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Remarks on economic growth
William J Clinton

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Thank you very much. Thank you, Secretary Herman and Council of Economic Advisers Chairman Martin Baily, and especially, thank you, Marvin Dawkins, for your remarks and for the power of your example.

This is a very different time than we were experiencing 7 years ago this month. When I ran for President in 1992, it was a time of economic distress and uncertainty for our country. While some people were moving from the industrial to the information economy with optimism and purpose, many others felt fear and uncertainty because of the problems in our economy, high unemployment, big deficits, high interest rates, low productivity gains, falling real wages for average Americans.

Too many Americans couldn't tell the story that Marvin just told. They lacked the skills they needed to succeed in the new economy; they felt threatened by the changes; and they had no access to the tools that would lift them up.

But when I traveled around the country in 1992 with the Vice President, we saw a lot of signs of hope. We saw a lot of people who were winning. And we became even more convinced that our country, as a whole, could do very well in this new global information economy, if we could create the conditions and provide all Americans the tools necessary to succeed.

It seemed to me that there were three absolutely pivotal elements. First, fiscal discipline: We had to get rid of the deficit and get interest rates back down and get investment back up. Second, expanded trade: We had 4 percent of the world's people and 22 percent of the world's income; even someone technologically challenged like me could figure out we had to sell something to the other 96 percent of the people on the globe. And third, greater investments in new technologies and in our people in their capacity not only to know what they needed to know but to learn for a lifetime. And people like Marvin Dawkins are Exhibit A of the pivotal importance of that.

Now in 1993, we put in place a new economic strategy. it cut the

deficit and increased investment by eliminating hundreds of inessential programs and putting us on a path that now has given us the smallest Federal Government in 37 years. In 1997, with the Balanced Budget Act, we continued the strategy, again increasing investment, cuttinginessential programs, first balancing the budget and then providing the first back-toback budget surpluses in 42 years.

Now that led to lower interest rates, which helped ordinary Americans in all kinds of ways. It cut the price of the average home mortgage by $2,000, the price of the average car payments by $200 a year, the average college loan payment by $200 a year. But critically, it also cut the borrowing costs and the investment costs, therefore, for new businesses, especially for investment in new productivity-enhancing technologies.

At the same time, we negotiated over 270 trade agreements, including dozens of them involving high technology issues, all of which helped Americans to increase exports of high technology products-services. We promoted more competition in telecommunications, providing American consumers with the lowest Internet access rates in the world and fueling the growth of E-commerce. And we've taken actions that have led to the creation of a whole new generation of digital wireless phones, you know, the kind you hear go off in restaurants, movie theaters, and Presidential press conferences. [Laughter]

While eliminating hundreds of programs, we have almost doubled our investment in education and training, everything from preschool to dramatically increasing college access, to establishing lifetime access to training and retraining programs for people like Marvin.

Now, as a result of these actions and, most importantly, the innovation and the hard work of the American people, we are now experiencing an amazing virtuous cycle of progress and prosperity that few could have imagined. We are in the midst of the longest peacetime economic expansion in American history. If as seems highly likely it goes on through February, it will become the longest economic expansion in our history.

It has given us low inflation, the lowest unemployment rate in 30 years, also the lowest welfare rolls in 30 years, the lowest poverty rates in 20 years, the highest homeownership ever recorded, the lowest AfricanAmerican and Hispanic unemployment rates ever recorded, the lowest African-American poverty rate ever recorded, the lowest Hispanic poverty rate recorded in a generation, the lowest poverty rate among households headed by single adults in over 40 years, and the lowest unemployment rate among women in 40 years.

In other words, a good economy has also turned out to be very good social policy. More and more Americans are mastering the skills and

reaping the benefits of this new economy, and America itself continues to lead in new technologies, from E-commerce to biotech, that are shaping the future of the entire world.

Now today, I want to talk about one more piece of stunningly good economic news that is the direct result of the actions that have been taken and the work that has been done by our people to propel our economy into the new century, and now, we have a hightech animation behind me [laughter]-to illustrate this good economic news. I hate to compete with the movies, and I'll probably lose-[laughter]-but the idea is that I'm supposed to be the narrator of this show. [Laughter]

What you see behind me is a graphic representation of the growth of new jobs in America, beginning in 1993, as well as the geographic location of these jobs. You can see they have been spread across the country, wherever people live. Virtually no area of our Nation has been left out. At the bottom, you can also see a running tally of how many new jobs have been created. [Laughter] And I'm ahead of the running tally. [Laughter] But the latest figures are being released today.

Come along. [Laughter] What did you say? Filler, filler. [Laughter] I've never been at a loss for words. [Laughter] Why can't I do this?

With today's new numbers, we have truly crossed a remarkable threshold: 20 million jobs. In fact, the specific number behind me is 20,043,000 jobs, thanks to the hard work of the American people, the economic policies we have pursued.

To give you some idea of what this means, 20 million jobs is a number greater than the population of Minneapolis and St. Paul, Denver, Washington, San Francisco, Dallas, Miami, Buffalo, Cleveland, and Little Rock combined. [Laughter] Twenty million people would fill the Rose Bowl to capacity 200 times over. Twenty million jobs are a lot of jobs.

And by and large, those jobs are good, well-paying jobs, jobs on which you can support a family, buy a home, afford a vacation, save for college, put away a nest egg for retirement. This was made clear in a new report being released today by my Council of Economic Advisers and the Department of Labor.

The report finally should put to rest the old myths about the new economy. The 20 million new jobs we have created mostly are high-wage not low-wage jobs. Over 80 percent of them are in job categories that pay above the median wage. They are mostly fulltime, not part-time. In fact, the proportion of Americans in part-time work has actually fallen a bit in the last few years.

Finally, those 20 million new jobs have benefited not just one race or class of Americans but all Americans. Unlike the end of the last economic expansion in the 1980's, when average wages went down, wages during the last 4 years of this expansion have gone up across the board in all income categories, with some of the biggest gains coming to some of our hardest pressed working families. As I said-I want to say this again, because I think it is worth reiterating; this economy is not just 20 million new jobs and a stock market that went above 11000 again today-I never talk about it because it goes down as well as up, but it's done pretty well. But let me say again, the lowest AfricanAmerican unemployment and poverty rates ever recorded-and we've been separating the figures for nearly 30 years now-the lowest Hispanic unemployment rate on record and the lowest Hispanic poverty rate in over 25 years, the highest minority homeownership on record, the lowest female unemployment rate since 1953. And I don't need to remind the large group of women in this audience that in 1953, there were a lot smaller percentage of women in the work force, so this is actually a much more important figure than even that number indicates.

Now, technology has been a very important part of this economic performance. It has given us big productivity gains. The information technology sector alone has been responsible for about a third of our economic growth. And jobs in that sector pay nearly 80 percent more than the private sector average. If we want our current prosperity to continue into the 21st century, we must therefore clearly continue to encourage the creation and the spread of new technologies in our own economy.

Therefore, I would like to highlight a couple of things that I think are of real importance in the budget agreement achieved with Congress, that I signed just a few days ago. First, the budget I signed contains substantial increases in direct Federal investment and long-term research and development. This is still very important, as all the private sector experts tell us. it is the kind of investment that allowed the Defense Department to create the predecessor of today's Internet 30 years ago, that led Marc Andresen, working at a federally funded supercomputer center, to develop the first graphical web browser.

We worked hard to get increases not only for biomedical research that had strong support in our Congress but for other science and engineering disciplines as well. And I would like to make this point very strongly, because it's one that I hope to make more progress on next year and hope to see our country embrace as a policy across the board, without regard to party: It is very important that we have a balanced research portfolio. And I don't believe that the National Institutes of Health has had a stronger supporter than me. I believe that. But we have to have a balanced research portfolio, because the research enterprise is increasingly interdependent. Advances in health care, for example, are often dependent on breakthroughs in other disciplines, such as the physics needed for medical imaging technology or the computer science needed to develop more drugs more

rapidly or to continue the mapping of the human genome.

Just think what these investments could mean. Today, scientists and engineers all over the country have ideas for new technologies they need Federal help to explore, technologies that could transform our economy and our lives in the future just as dramatically as the Internet is doing today. There is really a continuing revolution, as we all know, in all kinds of computer technology, in biomedical research, and also in materials development, which I'll say a little more about.

We'll have new materials as strong as steel but 10 times lighter. At the Detroit auto show this year, they were already showing cars 500 to 1,000 pounds lighter that have exactly the same safety tests as the old cars with steel. Obviously, that dramatically increases mileage, that reduces greenhouse gas emissions. We could have new drugs that might cure spinal cord injuries or new computer chips that might simulate nerve movements that allow people to function without the nerves actually being reconnected.

just before I walked out here-this is ironic-just before we walked out here, we had CNN on in the little anteroom, and they pointed out that Stevie Wonder was about to have experimental surgery to have a computer chip inserted in his retina to see if it can simulate and recreate the functioning that was lost when he was an infant. We obviously all hope it will work. But I can tell you this: Someday, such things will work, and it won't be very long in the future.

We already have fuel cells and blended fuel engines for automobiles which will take mileage up to 70 and 80 miles a gallon. We will soon have, I believe, ultra-clean fuel cells for cars, whose only byproduct will be water clean enough to drink; computers that can translate English into foreign languages and vice-versa as fast as people can speak. All these things are right around the comer, but we have to continue our commitment to research,

Second, later this month, I will sign a tax measure that extends for 5 years the life of the vitally important research and experimentation tax credit. This is important because this tax credit gives private firms the incentives they need to invest in innovative technologies that often don't show up quickly on the bottom line but that, over the long run, will be highly profitable and that immediately provide tremendous benefits to society as a whole.

Third, last week I signed legislation to help accelerate competition in the telecommunication industry, to give consumers more choices and lower prices. I also signed a bill to strengthen and streamline our patent and intellectual property system, to strengthen the incentives for the next Alexander Graham Bell or Steve jobs, to create the inventions and innovations that will drive

the 21st century economy.

No one today can say for sure what our economy will look like in 25 or 50 years or what as yet unimagined technologies will transform our lives. But we do know that it will be truly amazing, and it will happen with breathtaking speed and scope. And we know that our Nation has always prospered when Government has invested in giving people the opportunity to make the most of their vision and their dreams, from financing the Louisiana Purchase and the Lewis and Clark Expedition to the Interstate Highway System and the space program.

The American people have always been a bold and innovative bunch. We are always drawn to uncharted lands over the next horizon. Who will pack our bags and head out to the latest gold rush or tinker in our basements for years to invent a product no one else has ever imagined? That's what we do.

Today, thanks to wise investments made by Government and the private sector over many years, the American people have before them the unexplored continent of cyberspace and the prospect of discovering what is in the black holes in outer space. By continuing these commitments, we can celebrate more days like today.

Thank you very much. Thank you.

NOTE: The President spoke at 1:25 p.m. in Presidential Hall (formerly Room 450) in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Marvin Dawkins, former AT&T employee who took advantage of retraining opportunities to begin a new career, who introduced the President; Marc Andresen, cofounder Netscape Communications Corp.; and musician Stevie Wonder.