.

It's a startling development with important and positive implications for the people of New Hampshire. It's an amazing story repeated, less dramatically perhaps but repeated, all across the country. Under President Clinton's leadership, the national unemployment rate is at a 24-year low — and the economy is growing at a healthy clip with low inflation. Now that we have more open access to other markets overseas we see this relatively new phenomena where the stock market doubles, twelve million new jobs are created, wages go up and simultaneously inflation goes down. That's a profoundly new and profoundly positive development. And it did not happen by accident. It happened because of a brand new approach that the people of New Hampshire helped to make possible by endorsing.

Just today we learned that consumer confidence in the United States was reported to be in the new figures the highest it has been in 28 years. Corporate executives, economists, middle-income families, wage-earners all agree: this is the best economy in a generation at least. In other words this new strategy is working.

But believe it or not, there's still a debate about whether we should continue on this path. Some people would like to snatch defeat from the jaws of victory. There's still a fight over whether this is the right plan for the new economy. Despite overwhelming evidence that each element of this strategy has worked, our plan still has its critics. It still faces opposition from

organized foes who would push New Hampshire and the nation off course back to the past, back to the old economy, with the old hazards that we have worked so hard to escape. We need your help to keep prosperity on track.

Specifically, we need your help in continuing to do the three things that we know can keep growth alive. Sustainable growth is the key. It provides hope which President Clinton talked so much about over the past four and half years. One of the ways to keep hope alive is to keep growth alive.

First, eliminate the federal budget deficit. Second, make the key investments to educate our people, spark new technologies, and protect the environment. And third, seize the benefits of reciprocal free and fair trade. Let me talk about these in turn.

First the deficit. We've already reduced it 63% percent -- from almost \$300 billion when we took office to now just \$67 billion on the way to zero. As a portion of the economy, we've already got the lowest deficit of any industrial nation in the world. Now we're going to finish the job. The bipartisan balanced budget plan that the President and the Congress have agreed to will bring the deficit to zero by the year 2002, the first balanced budget since 1969. And incidently, in the spirit of bipartisanship, here at this Chamber I would like to thank Senator Judd Gregg and Congressman John Sununu for supporting that bipartisan balanced budget plan.

Lower deficits -- and eventually no deficits at all -- will mean that the government borrows less money. You don't have that head-on collision. More importantly, you change the psychology because now we're not on the gold standard we're on an information standard. Every investor in the United States, indeed around the world, instantly judges the implications of any policy change. And if they believe that there are games being played that will mean that the true effect of a policy is that deficits are going to go up and the government is going to come back in the credit markets, will that drive interest rates up when it happens years down the road? Well, it drives interest rates up instantly because the information standard as Walter Wriston put it means that the future implications of policy changes are judged in the present. And so changing the psychology and establishing and maintaining the confidence among all who look at that information standard that we are going to keep reducing the deficit. We're going to manage the economy of the United States soundly with good common sense, without smoke and mirrors, without gimmicks, without tricks, but really according to what is right.

When you establish and maintain that confidence it means that interest rates can continue to go down even with stronger levels of growth and higher levels of employment and higher levels of income. It's extremely important that companies like your don't have to compete in the credit markets with the 800-pound gorilla named Uncle Sam.

But as I said, our plan has its opponents. Some oppose our balanced budget plan on the grounds that the spending cuts are too large. The hard truth is this: we can't get something for nothing. We must have fiscal discipline. That means we must get rid of what doesn't work, and get smarter about what does. In other words we must continue reinventing government so that it will work better and costs less. We call it our REGO program. That's Gore spelled sideways. (Laughter) I've worked hard on that program. And I could make a whole speech about that but I won't because it's very simple. The same techniques that many of the cutting edge businesses in this room have used to become competitive in the world marketplace can be and are being applied to the public sector. The empowerment of employees. Eliminating unnecessary red tape.

Eliminating the unnecessary layers of redundant middle management. Making changes that just correspond with common sense. I'll give you one quick example. The other day, well it's been several months now, we found that the Navy was buying telephones that cost \$500 for the ships. Why? Did they have some highfalutin security requirement? No. There was a procurement standard written by the military procurement specialist that the phone had to continue working after the ships sank. (Laughter) This is a true story, I kid you not. We said look, if you go down to the store and buy a telephone, I know where you can get one for \$30. (Laughter) If you go down and buy one for \$30 that ship would have to sink and be refloated a bunch of times before you would feel justified in spending \$500. Changes like that make a huge difference.

We found that the government was spending \$54 for staplers. Four dollars for the stapler and \$50 for the paperwork keeping track of the purchase order. Totally ridiculous.

But we have now downsized the federal government by 300,000 people, more than ever in history. It's now the size it was when John Kennedy was president. We're eliminating 16,000 pages of unnecessary regulations. We're taking a common sense approach. We're defining the people who receive services as our customers, they're our bosses as well but they're our customers when they're delivered service. And we're using these techniques I have described. And so we can save a lot of money while improving the quality of service.

Others oppose our balanced budget plan on different grounds. They say the tax cuts are too small. These opponents agree with the spending cuts, but seek much, much larger tax breaks. But there's a problem with this approach, too: We tried it not too long ago, and it was an unmitigated disaster. It nearly wrecked the economy of this country permanently. And it had to be changed. In fact, a lot of our economic strategy has been really devoted to cleaning up that mess.

In any event, as I mentioned we brought the deficit down by nearly two-thirds. We need to pass this current budget plan, and eliminate the deficit altogether. And we need the support of the business community to get the job done.

Our second battle is over our investment agenda. Because in the economy, lower interest rates and the confidence of the marketplace are simply not enough. In the old economy that dominated this state in the 1920s and for most of this century, growth depended largely on capital and labor. The task of policy makers was to keep those two factors of production in synchronization. When they got out of phase, we got a downturn in growth or an upturn in inflation, which continued until capital and labor were restored to their proper balance. Sometimes we got them both at the same time. You remember stagflation. These factors are still critical and they still have to be balanced carefully. But the new economy is different and more is required.

We are learning that the true engines of growth today are ideas. We live in a knowledge economy and the technologies and higher productivity that those ideas create represent the key strategic resource for the 21st century. Economists who study this are discovering that as much as half of our nation's economic growth in the last few decades has been directly due to technological innovation, to new ideas. In the new economy, innovation is not simply a byproduct of growth, as some once believed. Innovation is now understood to be an essential ingredient in growth. The only way to produce more economic value and thereby boost growth rates is to innovate — to find more valuable ways to use the same objects that are available to us.

Let me give you an example, when this Chamber was founded, the American Brass Company used sand glued to paper to smooth the rough edges its hardware and furniture. Today, companies like Unitrode in Merrimack are using the same sand as the initial building blocks of their integrated circuits. Same object, more creative use. More value added. Because of new ideas that make possible what was once unimaginable. That's innovation. And it is that innovation that makes the new economy go.

So if innovation does power the economy, how do we power innovation? That's our challenge. The answer is simple: by investing in the things that allow people to become innovative -- especially education and technology. That's the second part of our economic strategy.

And that's why our balanced budget plan makes these critical investments. It includes the largest increase in education ever. It is right in sync with the leadership being provided by Governor Jeanne Shaheen. You couldn't have a better plan at your state level and I believe that President Clinton's plan is the best we could possibly have at the federal level. In our case, Head Start, educational standards, charter schools, Hope Scholarships, Pell Grants -- largest increase in history, a tax deduction for college tuition so that no longer any middle class family be paying taxes on money used to finance college tuition. Because in the new economy, what you earn will indeed depend upon what you learn.

People in New Hampshire know the benefits of education. Education matters here. Even as the economy has transformed, New Hampshire has remained steadfastly committed to public education for all its citizens. Your state should be proud that it has the highest high school graduation rate in the entire country. I think that is one of the reasons you have one of the highest concentration of high-technology jobs of any state. Those two things go together. And you should be and I know most of you are very proud that Governor Shaheen is fighting to make kindergarten a part of every child's education in this state.

To spark innovation, we have also got to invest in our economic foundation to make sure that our infrastructure supports economic activity that is valuable. I talk a lot about the information infrastructure but you really have to start with the infrastructure for getting products to markets and I think that's a reason why the Governor's plan is very wise in calling for an additional 30 million for road construction here. It is particularly important for the Gateways area and particularly important for Nashua. But the new infrastructure of the 21st century is critical as well. Where once competitive advantage was gained by roads and railroads and deep water ports and those things are still critical and have to be updated. Now, a new kind of infrastructure is also important -- computer networks. The ability to give a business like Oracle access to high data flows. Of course the Internet began with a U.S. government investment in a pilot project to see if it was possible. And now we have got to continue this infrastructure and update it. We're working very hard in this budget plan for the Next Generation Internet which is 1,000 times more powerful than the current Internet. And not too many years after that we'll magnify it another 1,000 fold. That's why we're working to connect every classroom and every library to the information superhighway by the year 2000. We're making a lot of progress on that plan.

And, let me say of course we must also invest in the environment. We have to protect our environment and make the investments necessary to keep our air and water clean and safe. In the new economy, protecting the environment is not a sacrifice we make by slowing the economy, it

is a precondition for a growing economy. And those who place a value on innovation in the knowledge economy are finding that the most highly skilled employees place a premium on moving their families to a beautiful area where the environment is clean, the air pure, the water safe to drink, the scenery beautiful. That's why you are seeing some of these new centers of excellence spring up in places like New Hampshire. And I could name a lot of others who have characteristics that are defined first and foremost by a beautiful pristine, enjoyable environment that they want their families to enjoy.

There are some who say we can't afford to make these investments. I say we can't afford not to. Cutting these investments would be like a farmer snacking on his seed corn. There would be a nice short meal at the expense of real harm in the future. Some people support such massive reductions in public investment, because they believe that prosperity depends solely on getting the government out of the way.

Some of you may agree with this philosophy. I know who you are. (Laughter) But each time you feel lured by the siren call of "no more government, no more government," I invite you to talk a walk around your companies. Look at the most highly-skilled people -- the women and men who are writing new software or designing new computer chips or working complicated new machinery -- and ask yourselves: how many of those employees went to college or technical school on a government loan? And where would your company be if the investments had not been made to educate those employees? Don't ever for one minute take that for granted. Sometimes people do but it is a mistake if we are serious about working together to create a bright future beyond partisanship, beyond ideological outdated arguments, to have an approach that really works the way this plan has worked and will continue to work with your help.

We need to invest in American innovation. And we need your support to make it happen.

Now finally, along with balanced budgets and strategic investments, there is a third fight we find ourselves in these days: a battle over reciprocal free and fair trade. The new economy is a global economy, woven to the world. That is an undeniable truth. That's why President Clinton and I have fought so hard to open foreign markets to U.S. products, with more than 200 trade agreements. But each time, we faced resistance -- from those who believed that we would reach prosperity by building walls instead of by building bridges. Each time it was a fight.

The fight continues today in the debate both parties are having on trade. Let me just say, if protectionism was wrong in the Industrial Age, in the time of Smoot-Hawley, it is just plain dangerous in the Information Age. At a time when knowledge is the most important component of national success, America -- the land of innovation -- should embrace fair and free trade with open arms. It is one of the three essential components that is allowing us to have this prosperity with a closing gap between rich and poor while inflation declines and encourages more investment so that we can have even higher standards of living in the future.

At a time when we trade in goods and services with every corner of the globe, America -- the most diverse nation ever known in the history of the world -- has a comparative advantage the rest of the world could only dream of. And at a time when 80% of all information stored on Earth is in English, America -- the world's knowledge superpower -- is looked to for leadership and inspiration. And it's a simple fact that if you look around the world most all tariff barriers in other countries are much higher than ours. So, when we have fair access and bring both down we gain much more than these countries that have very high barriers against our goods and

services.

What we should not do, what we cannot do, is make a U-turn. There are those at the extremes of both parties who take a dim view of the future and seek to turn back the clock. Their mind set is stuck in a bygone age and their policies are the exact opposite of what America needs. Where our administration's approach has been to pull every American up so they can have the chance to win, they seek to pull the nation down to protect anyone from losing. And yet, with their outdated policies, we would all lose. We should have learned that lesson. We tried it before, it didn't work.

So no, we will not be able to underprice products from workers in foreign nations making a couple of dollars an hour or less. But that is not where our future lies anyway. We should not be trying to see how little we can pay our workers and how much labor we can squeeze out of them. Instead, we should lift them up and rely on their skills and talent and invest in their ability to keep on learning. Teamwork, education, and innovation are what define business success in the new economy -- and luckily, these are America's strengths as well.

Done right -- with strong protections for labor and the environment -- trade is good for America. And, for proof, again, Exhibit A is New Hampshire. The workers at the Oracle facility I visited this afternoon told me that 65 percent of the company's revenues came from exports. Every time a new technology is exported from New Hampshire to the rest of the world opportunity is imported for the workforce and the children of New Hampshire. Across the state last year, New Hampshire's exports climbed 11.3 percent -- more than \$1.6 billion in goods and services sold to other nations. 1.6 billion. That didn't happen because New Hampshire built walls. It happened because New Hampshire built bridges -- bridges to new markets, to prosperity, to new jobs, bridges to the future. And that's the way the new economy grows. And on trade, too, we need your help to keep this growth alive and going and improving standards of living.

Our economic strategy is working. We have lowered the deficit, and soon will eliminate it altogether. We're making the investments in innovation the new economy demands -- in education, technology, the environment. And we're opening international markets so that New Hampshire and America can sell to the world.

We're making a clear break from the past. That's really what America is all about. That's what the American spirit is all about. When we find a way that works we come together and we seize it. Whenever you make a break from the past, you face opposition from those who fear change or have some stake in the status quo. All of you know that is not the way of America or the American economy. So I call on you to help us pass our balanced budget plan, and help us get our economic plan firmly in place. America's success in the new economy depends on it.

The entire nation must aspire to achieve what you in New Hampshire have already done with many of you here in the forefront of this change. America must combine state-of-the-art technologies from Silicon Valley with the rock-solid values of the Granite State. That's how we can make sure that the new economy brings prosperity and opportunity for all.

Thank you very much and have a good year. (Applause)

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release April 11, 1997

REMARKS BY THE PRESIDENT TO THE ANNUAL MEETING
THE AMERICAN SOCIETY OF NEWSPAPER EDITORS

J.W. Marriott Hotel
Washington, D.C.

12:17 P.M. EDT

THE PRESIDENT: Thank you very much. And, thank you, Bob, for reminding me of my best line from the speech last night. (Laughter.) George Bush got the last laugh. (Laughter.) Twelve thousand feet, not a scratch. I fell six inches, I'm hobbled for six months. (Laughter.)

I'm delighted to be here. I want to thank you for having me and congratulate this year's writing award winners. I missed last year and I'm sorry I couldn't come, but the Vice President told me all about it. And because he came here, I had to listen one more time and look one more time at all those pictures from his days as a long-haired reporter for the National Tennessean. (Laughter.)

This is what it's really like. I don't mind learning about global warming and high technology and everything, but I had to learn all about the newspaper business all over again. I hear that speech about once every three months from him. (Laughter.)

You know, times have changed remarkably since Will Rogers said, "All I know is what I see in the papers." Today, we live in a world with 500 channels, literally hundreds of thousands of web sites exploding all the time. We're trying to develop the Internet, too. But, still, the role that you play in informing and educating Americans and in helping them to make the right kind of choices is terribly important.

I want to talk today about one of those choices that will have a profound effect on all of our lives and the lives of our children in the next century, and that is the choices we must make to sustain America's leadership in the world.

Four years ago I came into office determined to renew our strength and prosperity here at home. But I also believe that in the global society of the 21st century, the dividing line between foreign and domestic policy was increasingly an artificial distinction. After all, our national security depends on strong families, safe streets, and world-class education. And our success at home clearly depends on our strength and willingness and our ability to lead abroad.

The conviction that America must be strong and involved in the world has really been the bedrock of our foreign policy for the last 50 years. After World War II, a generation of farsighted leaders forged NATO, which has given us a half century of security and played a strong role in ending the Cold War. They built the United Nations so that a hard-won peace would not be lost. They launched the Marshall Plan to rebuild a Europe ravaged by war. They created the World Bank and other international financial institutions to pave the way for unprecedented prosperity for American people and others around the world. They did this throughout a half century, Republicans and Democrats together, united in bipartisan support for the American leadership that has been essential to the strength and security of the American people for half a century now.

Now we stand at the dawn of a new century and a new millennium -- another moment to be farsighted, another moment to guarantee America another 50 years of security and prosperity. We've largely swept away the blocks and barriers that once divided whole continents. But as borders become more open and the flow of information, technology, money, trade, and people across the borders are larger and more rapid, the line between domestic and foreign policy continues to blur.

And we can only preserve our security and our well-being at home by being strongly involved in the world beyond our borders. From fighting terrorism and drug trafficking, to limiting the proliferation of weapons of mass destruction, to protecting the global environment, we stand to gain from working with other nations, and we will surely lose if we fail to do so.

Just as American leaders of both political parties did 50 years ago, we have to come together to take new initiatives and revitalize and reform old structures so that we can prepare our country to succeed and win and make the world a better place in this new era.

You know, it is commonplace to say that since the end of the Cold War,

America stands alone as the world's only superpower. That is clearly true, but it can be dangerously misleading because our power can only be used if we are willing to become even more involved with others all around the world in an increasingly interdependent world.

We must be willing to shape this interdependent world and to embrace its interdependence, including our interdependence on others. There is no illusory Olympus on which the world's only superpower can sit and expect to preserve its position, much less enhance it.

In my State of the Union address, I set out six key strategic objectives for America's prosperity, security, and democratic values in the 21st century. First, a Europe that is undivided, democratic, and at peace for the first time in its history. Second, strong and stable relations between the United States and Asia. Third, our willing continuation of America's leadership as the world's most important force for peace. Fourth, the creation of more jobs and opportunity for our people through a more open and competitive trading system that also helps others all around the world. Fifth, increasing cooperation in confronting new security threats that defy borders and unilateral solutions. And, sixth, the provision of the tools necessary to meet these challenges, from maintaining the world's strongest, most modern and most adaptable military, to maintaining a strong, fully funded, and comprehensive diplomacy.

On that last point, let me just point out that Secretary Albright often says that our whole diplomatic budget is only about one percent of the budget. We devote less of our resources to that than any other major country in the world and, yet, about half of America's legacy will be determined by whether we have the adequate resources to do that.

That's a very important thing, because I think most of your readers don't know that. They think we spend more and get less out of our foreign policy investments when, in fact, we spend less and get more than almost any other area of public endeavor.

Each of these six goals is vital to realizing the promise of our time and to guarding against its perils. Together, they provide a blueprint for our future, not just for the next four years but for the next half-century.

In the next three months we'll face critical choices that will determine whether we have the vision and will to pursue these objectives. We have to seize the opportunity to complete the mission America set out on 50 years ago and to push forward on the mission of the next 50 years.

We will begin by strengthening the foundation for security and prosperity in

our own hemisphere. In the first of my three trips to the Americas over the next year, I will meet with our closest neighbors in Mexico, Central America, and the Caribbean to help our democracies and economies grow together and to intensify our shared fight against crime, drugs, illegal immigration, and pollution.

Just before the 50th anniversary of the Marshall Plan, I will hold a summit with the European Union to affirm our transatlantic ties even as we expand our global partnership.

I will host the world's leading industrial democracies at what we used to call the G-7 but now call the Summit of the Eight in Denver, which will give us an opportunity to deepen our cooperation with Russia for peace and freedom and prosperity.

At the NATO summit in Madrid this July, we will continue to adapt NATO to the demands of a new era and invite the first, but not the last new members to join history's most successful alliance.

And I will continue America's efforts to bring the parties together at this very difficult moment for peace in the Middle East.

Like the larger agenda they support, each of these initiatives calls for American leadership that is strong and steadfast. The powerful trend toward democracy and free markets is neither inevitable nor irreversible. Sustaining it will take relentless effort. But leadership brings its rewards. The more America leads, the more willing others will be to share the risks and the responsibilities of forging the future we want.

In the last four years, we have seen that over and over again. We've seen it in Bosnia. We've seen it in Haiti. We've seen it in the Summit of the Americas and in the APEC Leaders Forum, where we have agreed with our partners to build a free and open trading system early in the next century.

Our leadership also faces two other pressing tests now and in the coming months: first, immediately ratifying the Chemical Weapons Convention; and then, giving the United States the means we need to continue our growth by making trade more open and fair in the global economy.

Let me deal with the first issue. For the last 50 years, Americans have lived under the hair-trigger threat of mass destruction. Our leadership has been essential to lifting that global peril, thanks in large measure to the efforts of my predecessors, and during the last four years also when we have remarkable progress.

The collapse of the Soviet Union left 3,400 nuclear warheads in Ukraine,

Kazakhstan and Belarus. Today, there are none. North Korea was accumulating material for nuclear weapons when I became President. Now its nuclear program is frozen, under international supervision, and eventually will be dismantled.

We helped to win the indefinite extension of the Nuclear Nonproliferation Treaty, a powerful global barrier to the spread of nuclear weapons and their technology. We led in concluding the Comprehensive Test Ban Treaty, which will bring to life a decades-old dream of ending nuclear weapons testing.

President Yeltsin and I agreed in Helsinki to a roadmap through the START treaties to cut our nuclear arsenals over the next decade by 80 percent from their Cold War peaks, and actually to destroy the warheads so they can never be used for destructive ends.

Now America must rise to the challenge of ratifying the Chemical Weapons Convention, and doing it before it takes effect on April 29th, less than three weeks from today.

This century opened with the horror of chemical warfare in the trenches of World War I. Today, at the dawn of a new century, we have the opportunity to forge a widening international commitment to begin banishing poison gas from the earth, even as we know it remains a grave, grave threat in the hands of rogue states or terrorist groups.

The Chemical Weapons Convention requires other nations to do what we decided to do more than a decade ago -- get rid of all chemical weapons. In other words, the treaty is about other nations destroying their chemical weapons. As they do so and renounce the development, production, acquisition, or use of chemical arms, and pledge not to help others acquire them or produce them, our troops will be less likely to face one of the battlefields most lethal threats. As stockpiles are eliminated and the transfer of dangerous chemicals is controlled, rogue states and terrorists will have a harder time getting the ingredients for weapons. And that will protect not only military forces, but also innocent civilians.

By giving us new tools for verification, enabling us to tap a global network for intelligence and information, and strengthening our own law enforcement, the treaty will make it easier for us to prevent and to punish those who seek to violate its rules.

The Chemical Weapons Convention reflects the best of American bipartisanship -- negotiated under President Reagan and President Bush, supported by a broad and growing number of Americans, including every chairman of the Joint Chiefs of Staff since the Carter administration. Last week at the White House, I was proud to welcome a remarkable cross-section of these supporters,

including former Secretary of State James Baker, General Colin Powell, other military leaders, legislators, arms control experts and representatives from small and large businesses, religious groups, and scientists.

I urge the Senate to do what is right and ratify this convention. If we fail to do it, we won't be there to enforce a treaty that we helped to write, leaving our military and our people more vulnerable to a silent and sudden killer. We will put ourselves in the same column with rogue nations like Libya and Iraq that reject this treaty, instead of in the company of those that set the norms for civilized behavior in this world. We will subject our chemical companies, among our leading exporters, to severe trade restrictions that could cost them hundreds of millions of dollars in sales, and cost many Americans good jobs. And perhaps most important, we will send a clear signal of retreat to the rest of the world at the very time when we ought to be sending the opposite signal.

America has led the effort to establish an international ban against chemical weapons. Now we have to ratify it and remain on the right side of history. If we do, there will be new momentum and moral authority to our leadership in reducing even more the dangers of weapons of mass destruction.

Within my lifetime we've made enormous strides. Stepping back from the nuclear precipice, from the bleak time of fallout shelters and air raid drills. But we have so much more to do. We have to strengthen the world's ability to stop the use of deadly diseases as biological weapons of war. We have to freeze the production of raw materials used for nuclear bombs. We must give greater bite to the global watchdogs responsible for detecting hidden weapons systems and programs. Continuing this progress demands constant work, nonstop vigilance, and American leadership.

There is a second matter that demands bipartisan cooperation in the coming months. For 50 years, our nation has led the world not only in building security but in promoting global prosperity. Now we have to choose whether to continue to shape the international economy so that it works for all our people, or to shrink from its challenges. The rapidly growing and ever-changing global economy is an inescapable fact of our time. In the last 50 years, global trade has increased ninety-fold. Over the next decade, it is expected to grow at three times the rate of the American economy. Nations once divided by great gulfs of geography and military rivalry are now linked by surging currents of commerce.

Now, the world marketplace does pose stiff challenges. But it offers us great opportunity. In each of the last three years, the United States has been ranked the world's most competitive economy. Our exports have surged to record levels, our budget deficit is now the smallest as a share of national income of any major economy in the world, basic industries have revived, our auto industry is

number one in the world again for the first time since the 1970s. From semiconductors to biotech, to Hollywood, American firms lead the industries that are remaking the world. Our economy produced 11.5 million jobs in the last four years for the first time ever. Our unemployment today is 5.2 percent; that's 1.5 percent lower than the 25-year average before I took office.

We can make the most of this new economic era. We do not need to be afraid of global trade. But in a world where we have only 4 percent of the population and where the fastest-growing markets for our products and services are Asia and Latin America, where export-related jobs pay 13 percent to 16 percent more than other American jobs, we don't have a choice; we have to export.

To do that, we have to have higher skills, stronger productivity, deeper investment. That's why we have to balance the budget -- to keep our interest rates down, our investment up, and to keep the economy going.

We have to give our people the best education in the world. That's why we need the new national school standards. We must open the doors of college to all. We ought to pass the G.I. Bill for America's workers I've proposed that would give every unemployed and underemployed person a skills grant to use and get into training that he or she needs.

We must continue to expand research and development in both the public and private sectors. And in every opportunity, we have to press forward for more open international trade.

Our administration has concluded more than 200 separate trade agreements, each of which opens someone else's markets wider to American business. We fought for NAFTA, which created the free market with our neighbors, and today, in spite of its economic crisis, our exports to Mexico are up 37 percent over pre-NAFTA levels. We broke seven years of global gridlock and successfully negotiated the new round of GATT, which has lowered average tariffs on Americans goods around the world by one-third. We have broken down barriers and boosted exports to Japan -- up 41 percent since 1993 and 85 percent in the areas where we have negotiated specific trade agreements.

This is a record to build on, not to rest on. When the momentum for open market falters, the world can easily slide backward. And when America falters, our relative position will certainly slide backward. It is unacceptable for us to sit on the sidelines while other nations forge bonds of trade. Only American leadership can create the prosperity for our people and for the world in the next 50 years. And America cannot lead if we don't act.

And here's what the issue is: Every American President since 1974 --

Democrat and Republican alike -- has had the authority to negotiate new trade agreements, called fast-track negotiating authority, which permits the agreement to be presented in a package to the Congress to be approved up or down. Every time this has been extended with the support of members of Congress of both parties. That is how we have exercised our most fundamental economic leadership. That authority has expired, and today, I renew my call to Congress to give me the authority to negotiate new trade agreements that will create opportunities for our workers and our businesses in the global economy and will maintain our leadership in creating the kind of world we want the young people who are here in this audience to live in.

We have seen in the past six months what a strong trade agreement can do for our people and our businesses. The information technology agreement that we reached with 37 other nations in December will eliminate tariffs and unshackle trade on \$500 billion of trade in computers, semiconductors, and telecommunications. This amounts to a \$5 billion cut in tariffs on American products exported to other nations. It can lead to hundreds of thousands of high-wage jobs for Americans.

Now if Congress grants fast track authority, I can use it to open trade in areas where American firms are leading and where our future lies. We lead the world in high technology. In years to come, we must press to tear down barriers that keep that technology -- products like computer software, medical equipment, environmental technology out of other markets.

We lead the world in agricultural exports. We have to negotiate trade agreements to open even more markets. We will negotiate a comprehensive free trade agreement with Chile and follow through on our leadership to determine the future of trade in our own hemisphere with our own neighbors, all of whom but one are democracies. And we have to keep them that way and keep them strong.

We will press aggressively to open markets in Asia as well. We must also continue to open opportunities in the world's newest market economies. In particular, I urge Congress to support my new partnership for freedom, to expand trade and investment, entrench free markets in democracy, and promote stability in Russia and the new independent states.

If we don't seize these opportunities, our competitors surely will. Let me just give you one example. Last year, for the first time ever, Latin American nations had more trade with Europe than the United States. There is no reason to think that others will wait while we sit idle.

These nations in Latin America especially are our friends; they're our partners. They have done an enormously important thing in moving to freedom and

democracy in the last few years -- all over Central and South America. We dare not let this opportunity pass us by.

I am determined that the new trade agreements we seek will be good for our working people. After all, we've got 11.5 million more jobs and 5.2 percent unemployment. We know we can make it good for the American people. And I am determined that they will be good for the environment. More and more, in the future, we will see nations negotiating environmental partnerships for the sake of their economies and the stability of their society and the future of their children.

I have asked the United States Trade Representative, Charlene Barshefsky, to work with members of Congress of both parties, with labor and business and environmental groups to try to reach consensus on these issues. But let me be clear: There is one consensus we cannot avoid. We cannot shrink from the challenges of leadership in the global economy.

Trade and communications are remaking our world. They're bringing it closer together, they're bringing a revolution in global trade -- because in the long run, we know that it's going to happen, we ought to lead it. We have to lead it. And if we do, it will increase our buying power and expand our exports. American workers and businesses, given the chance, can outcompete anyone, and I hope Congress will help me let them do just that.

The larger question we face is as old as America -- whether to turn inward or reach outward, whether to fear change embrace it. Over the past 50 years, over the past four years, I believe we've made the choices that have served America well.

Now we face another moment of choice. While we no longer face a single implacable foe, the enemy of our time is inaction. It is so easy to be inactive when things seem to be going well and so easy to believe a new choice will cause more trouble than it will do good. But we did not get where we are today by being inactive or by sitting on the sidelines. The decisions we make in the next few months will set America's course in the world for the next 50 years. We have to make them together, and they must be the right ones.

Thank you very much. (Applause.)

Q Mr. President, the Commission on Protection and Reduction of Government Secrecy -- the Moynihan Commission -- said last month that 3 million people have the authority to classify government secrets at a cost of more than \$5.5 billion a year. The commission called this a form of government regulation not controlled by statute as is all regulatory power. And it said it should be subject to the same guidelines and oversight as other regulation. To provide a check on

unrestrained discretion in creating secrets, the commission recommended a law to codify the principles as to what can be classified and what should not be classified and for how long it should be classified, and to create a national declassification center to provide annual reports on the progress in declassifying government records, and to require the President to set procedures and provide the resources for declassifying information.

Will you support enactment of such a law? If not, why not? If so, how hard will you push for it?

THE PRESIDENT: Well, first of all, let me say, the short answer to your question is: I think there has to be -- we have to do something about it to respond to the commission's report and to respond to the fact that there are too many people who can make too many things classified in the government. And we are reviewing the report. We have also started conversations with members of Congress about it. And I'm -- we're attempting to fashion what we think is the appropriate response. But let me remind you that I believe that we ought to unearth more documents and not keep so many secrets for so long.

I've worked very hard to open up documents since I've been President. We did it with the human radiation experiments. We have conducted a relentless effort to find out what really happened in the Gulf War, in terms of whether our people were or were not and to what extent exposed to dangerous chemicals. And in any number of other ways, I support the general thrust of the commission's report.

I have asked my staff to study it. I have not received a specific recommendation on the specific points in the report, but generally I think there is too much secrecy in the government and I think too many people have too much unfettered discretion just to declare documents secret, and I think that you will see some significant progress coming out of this.

Q Mr. President, my county of 70,000 people is at risk from 7 percent of the nation's stockpile of aging chemical weapons, the nerve agents it's referred to. We don't have the highways to evacuate -- we need to; we don't have the civil defense infrastructure. The disposal plan is behind the time line.

Two questions. As a political matter, wouldn't it make sense to bring even more intensive scrutiny to these sites? There are eight sites scattered across the country; our whole nation is at risk from the downside of the old chemical warfare. And as a moral matter, doesn't it make sense for your administration to step up the disposal and make sure that the highway infrastructure is in place for escape routes and civil defense?

THE PRESIDENT: You've asked me a question no one's ever asked me

before, but I can tell you the answer to the first question is, does it make more sense to bring more attention to the country about it -- the answer to that is yes -- if, for no other reason, not just because of what your people may be exposed to, but because one of the reasons we decided to destroy all this before I ever came along -- my predecessors made that decision, it was the right one -- is that you don't want even small amounts of these kinds of chemicals in the wrong hands -- can be used for very bad things.

And let me also say -- now, on the second question, I will have to go back and see what the facts are and see what we can do to accelerate it. I don't know enough now to give you a sensible answer, but you've asked a good question and I will get an answer and I'll get back to you. And let me just make one other point on this. Some of the opponents of the Chemical Weapons Convention say, well, you know, you can't protect everybody against everything. Well, if that were the standard, we'd never have any treaties and we wouldn't pass any laws.

You know, still, some people may be able to cook up chemical weapons in laboratories in their garages. But if you look at what happened to the Japanese people, for example, when the extremist sect unleashed the sarin gas in the Tokyo subway, it was a devastating thing.

Now, maybe they could or could not do that once the chemical weapons regime is fully in force and we have much tighter restrictions on what can cross national lines. But one thing we know for sure: Japan has already ratified this treaty because they have suffered through this and they know even if somebody who has got a half-cocked idea and a home-baked laboratory can go out and do something terrible like this, there will be fewer incidents like this if we pass the Chemical Weapons Convention.

And I think it's very interesting -- a lot of the objections that have been raised to this convention in America were totally dismissed out of hand in Japan, a country that has genuinely suffered from chemicals like this in the hands of terrorists. But that goes back to the question the gentleman from Alabama asked and it's one of the reasons we want to destroy our stockpiles as quickly as possible, because, in addition to the risks that people in the area are exposed to, we want to minimize the chances that anybody ever can get their hands on any of this for mischievous, evil purposes.

Q Mr. President, some opponents of the Chemical Weapons Convention are arguing that, indeed, it would let the fox into the henhouse; that is to say, a country, perhaps Iran, a signatory, would gain access to our development techniques for making chemical weapons, which are relatively simple, but more importantly, to those regarding defenses against chemical weapons in the fields. What is your response to that argument? And are you in any position to negotiate

a change of any sort in the document if that were necessary to get the votes for ratification?

THE PRESIDENT: Well, first of all, it is -- let me answer the second question first, and then I'll go back. In general, obviously no one country can change the body of a treaty which has already been ratified by other countries; we can't do that, and lots of other countries have ratified it.

But every country is empowered to, in effect, attach a set of understandings as to what the treaty means, and as long as they're not plainly inconsistent with the thrust of the document and don't vitiate it, they can go forward. And one of the things we've been doing with a lot of the opponents and the skeptics of the treaty -- Senator Helms, for example, and others raised, I think, 30 different questions in the beginning, and we have reached agreement, I believe, in 20 of those 30 areas, and we've offered alternatives that we believe are reasonable in the other areas.

Let me just say for those of you who may not understand this, Iran is a signatory of the -- they have ratified the Chemical Weapons Convention. Iraq and Libya have not and will not. The concern is that if a country is attacked by chemical weapons and they are part of the treaty, that all the rest of us have pledged to do something to help them. And the concern would be -- well, what if Iran is attacked by Iraq and the United States and Germany, for example, give them a lot of sophisticated defense technology on chemical weapons and they turn around and use the chemical weapons against someone else. In other words, if they turned out to have lied about their promise in the treaty. That's the argument.

We have made it clear that, as regards other countries, we will not do anything to give them our technology -- not Iran, not anybody -- and that what our response will be -- will be limited to helping them deal with the health effects of the attack. We will help people in medical ways and with other things having to do with the health consequences.

So I believe that the compromise we have reached on that, once it becomes fully public and the language is dealt with, will be acceptable to at least most of those who have opposed the treaty on that ground.

Q Mr. President, we seem to be following a policy in Asia with communist countries like China and Vietnam of engagement and trade. Even with North Korea now, we seem to be on the verge of a breakthrough there -- possibly some aid because they're suffering famine. And I wonder, though, when we turn to our own hemisphere, we seem to follow a policy of embargo against -- we don't seem to, we are -- following a policy of embargo against Castro's Cuba. And I wonder, why is there an apparent difference in approach, and whether trying to

open Cuba up for active trade wouldn't be in line with the kind of opening of market policies that you were suggesting a little while ago?

THE PRESIDENT: Well, I think, first of all, as a practical matter, with each of these countries, we do what we think is in our interest and what is most likely to further our interest.

Secondly, the other three countries you have mentioned have not murdered any Americans lately. We had a law that I strongly supported -- the Cuba Democracy Act. I strongly supported it. I thought it was absolutely the right policy. It strengthened the economic embargo but also gave us a chance to open up relations to Cuba and to take care of humanitarian problems, to facilitate travel, to do all kinds of things. And we were implementing that law. It gave the Executive requisite flexibility.

And in return for the Cuba Democracy Act, the Castro government illegally shot down two planes and murdered Americans. And so we changed our policy. Congress was outraged. They passed the Helms-Burton law, and I signed it regretfully, but not reluctantly. And our policy toward Cuba, therefore today, is one that was dictated by Cuba, not by the United States. And until I see some indication of willingness to change, it's going to be very difficult to persuade me to change our policy. And I would have a different attitude toward China or Vietnam or North Korea if they murdered any Americans. And I would hope you would want me to have a different attitude toward them if they did.

Q Mr. President, my son, Cody, is here with me today and he's 11 years old, and his 5th grade class will be voting first in the presidential elections of 2004. I wonder if you could share with us a little bit of what you hope your legacy will be for him and his class, since you will be just leaving office then, and also what advice and suggestions you might give Cody's class and the other young people of America on what they can do now to prepare themselves to be productive citizens in the early next century.

THE PRESIDENT: Let me answer the second question first. I think the following things I would recommend to the 5th graders to prepare themselves for the 21st century. Number one, first and foremost, be a good student. Learn all you can. Learn the hard things as well as those that aren't hard for you. And stay out of trouble. Don't do something dumb, like get involved with drugs or alcohol or something that will wreck your life. Learn. Be a good student.

Secondly, get to know people who are your age but who are different from you, people of a different racial or ethnic group, people of a different religion. Because you're going to live in the most multi-ethnic, multi-racial, multi-religious democracy in human history. And how we handle that will determine whether the 21st century is also an American century. Still somewhat of an open question,

although I'm encouraged about it.

The third thing I would say is, learn as much as you can about the rest of the world, because it will be a smaller world and you will need to know more about it.

And the fourth thing I would say is, start to take the responsibilities of citizenship seriously and find some way -- even at the age of ten -- to be of service in your community, whether it's helping some student in your school that's not learning as well as he or she should or doing something on the weekends to help people who are unfortunate. I think that we need to build an ethic of citizen service into our young people.

Those are the four things I would advise him to do.

In terms of what I hope the legacy will be -- I hope people will look back on this period and say that while I was President, we prepared America for the 21st century basically in three ways: that we preserved the American Dream of opportunity for everybody who is willing to work for it; number two, that we preserved America's leadership for peace and freedom and prosperity in the world, and the world is a better place because of it; and number three, that Americans are living in greater harmony with one another as one America because we passionately advocated a respect for people's differences and respect for our shared values, and we made real progress in overcoming these divides and extremist hatreds that have not only weakened our democracy but are virtually destroying countries all around the world.

Or in a more pedestrian way, I hope at least people will say, well, after Bill Clinton was President, at least we had a new set of problems to deal with. (Laughter.)

In 1983, I was in Portland, Maine, at a governors conference. And the former Senator and former Secretary of State, Edmund Muskie, who recently passed away -- a remarkable man -- was there. And we were having a visit and he said, you know, I loved being a governor. In some ways I liked it even more than being a Senator or Secretary of State; I liked running something.

And I said, how did you keep score, Senator Muskie; how did you know whether you had succeeded or not? He said, I knew I had succeeded if my successor had a new set of problems. (Laughter.) And you think about it, we will always have problems; it's endemic to the human condition and to the nature of life. The way you define progress is if you get a new set of problems, and if you get over it.

And particularly on feel on this whole issue of how we deal with our racial

diversity. It's something, of course, that's dominated my whole life because I grew up as a southerner. But it's a very different issue now. It's more than black Americans and white Americans. The majority of students in the Los Angeles County schools are Hispanic. And there are four school districts in America -- four -- where there are children who have more than 100 different racial, ethnic, or linguistic backgrounds within the school districts already.

So this is a big deal. And every issue that we debate, whether it's affirmative action or immigration or things that seem only peripherally involved in this, need to be viewed through the prism of how we can preserve one America, the American Dream, our shared values, and still accord people real respect and appreciation for their independent heritages. It will be a great, great challenge. It's a challenge that, by the way, I think the newspapers of the country can do a lot to help promote in terms of advancing dialogue, diversifying your own staffs, doing the things that will help America to come to grips with what it means not to be a country with a legacy of slavery and the differences between blacks and whites, but to have grafted on to that not only the immigration patterns of the early 20th century but what is happening to us now.

It is really potentially a great thing for America that we are becoming so multi-ethnic at the time the world is becoming so closely tied together. But it's also potentially a powder keg of problems and heartbreak and division and loss. And how we handle it will determine, really -- that single question may be the biggest determinant of what we look like 50 years from now and what our position in the world is and what the children of that age will have to look forward to.

Q Mr. President, our region has been devastated by job losses, mainly because of downsizing in the military. Could you speak to the people of the Mohawk Valley, and perhaps other communities like ours, on how your trade policies will help revive our stagnant economy and revive our spirits?

THE PRESIDENT: Well, let's talk about the downsizing of the military and the trade policy. The trade policy alone won't necessarily revive a place with a stagnant economy, because very often the trade policy increases jobs in the places that are already doing well -- because success will build on success. So the only way it can help is if the people in the Mohawk Valley can identify companies that are going to have to expand because of expanding trade and try to get the expansions to locate there.

But what I think is important -- and I believe the United States, first of all, has an extra obligation to communities that have been adversely affected by military downsizing. And we have worked very hard to accelerate the rate at which we work with communities that have had military downsizing, to give them back the resources that they can use to rebuild their communities. In many places we've

had a lot of success; in some places we haven't.

Secondly, I think it's important that in areas like yours the United States gives greater economic incentives for new investment to diversify the economy. One of the things that I have asked the Congress to do in my balanced budget plan is to more than double the number of empowerment zones and enterprise communities from the numbers we have now in the new plan, so we can give real incentives for people to invest their money and to create good, stable, long-term jobs in areas with high unemployment rates.

If there's anything else you can think of I can do, I'll be happy to do it. If there's anything we should have done in the defense downsizing to benefit your area that we haven't done, I'll be happy to look into that. But I think the main thing we have to do at the national level is to keep the economy strong and then to create extra incentives for people -- like people we're trying to move from welfare to work where I proposed some special incentives -- or for places with high unemployment rates, so that we can more uniformly spread economic opportunity.

When you see that America has a 5.2 percent unemployment rate, that's very misleading. We have a lot of states with unemployment rates below 4 percent now. We have within states a lot of communities with unemployment rates below 5.2 percent. But we still have places with unemployment rates of 7, 8, 9, 10, 12 percent. And so the trick is to create the economic incentives that will even out the investment patterns. And that's what I'm trying to do. And if you can think of anything specific I can do to help you, I hope you'll feel free to contact me and let me know.

Thank you very much. (Applause.)

END1:03 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

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June 12, 1997

REMARKS BY THE PRESIDENT
TO BUSINESS ROUNDTABLE

J.W. Marriott Hotel
Washington, D.C.

4:37 P.M. EDT

THE PRESIDENT: Thank you very much, ladies and gentlemen. Thank you, Don, for your introduction and for the good work that you do and that we have tried to do together. I'm delighted to be joined here today by several members of the administration. I see Secretary Daley, Secretary Herman, our NEC Chair Gene Sperling, my Presidential Advisor for Public Liaison Maria Echaveste, and Mack McLarty, who is known to many of you for the many hats he has worn and now among another things is my special envoy to Latin America.

I wanted to come today to talk to you at what we all know is a very hopeful time about what we have to do together to keep our economy growing and to prepare America for the 21st century. With the lowest unemployment in 24 years the lowest inflation in 30 years, the highest corporate profit in more than two decades, the biggest drop in inequality of incomes among working people last year since the 1960s, and a stock market that has done reasonably well --(laughter) -- we also have had the biggest drop in crime last year in 35 years, and now five years in a row of crime going down, by far the largest drop in the welfare rolls ever since 1994 when it reached its all time peak. Our country is also leading the world again in exports and cutting edge technologies. And we can be forgiven if we now hope that we can make the 21st century like the 20th century -- another American century.

The great credit for this remarkable economic turnaround goes primarily to American businesses and workers, to small businesses and entrepreneurs, to those on the cutting edge of research and development, to the responsible policies of the Federal Reserve. But I also like to think that our new economic policy had a little something to do with it as well.

In 1993, we replaced trickle-down economics, which had quadrupled the nation's debt, with invest-and-grow economics --starting with cutting the deficit. We cut it from \$290 billion a year to what is estimated to be about \$67 billion this year. That is a 77 percent reduction based on the 1993 plan. Now, with the balanced budget agreement that the administration has reached with the Congress, it will go to zero.

Second, we have invested in the skills and education of our people -- beginning to put in place a system of life-long learning for all Americans, which starts with expanding Head Start and includes raising academic standards, opening wider the doors of college, improving job training for employees, and developing with the business community, in every state, school-to-work partnerships for those who don't go on to four-year colleges or universities.

Third, we have vigorously worked to open markets for American products. With NAFTA, GATT, and over 200 other hard-won trade agreements, our exports and at an all-time high and will be further advanced by the agreements recently reached in telecommunications and information technology. Fiscal responsibility, investing in people, free and fair trade. That has been our economic strategy.

We have also tried to modernize and improve the way the government works with the private sector. The federal government now has 300,000 fewer people working for it than it did the day I became President in 1993, some 16,000 fewer pages of regulations, hundreds of fewer government programs -- but more importantly, genuine partnerships with all different kinds of industries to grow the economy and preserve the environment and to reach other genuine and legitimate aims of the American people, including moving people from welfare to work and giving our children a greater future -- things to which Don alluded.

The results of your efforts and ours and our partnership have made the United States once again the envy of the world. I read the business magazines when they come out, and they're a long way from where they were in 1993, when I didn't enjoy reading them so much. Now there is a hyperbole contest. One says this is the best economy in 30 years; another says it's the best it's ever been. I don't feel the need to resolve that debate. (Laughter.) Regardless, that's a high-class problem.

But we know that underneath that there are other challenges facing us, so I came here to say I think we can keep this going; I believe we can do better. But it will require us to make some critical choices in the coming months that will determine whether we will keep to the vision and the partnership and the forward march that we are on, or abandon it.

First, we have to finish the job of balancing the budget, and that means we have to implement this budget agreement in good faith. It will happen in two steps. In the beginning there will be votes on what's called a reconciliation package for the multi-year spending and the multi-year tax cut between now and 2002, and then there must be votes on next year's appropriations which are faithful to the budget agreement and to the reconciliation package.

It is absolutely essential for both Republicans and Democrats, especially those who voted for the agreement -- in the House, nearly two-thirds of the Democrats and nearly 90 percent of the Republicans, in the Senate over 80 percent of the Democrats and just over 70 percent of the Republicans who carried with overwhelming bipartisan support in both Houses with one party having the greater percentage in one House, the other in the other House -- it is essential now to implement the agreement in good faith. It is quite specific, and ambiguous on

very, very few points.

If we had enough changes around the edges that some want to make, pretty soon we could make the edges ragged enough to unravel the fabric of the agreement. I do not expect that to happen, I expect it to be implemented, but you will see a lot of efforts, I think, in the next few weeks and months to get people to hold to the terms of the agreement. And since you support the agreement, I hope you will support the discipline necessary to hold to its terms.

The second test will be whether we can make good on the critical need to invest in our people and especially in education and training. This budget contains the biggest increase in educational investment since the 1960s. And arguably, in making universal access to the first two years of college after high school so that it can become just as prevalent as a high school diploma is today, it is the biggest advance in opportunity for all Americans in education since the G.I. Bill.

In addition to that, it contains the funding necessary for us to conduct a national examination of all 4th graders in reading and all 8th graders in math, according to generally accepted national standards in 1999. I want to again say, of all the things the Business Roundtable has done that I am grateful for, there is nothing that I appreciate more than your steadfast adherence to the cause of high national academic standards and the proposition that all our children can learn, should be expected to learn and should be measured against those standards. I want to particularly thank you and thank my long-time friend and fellow Arkansan Brooks Robinson for going public on this and thank you for mobilizing other baseball players and getting the Orioles involved. Stay with this.

Even though we just this week had evidence that our 4th graders rank well above the national average in the Third International Math and Science Test, there are states that are reluctant to participate, and it is wrong. It is wrong to pretend that this is some sort of a government plot to take over the schools, which it isn't, or that somehow math is different in Washington State than it is in Maine, and that physics is different in Miami than it is in Montana. That is not true. And we, and you especially, have an interest in our hanging tough on this.

So we can do it. Already, since I called for this in the State of the Union, we have education leaders in states reflecting about -- now over 20 percent of the school students in our country willing to participate, but we ought not to stop until we have 100 percent. And I thank you for your support of that.

And let me finally say just one more word about the budget agreement. The budget agreement has a unique provision for tax relief, and I think that the amount can be afforded, and the framework of the tax relief is set out in the budget agreement. For me, the tax package that they will send to my desk should meet five tests. One, and most important, it's got to be faithful to the agreement. If you want to know what it can do, just read the agreement. Second, it should help the economy grow. Third, it should be fair to working families. Fourth, it should target our top priority of education. And finally, it should not explode the deficit in later years and make it more difficult to meet the fiscal challenges we will face as the baby boom nears retirement.

Now, the amount fixed in the agreement was \$85 billion in the first year -- first five years, and a little less than twice that in the second five years, which allows for natural growth. In the ten-year window that we have agreed to, this is -- to give you some perspective -- will provide for a lot of possibilities, but it's about one-tenth the total cost of the 1981 tax cut, much of which, as you'll remember, had to be undone in 1982 and then in subsequent years because of what happened to the deficit. We don't want to go down that road again, so there are strict limits.

Within these limits, I favor tax relief to help families raise their children and send them to college, to pay for lifetime learning, to own a home. I could support a pro-growth capital gains tax relief package, along with some help to ease the burdens of estate taxes on small businesses and family farms -- as long as these tax relief measures are consistent with the budget agreement, and especially consistent not only with the five-year time window but the 10-year time window. We are trying to balance the budget over a long period of time, not just have it balanced in one year and have it bump up again in the next year and leave our successors here another set of headaches.

Now, from my point of view, the tax package revealed by the Republicans in the House Ways and Means Committee does not meet all those standards. One of the biggest challenges Americans have today -- and you know this, all your employees do -- even upper income people -- is balancing the demands of work and family, raising a child and doing your job.

I believe the package that was revealed this week by the House committee would make that job more difficult for millions of Americans for the following reasons. First, it explicitly excludes 4 million of our hardest-pressed families from receiving the child tax credit -- I think that's a mistake -- because their incomes are so modest, they qualify for the Earned Income Tax Credit under present tax law.

Another provision actually penalizes families with working mothers by saying that parents who receive tax relief for child care under present tax law will have their children's tax credit cut. I think that is wrong. I don't think that we should single out working families who need child care for less tax relief. I cannot let that provision stand. And since a lot of you employ members of those working families, I hope you will stand with me on that in opposing it.

Nonetheless, let me say that, on balance, I think good things are happening. It is bound to be that in the beginning of this skirmish there will be a lot of particular proposals made that are inconsistent with the budget agreement. Why? Because the budget agreement, while it was voted on by the whole Congress, was developed by just a few people. And I would dare say that not everybody who voted on it has read every word of it.

So don't get too upset or distracted or think that things are hopeless if we get into a big fight here over an issue or two, because it's part of the inevitable process of going from the terms of the budget agreement to the specifics of a reconciliation package and then to the even more specific appropriation bills that will have to pass later in the year.

The third big test, after our investment priorities and balancing the budget, is whether we will continue to lead the world in trade. I have to say that it is somewhat mysterious to me that we seem to have, if anything, even more opposition to expanding trade in 1997 than we did when we had the critical vote in 1993, and then again on GATT in 1994, when we have more evidence that our policy works.

With the 200 trade agreements that were negotiated in the first four years I was President went along over 12 million new jobs -- the first time in history one four-year term ever saw the American people produce over 12 million new jobs. The unemployment rate is at 4.8 percent for the first time in 24 years, since 1973. And, in the last two years, more than half of the new jobs created in this country have been in categories that pay wages above the average. We know that trade-related jobs pay above the average. So it's not like we don't have any evidence here.

Yet, in the face of all this evidence, it appears to me that there are some people -- in both parties, I might say -- who are afraid to give the President the same authority that every President since Gerald Ford has had to negotiate fast-track agreements -- not just with specific countries but within the framework of the general trade regimes of which we're a part.

I do not believe we have anything to fear from more trade with Chile. I do not believe we have anything to fear from more trade with Argentina and Brazil. I believe we would be making a terrible political, as well as a terrible economic, mistake to walk away from the democratic and free market movement that is sweeping the world and especially our neighbors in South America, who have known so much heartache in the past from oppression and poverty, and have given us a lot of heartburn in the 20th century, growing out of the governments they had and the suffering of their own people. Now we have a chance to solidify a much more positive movement, and we know it is good for us because we have the evidence.

So I hope that you will help us win the fast track vote.

I also know that there is, if anything, even more at least emotional opposition to the extension of MFN to China. You know what a lot of our fellow country men and women don't, which is that MFN is the most wrongly worded term in government language. And that's a mouthful. (Laughter.) We do not seek any special favors for China. We seek simply to continue the status quo -- treating them as we do other normal trading partners. We believe that it will help us to maintain a stable, open, and peaceful China. We believe that our interest is having a China that is not only stable and open, but one that is non-aggressive, that respects human rights, works to strengthen the rule of law, and works with us to build a more secure international order.

Now, we have great disagreements with China. The question is, can we influence China best by treating them differently from all of our other trading partners for the first time in a very long time, or can we influence them more by giving the possibility of genuine partnership?

Every President since 1980 has extended MFN to China. Ending that would end our strategic dialogue, which has led to cooperation on nuclear non-proliferation issues, to stability on the Korean Peninsula, to the protection of American intellectual property rights. All of that

cooperation would go by the boards. It would close one of the world's largest markets to our people and our businesses and our exports. It could put in danger some 170,000 American jobs today. It would make China more isolated and remove incentives to play by the rules of international conduct.

Revoking normal trade treatment would have grave consequences especially now, I'm afraid, as we stand on the eve of Hong Kong's reversion. In 1984, Great Britain and China made an agreement about the terms under which Hong Kong would revert and asked the United States, when President Reagan held this office, to bless the agreement. The United States did that. We expect the agreement to be honored -- one China, two systems. We think it should be.

Ending MFN now would shatter any claim to influence we have on that important subject. Half of all China's trade flows through Hong Kong. Revocation would have a more devastating effect on Hong Kong probably than China as a whole. All the political leaders in Hong Kong across the political spectrum, including the most ardent human rights and democracy advocates, have implored us to continue MFN with China and not to revoke it.

So what I say to you and what I know you agree with, but I hope you will say to members of Congress in both parties, is that this is not about whether we agree with China on every issue. It's not about whether we have profound disagreements with them. It is about what is the interest of the American people and what is most likely to give us the largest amount of influence and cooperation with China in the years ahead.

We have to continue to speak out for human rights, and we have, and we will. We have worked with the U.N. Human Rights Commission in Geneva. Our State Department issues unvarnished annual reports. We meet with China's leaders on human rights initiatives. We talk about expanding Radio Free Asia's broadcast to China in Mandarin.

And all of us have to do more on these important issues. We have supported and will continue to support programs to advance civil society and the rule of law in China. And I ask America's business community to join with us to contribute to programs that will support the rule of law in China and in other countries where it is desperately needed.

We need more educational exchanges, more training centers for lawyers and judges, more support for those who stand against corruption. You have great interest in rules that are predictable and consistent. It will help democratic society eventually to emerge and serve our values as well as our interests. But we cannot do it, I would argue, if we cut off our relations with China in trade.

The road ahead may not be entirely uniform and will be unpredictable and will be rough, but you can disagree with people and still do business with them, knowing that if you're talking to them and working with them, the incentives not to go over the edge to truly destructive behavior and a more isolated world are always there. That is what I believe is in the interests of the American people. (Applause.)

I would point out, too, that I have been heartened by the growing support among religious leaders in the United States for continuation of MFN status based on the ability of people in China of different religious faiths to practice their religion. So we're broadening the support. But again I ask you, please help us with this. There are a lot of people of great and genuine conviction on the other side of this issue, but I think the evidence is on our side and I hope we can prevail.

Let me say, finally, that there are a few other things that I think we have to do beyond these three issues of finishing the work of the budget, investing in our people, and expanding trade. This moment of prosperity and stability has given us an opportunity to work together to repair our social fabric, to join together to face those issues which, if we don't face them, could flare into crises and keep us from becoming the nation we ought to be in the new century.

And let me just mention a few. You were kind enough to mention the Summit of Service that President Bush, President Carter, Mrs. Reagan, and General Powell and I and others sponsored in Philadelphia. One of the things we have to do if we want to give our children a better future is to help their parents be gainfully employed. We were able to reduce the welfare rolls dramatically because of a growing economy and because of work we did with states before the passage of the welfare reform bill to help them move people from welfare to work.

Now, this welfare reform bill did two things. It required people on welfare who are able-bodied to move from welfare to work within a certain amount of time, and it gave the states in a block grant funds that used to be spent in a federal entitlement so that they would have more flexibility to create incentives for people to move from welfare to work.

Forty of our states now have a windfall there because they're getting money based on how much they got when the welfare rolls were at their peak, and there has been a 20 percent-plus drop in the welfare rolls in the last three years.

I urge you, in all the states that you're working in, to get the governors, to get the legislators to work with the business community to spend that money in ways that, with your efforts, can move a million more people from welfare to work in the next four years. We moved a million people in the last four when we were creating 12 million jobs -- that had never been done before, the 12 million jobs. Neither had the million people.

Under the terms of this welfare reform law, whether we create 12 million jobs or not in the private sector, we have to move nearly another million people. We have got to have your help. But the states have the power to do things like give employers the welfare check for a year or two to use as an employment and training subsidy for people that are especially hard to place; to spend even more money on child care; to spend money on education and training.

So I implore you to help us do this. It will be a terrible thing if, having called for welfare reform and personal responsibility, the end of it is to wind up hurting poor people. That was never what was intended. The children should not suffer in this. And you are going to have to take the lead in helping to do this.

The second thing I'd like to say is, we have to -- now having faced the structural budget deficit in the country -- we have to deal with the generational deficit. That means we have to have long-term entitlement reform to face the realities of the baby boom generation retiring. And I will be -- as soon as we get the budget out of the way, I'll be working with the bipartisan leadership in Congress on an approach to that, and I ask for your support.

It also means that we have to fulfill the mission of the Philadelphia summit, with the public and the private sectors doing their jobs. Remember what the Philadelphia Summit was about: every child ought to have a safe place to grow up, decent health care, a good education and marketable skills, a mentor and the chance to serve.

And we live in a country where 11 percent of the people over 65 are poor, but 20 percent-plus of the people under 18 are. And we cannot do well unless we do better by our children. So this inter-generational thing is about entitlement reform, but it's also about giving our kids a better chance.

The third issue -- the one I'm going to speak about in San Diego in a couple of days -- and that is the challenge presented to us as we become the world's first truly multi-racial democracy. We have five school districts in America today with kids from over 100 different racial and ethnic groups -- five. We'll soon have 12.

We have -- we all know this, but my Baptist minister from Arkansas came up to see me during the Inaugural and he told me he had a cousin who had a Baptist church across the river here in Virginia that now has a Korean mission and runs English as a second language classes out of the church. There are thousands of stories like this.

And yet we know that there are still dramatically different perceptions among different racial and ethnic groups, starting with the historic tensions that have existed between African Americans and whites in the country and layered on by the successive waves of immigrants that pose great challenges to us.

When you look at how the world is being torn asunder in the Middle East, in Bosnia, in Northern Ireland, and Africa, by people who would rather kill each other over their differences than celebrate what they share, you realize that what we are trying to do here is truly astonishing.

Within the decade, more than one state in America will have no majority race -- within the decade. Within three decades, the whole country will almost have no majority race. We are going to test whether what we always say about America is true -- that we are basically a country founded on an idea. It's not about land. It's not about race or ethnic origin. It's about the idea that all of us are created equal. And that means, among other things, we have to deal with both the perceptions and the reality.

And I don't want to get into this except to say that I hope that all of you are concerned by the consequences of the wholesale abolition of affirmative action on enrollment in higher education that we've seen in California and Texas. And I know a lot of employers of large

companies have led the way in trying to preserve a sensible form of affirmative action. So I ask you to consider that because this is not just the President and the government. All of us are the stewards of whether we can become one America in the 21st century.

Finally, let me say on an issue that I know is a concern to some of you because I read your ad in the paper -- (laughter) -- I think that we have to prove that we can grow the economy while not only preserving, but actually enhancing, the environment. And I believe most of you think we can do that. And I think the message you were trying to get across in the ad is, don't wreck the economy without knowing what you're doing. I understand that.

But let me say, I was very moved by the speech recently given by the Chairman of British Petroleum on the issue of climate change. I don't know how many of you read it, but essentially what he said is, look, nobody knows exactly what the impact of climate change is, but let's not deny anymore that the climate is changing and that it can't be good, and that no harm will be done if we take sensible steps to try to reduce greenhouse gas emissions and to do other things which will help us to preserve the environment.

We've had more extreme weather conditions in the United States in the last five years than we had in the previous 30. And we know from all the scientific studies what is happening to the temperature of the globe. What I ask you to do is to work with me in good faith to give our children a world worth living in.

A lot of you have made a good deal of money in your corporations by technologies which improve the environment. And if we have the strongest economy in the world, we will find a sensible way to grow that economy in a way that fulfills our responsibilities.

Today, with 4 percent of the world's population, we produce over 20 percent of the greenhouse gases. We're up 13 percent since 1990 when President Bush and his administration said we would try to hold constant through the year 2000.

I had an interesting conversation with Jiang Zemin in New York about a year ago, when he said, I don't want you to have a containment policy toward China. I said, I'm not sure -- I said, I don't want to have a containment policy toward China. I said, my biggest worry about you is that you'll get rich the same way we did. And if you do that, you might burn the air up because you've got 1.2 billion people. And we need to find an environmentally responsible way for China to grow.

So I ask you to join with us in partnership. There is no secret plan. There is no scheme here to try to put thousands of Americans out of business. I have devoted my passion and the best ideas I could come up with to try to get this country in good shape economically and socially. But I do believe it is folly for us to believe that we can go into the next century without a strategy that says we're going to be responsible and we're going to do our part and lead the world on the environmental issues -- because we all know what the evidence is. We don't know what the consequences are, and we don't want to go off and do something that we're not sure makes sense. But we can do this. We can do it together. We can do it in a way that makes

sense.

And I ask you not to ever ask us to back away from that, but instead join hands with us and do what we've done for the last four and a half years. Let's find a way to preserve the environment, to meet our international responsibilities, to meet our responsibilities to our children, and grow the economy at the same time. I know we can do it. Look at the evidence of the last four years. We can do anything if we put our minds to it.

Thank you very much. (Applause.)

END

5:15 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Denver, Colorado)

For Immediate Release

June 19, 1997

REMARKS BY THE PRESIDENT
THE PEOPLE OF COLORADO

National Digital Television Center
Littleton, Colorado

2:00 P.M. MDT

THE PRESIDENT: Thank you very much. First I want to thank Robert and Erica for reminding us of what we need to do to make sure all our children have the tools they need to succeed in this new global economy, and indeed, for reminding about whatmost of our endeavors are about. I think they did a good job, don't you? Let's give them another hand. (Applause.)

Thank you, Kristy, for your very kind words and even more for the power of your example. And I want to thank my good friend, Mayor Webb, for being our host. He and Mrs. Webb have been good friends to Hillary and me over the years, and I'm thrilled to be in Denver. I thank my friend and former colleague, Governor Romer, and Mrs. Romer. Among other things, Governor Romer is recognized as the most important governor in our country on the subject of education, which is something I want to talk to you about today and I know you're proud of what he's done. (Applause.)

I thank the host committee and the honorary chairs and vice chairs of the Denver Summit. I thank Representative Diana DeGette, who is doing a good job for you in Congress and came down with me today. (Applause.) City Council President Cathy Reynolds. I'd like to thank the National Digital TV Center and Leo Henry and David Betto (phonetic) who showed me around through this remarkable place.

Some of you may know that I'm sort of a, to put it charitably, a movie freak. My wife used to say that I would watch anything that came on the screen if it started out and it was obviously a movie. And inside I saw 35 movies being digitalized and sent out over various channels, and I almost didn't come out. But I couldn't bear to think of you going through this. (Applause.)

I want to thank all the people here from the Curtis Community Project and the Mouse

Campers* -- thank you for being here. I'd like to say a special word of thanks to a member of our Cabinet, your former mayor, Federico Pena, who just became a father for the third time just a couple of days ago. (Applause.) You know how much he loves Denver, and he thinks this is important or he wouldn't be here, although he's here with permission, I might add.

I want to thank the Director of Summit Affairs and the Executive Director of the Summit, Harold Ickes and Debbie Willhite, and their great team for what they have done. And again, Mr. Mayor and Governor, let me thank you for the incredible support that Denver have given to the Summit of the 8.

I don't need to tell you why we really came here. Denver is a city that America can be proud of -- a city bursting with the promise of the new century that is upon us, with the most educated people in America; a city that has increased its exports to the rest of the world 60 percent faster than the rest of our country in the last five years; a community that, as has been said, once drew its wealth from mine shafts and factories and the land, now thriving on telecommunications, aerospace, banking, computer software, and the magnificence of its environment.

Over a century ago, Walt Whitman wrote of the Colorado pioneers, "All the past we leave behind; we enter a newer, mightier world." Today, the men and women of Denver are cutting new paths. In this very building the product of our culture is transforming from analog to digital, from yesterday's technology to tomorrow's -- beamed to satellites that gird the globe, seen by billions around the world.

When the leaders of the world's leading industrial democracies arrive here for the Summit of the 8, they will be struck not only by the breathtaking beauty of the Rockies, but by the powerful optimism of a city both proud of its past and focused on the future.

With our summit partners, we'll have an opportunity to cut a new path to that future; to work to deepen and extend the benefits of the global economy and protect people more against its down sides; to reach out to bring new partners into that economy, from Africa to all other parts of the world; to spread democracy and human rights around the world; and to meet new dangers of our common security that cross all national borders now -- international crime and drug trafficking, terrorism and the spread of weapons of mass destruction, the emergence of infectious diseases that can sweep the globe, and environmental decay that embraces us all.

We host our partners at a time when America's economy is the healthiest in a generation and the strongest in the world. Our economic success is a strategy that all of you have participated in. It is born of the dynamic center that has kept America moving forward for more than two centuries -- a new American economic approach that required us to puncture myths and push past yesterday's stale debates, that enabled us to move earlier and more strongly than most other nations into the new global economy.

In 1993 we put in place a new economic strategy designed to help America move from the industrial to the information age, to move into a new century and a new millennium with three very simple but profound goals in mind: to make sure the American Dream is alive for all of our citizens, to make sure our American community is growing more united even as it becomes more diverse; to make sure America continues to lead the world for peace and freedom and prosperity.

Our economic strategy had three elements: reduce the deficit, invest more in our people, open the world to our trade. We had to move past old ideas to embrace new thinking, to craft new approaches to achieve all three things.

First, we had to go past the old idea that if you reduced the deficit, it would be good for the economy in the long run, but it would be sheer misery in the short run and bring on a recession. Well, in the last four years, the deficit is down 77 percent, from \$290 billion to less than \$70 billion. (Applause.) But instead of recession, our economy produced a record number of jobs in a four-year term, over 11 million, and now we're over 12 million and still counting.

Now we must decide to stay with that strategy, with a balanced budget that will help interest rates stay low, produce more capital for private business, and even greater confidence in the American economy. I'm pleased that our balanced budget agreement received overwhelming support from big majorities in both parties in both Houses of Congress, and I look forward to signing into law a balanced budget that is consistent with the agreement and our values before the year is over.

Second, we had to go by the old thinking that a nation couldn't bring down the deficit and make its government smaller while still investing more in its people, its future, and its environment, and that we could not bring down the deficit and give people the tools they need to succeed at work and at home and to maintain an adequate social safety net. But by spending less and spending smart, we were able to increase the productivity of our government.

We increased our investment in Head Start by 43 percent, spent nearly \$1 billion more to provide children and their mother with the nutrition they need so that all of our children will be able to learn when they enter school -- (applause) -- set aside funds to help states reduce class size, began school-to-work programs in all 50 states so that we could work in partnership with business to help young high school graduates who don't go on to four-year colleges keep learning and find good-paying jobs.

We opened the doors to college wider than ever, with more scholarships, more work-study, more affordable college loans. We put more money into the National Institutes of Health to spur new medical discoveries and cures, and invested more in research to keep our lead in communications and technology and environmental protection. And we did it and cut the deficit by 77 percent. It's not how much you cut, but how you cut; not what you spend, but where you spend it. (Applause.)

Hundreds of government programs, thousands of government regulations have been eliminated, and so help me, not a single American citizen has come up to me and said, I just can't live without that program or that regulation you got rid of. The government is 300,000 people smaller than it was the day I first took office. But because we had no mass lay-offs and we worked with the Federal Employees Union in partnership, we have seen the productivity of government go up and the people have been able to go on to other productive careers. I'm proud of that and proud of our federal work force for making it possible. (Applause.)

We have focused not on new guarantees, but on giving people new tools to help families make the most of their God-given potential. And we have shown that you can give people more opportunity for economic security and still make the economy more flexible and more adaptable.

People said that when we adopted the Family Leave law it would hurt the economy. But it didn't. They said that when we raised the minimum wage it would hurt the economy. But it didn't. They said when we passed the Kennedy-Kassebaum bill saying you couldn't lose your health insurance because someone in your family got sick or because you had to change jobs it would hurt the economy. But it didn't. We were able to provide greater access to health insurance for self-employed people, greater pension protection and availability, tax incentives for business to invest in high unemployment areas. It all helped the economy. If you help people succeed at home, they will be more productive at work, and the country will be stronger as a result. (Applause.)

But we have to finish the job and balance the budget. The new balanced budget agreements continue the strategy of cut, invest and grow. Its centerpiece is education and investment in people. It has the single largest increase in federal support for education since the G.I. Bill was passed 50 years ago. (Applause.)

Its base is a national commitment that every 8-year-old ought to be able to read independently, every 12-year-old should be computer literate, every 18-year-old should be able to get at least two years of higher education, and every worker should be able to keep on learning for a lifetime. (Applause.)

Our program includes the America Reads initiative. We're trying to mobilize a million volunteers to work with schools and parents all across America to make sure every child can read independently. And that's important in a country where we have so many children whose first language is not English. We owe it to them, and goodness knows we need every single one of them -- their brains, their spirit, their energy, their self-confidence. (Applause.)

Our technology literacy initiative will work with schools all over the country to hook up every classroom and library to the Internet by the year 2000. We owe it to our people to make sure that by the year 2000, two years of college is just as universal as a high school diploma is today. And the tax incentives in our program will do that. We will open the doors of college to

all Americans for the first time in the history of this country. (Applause.)

We also have a proposal to put skill grants in the hands of people who are unemployed or underemployed so they go to the nearest educational institution of their choice and get the education they need. And we recommend permanent tax deductions for employer contributions to the education of their employees. When a company goes out and invests its money to help their employees continue to be productive, and something that will benefit them whether they stay with that company or move to another one, they ought to be able to get a tax deduction for it. I hope you will support this entire educational initiative. It is good for America. (Applause.)

The second thing we do is recognize our special obligation to help people move from welfare to work. We now require people to do so, if they're able-bodied, within a certain amount of time. But if you're going to require them to do so, you have to protect the children, pay for child care, make sure the jobs are there when the welfare runs out. And that is in our budget, and we are committed to passing it. (Applause.)

The third thing we've agreed on is a tax cut designed to grow the economy, help people get an education, and give middle class families tax relief. We can do a lot of things in that tax cut, and I hope we will. When I became President, for example -- we talk about the new economy -- there were 3 million people making a living out of their homes. Today there are over 12 million. Within five years, there will be 30 million. We ought to have an adequate home office deduction for those people. (Applause.) We ought to have the kind of small business credits that will enable them to continue to expand.

I don't know what the final shape of the capital gains cuts will be, but I believe we ought to give more benefits for people who start small business, capitalize them, and then stay with them for five or ten years, and create jobs and do the kind of things that you heard Kristy talking about today. That's what I think we ought to do benefit people with that tax -- (applause.)

Now, all the countries in the world face the same choices we do. They're having to decide, can they reduce their deficit and still invest in their people, can they target people programs, can they maintain a social safety net. And to be fair, a lot of countries have more generous benefits for child care than we do. They cover all their children with health care, and we're going to cover half of those without insurance in this budget agreement. And I won't rest until we finish the job. They do more than that. Can they still grow their economy and reduce spending? You bet they can. Every single country can have the same impact, but you have to be willing to break through those old myths and old ideas and engage people in a committed process to get to a common goal.

The third thing we had to do that we still are fighting is to reject the false choice between protectionism, on the one hand, and unlimited free trade opening our markets with nothing in return on the other. Protectionism is simply not an option because globalization is irreversible. If we try to close up our economy, we will only hurt ourselves. We have too much to gain from

opening markets, and besides, we know we can out-work and out-compete anyone, especially if we maintain our technological edge and educate all our people.

So what are we going to do? Are we going to take the lead, or wait for others to blaze the path and get the primary benefits? We have decided for the last four years to take the lead. But we have to decide now, are we going to do more or less to cushion the negative effects of globalization while still opening markets? Are we going to do more or less in trying to push in new areas where other countries are more protectionist than we? Or are we just going to sit around and try to close up our markets?

It seems to me difficult to imagine that this is even a serious debate now. In the last four and a half years, we have become the world's leading exporter. In the last two years, over half the new jobs coming into this economy have paid above average wage. And we have the lowest unemployment rate in 24 years. Who could seriously argue that our effort to open markets with 200 trade agreements -- the largest number in any period in American history -- is ill-advised? I say we should be doing more of it, not less of it. We ought to bear down and charge into the future and embrace the rest of the world. (Applause.)

Do the agreements need to be fair? Do they have to be enforced? Should we be willing to take action if people take advantage of us and don't honor their agreements? You bet. Should we continue to invest in the mobility and skills of those who might be displaced by trade? Absolutely. But should we just turn away from this? No way.

You know that we have to do these things. I also hope you know that we can grow in a way that enhances, not undermines, the global environment. We can grow in a way that strengthens, not weakens, global cooperation for the advancement of people's welfare everywhere, as well as dealing with the common security threats I mentioned a moment ago.

We have chosen to reach outward, not to be afraid of competition, to embrace the possibilities of the global economy, and to work to make sure it works for ordinary American citizens.

Let me just give you one statistic to prove we don't have an option. We are now slightly less than one-fifth* of the world's population, but we have slightly more than 20 percent of the world's wealth and income. There is no way to sustain that unless we sell more to the other 95 percent. This is not a matter requiring Einstein to calculate. We cannot afford not to keep reaching out to the rest of the world, and I intend to do it.

Just this morning, we reached agreement with Japan on a process to open their markets to competitive American products like telecommunications and medical equipment as they deregulate at home. Unless you think that will not come to pass, let me say that in the 20 areas where we have specific trade agreements with Japan, American exports have increased over 85 percent in the last four years. We can move this process forward and we have to. (Applause.)

* five percent

Today, Colorado has 132,000 jobs tied directly to trade -- 132,000. Almost without exception, they are the good jobs, the high-paying jobs that we want to create more of. We must do more of this, not less.

So let me say to all of you, the success of this strategy that we have done together -- and it wasn't just what the government did. The lion's share of the credit goes to the businesses and the working people, to those people who were finding the new technologies, who were applying them, who were pushing the barriers of entrepreneurialism, to the Americans' willingness to take a risk and take a chance and go out there and compete. We have to give credit to a Federal Reserve policy that supported both growth and low inflation. But if we had not reduced the deficit, expanded trade, and invested in our people, it would not have provided the glue to hold the whole policy together. We need to keep doing this.

America has the lowest unemployment rate in 24 years, the lowest inflation rate in 30 years, the biggest decline in inequality among working families in over 30 years. We are moving in the right direction. In the weeks and months ahead, we have to finish the job. We've got to balance the budget. We have to give -- I believe strongly -- we have to persuade the Congress to give the President fast track authority. Every President has had it for the last 23 years. That's a term of art for saying, I can go and negotiate a trade agreement with Chile or with Argentina or with Brazil and bring it back to Congress and they have to vote it up or down, instead of subjecting it to 50,000 amendments, which will undermine the agreement. This is very important, and we have nothing to fear from those countries. (Applause.) They are our partners in democracy. They are our partners in opportunity.

The second thing I believe we should do is to maintain our normal trade relations with China. We should not attenuate normal trade relations with a country just because we disagree with it. We should find ways to honestly articulate our disagreements. We should push our ideas forward, but we should imperil 170,000 American jobs today and a big chunk of America's future -- not just our economic future, but our ability to work with the largest country in the world in areas from arms control to making peace in Asia to dealing with problems all around the world that we share, like terrorism, by cutting off normal trading relations. We don't do it to other countries with which we disagree; we should not do it with China. (Applause.)

Lastly, let me say that we are uniquely placed to succeed in the global economy in the Information Age because our ideas and our ideals are being embraced by so many. We were the birthplace of the Internet, the biggest change in communications since the printing press. Our movies and music, our TV programming and software programs animate the lives of people all around the world -- witness what goes on in the building behind me.

Much of the science and technology shaping the future is made in America. Perhaps

most important, we are the most diverse large democracy in the world. There is somebody here from everywhere. Five of our school districts already have children from over a hundred different racial and ethnic groups. Within two years there will be 12. Within three years, our largest state, California, will have no majority race. We've got to learn to live together and work together, which is why I've announced this big initiative on race, and I hope you will all support it. But you have to understand, there's not just a down side here, there is a huge up side. If we're in a global economy, who will do best? The nation that has the globe living inside its borders. That's what America has and we ought to be proud of it, lift it up and make the most of it. (Applause.)

And so, my fellow Americans, that's our strategy --balancing the budget, investing in people, making the global economy work for us. That's the strategy we want everyone to embrace. We do not feel threatened by other people's success; their success is ours. And that's what we're going to work on here. Thanks for giving us a chance to do it.

Thank you and God bless you. (Applause.)

END

2:25 P.M. MDT