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Remarks on electronic commerce

William J Clinton

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Thank you very much. I feel like the fifth wheel here. [Laughter] Most of what needs to be said has certainly been said.

I want to thank the Vice President for his outstanding leadership. I thank Secretary Rubin and Ambassador Barshefsky and, in his absence, Secretary Daley; Administrator Alvarez, Mr. Podesta, and other members of the administration. I thank all the members of the high-tech community in various forms and permutations who are here in this audience today.

And I, too, want to thank the Members of Congress for their invaluable help. In spite of the ups and downs of partisan debate in Washington, this is one area where we've managed to really pull together a broad bipartisan coalition of Members of Congress to do a whole series of good things for America, through the Internet, over the long run.

I want to specifically thank Congressman Cox and Senator Wyden for sponsoring the Internet Tax Freedom Act. I want to thank Senator Hatch, who led the efforts on the copyright protection legislation. I thank Senator Burns, the cochair of the Internet caucus and who, along with Senators Rockefeller and Dorgan, who are here, have played crucial roles on the Senate Commerce Committee in passing electronic commerce legislation; and Congressman Pickering, who has assisted us in the privatization of the domain name system and on many other issues. So I'd like to ask you to give these Members of Congress a round of applause. I thank them for what they are doing. [Applause]

I'm very grateful to John Chambers and Meg Whitman for being here today and for what they do with their own companies and what they represent for our country's future. I've been wondering what I was going to do in a couple years. I think I could be a successful trader on eBay, you know? [Laughter] At least I know where I can go and get my political memorabilia now. [Laughter]

I always liked John Chambers until I found out he had 70 vice presidents. [Laughter] I don't know what to make of that. He's more important than I am? He's less efficient than I am? [Laughter] Or one great Vice President is enough. How's that? [Laughter]

I also want to thank my friend of 30 years now, Ira Magaziner, who has been acknowledged, and who's here with his wonderful family, for years of work, including many months when this work did not get anything like this level of attention which it has today.

As all of you know, Thanksgiving weekend marked the beginning of the holiday shopping center and a new holiday tradition. Last year only 10 percent of those with home computers shopped for holiday gifts on-line; this year the figure is predicted to be over 40 percent. On-line shoppers are buying everything from the latest electronics to oldtime Babe Ruth and Lou Gehrig baseball cards, thanks to eBay. This new era, therefore, will not only transform commerce, it will lift America's economy in the 21st century.

This Thanksgiving I had a chance again to give thanks for these good times in our country. Less than a decade ago, people were worrying that America could not keep up with global competition. Today, we have the strongest economy in a generation, about 17 million new jobs, the largest real wage growth in 20 years, the lowest unemployment in 28 years, the smallest percentage of people on welfare in 29 years. And we're leading the world in the technologies of the future, from telecommunications to biotechnology.

The qualities rewarded in this new economy, flexibility, innovation, creativity, enterprise, are qualities that have long been associated with Americans and our economy. We have to keep this momentum going. That's really what we're here to celebrate, ratify, and commit ourselves to today.

I think the first thing we have to do is to stay with the economic policies that have worked for the last 6 years: fiscal discipline, expanding trade, investing in education and research and development. I think we have to do more work here at home to expand the benefits of the economic recovery to areas and people who have not yet felt it, and I believe the Internet has an enormous potential role to play there.

I believe, to keep this going, we're going to have to do more to contain the economic crisis in the world, to reverse it in Asia, and to deal with the long-term challenges to global financial markets, which Secretary Rubin and I and others are working very hard on.

But finally, I think we have to clearly commit ourselves to making the most of what is clearly the engine of tomorrow's economy: technology. We have to make ourselves absolutely committed to the proposition that we will first do no harm. We will do nothing that undermines the capacity of emerging technologies to lift the lives of ordinary Americans and, secondly, that, insofar as we can, we will help to create an environment which will enhance the likelihood

of success. That is what we are fundamentally celebrating today and committing ourselves to for tomorrow.

Information technology now accounts for more than a third of our economic growth. It has boosted our productivity and reduced inflation by a full percentage point. Obviously, few applications of this technology have more power than electronic commerce. If all the sales being conducted over the Internet were taking place at one shopping mall, that mall would have to be 30 times the size of the largest mall in the world, Minnesota's Mall of America. Five years from now we would need a facility 1,000 times the size of the Mall of America to handle the volume of sales.

Now, to fulfill this promise, we have to create the conditions for electronic entrepreneurs. You've heard that discussed. That's why I asked the Vice President to coordinate, and Ira Magaziner to work on building a framework for global economic commerce back in late 1995. That's why we committed ourselves to the proposition that the Internet should be a free-trade zone with incentives for competition, protection for consumers and children, supervised not by governments but by people who use the Internet every day.

This year 132 nations followed the U.S. lead by signing a declaration to refrain from imposing customs duties on electronic commerce. We reached agreements supporting our market-driven approach with the European Union, Japan, and other nations. Today the Australian Prime Minister and I will issue a joint statement along these same lines. Working with Congress, industry, State and local officials, we passed a law to put a 3-year moratorium on new and discriminatory taxes on electronic commerce. And again, I thank Secretary Rubin and Deputy Secretary Summers for their work on that.

We ratified an international treaty to protect intellectual property on-line. We made it possible to conduct official transactions electronically. We secured the funds to challenge the Nation's research community to develop the next generation Internet. We passed a law to protect the privacy of our children on-line. We're working with companies representing a large share of the Internet traffic to help them meet our privacy guidelines. We have effectively privatized the Internet's domain name and routing systems. We have moved to improve the security and reliability of cyberspace by focusing attention on protecting critical infrastructures and solving the Y2K computer problem.

Now, that's a pretty impressive line of work for all concerned. But we see there are still challenges to overcome. Many people who surf the Web still don't shop there. They worry they won't get what they thought they were paying for. They'll have nowhere to go if they get cheated. We've already begun to address these fears, not with burdensome regulations that might stifle growth and innovation but with incentives for on-line companies to offer customers the protections they need.

We must do more. Our country has some of the strongest consumer protections in the world. Today I ask Secretary Daley to work with the FTC and other agencies, consumer advocates, industry, and our trading partners to develop new approaches to extend the proud tradition of consumer protection into cyberspace, to ensure truthful advertising and full disclosure of information are the foundations of global electronic commerce. People should get what they pay for on-line; it should be easy to get redress if they don't.

We must give consumers the same protection in our virtual mall they now get at the shopping mall. And if the virtual mall is to grow, we must help small businesses and families gain access to the same services at the same speed that big business enjoys.

For many people, connections are so slow that shopping at the virtual mall is filled with frustration. It is as if they had to drive over dirt roads to get to the mall, only to find an endless line of customers just waiting to get into the door. So today I'll also direct Secretary Daley and Ambassador Barshefsky to work with the FCC and our trading partners to promote greater competition to bring advanced high-speed connections into our homes and small businesses, to ensure that the Internet continues to evolve in ways that will benefit all our people.

Our Nation was founded at the dawn of a period not so very unlike this one, a period of enormous economic upheaval when the world was beginning to move from an agrarian to an industrial economy. Alexander Hamilton, our first Secretary of the Treasury, understood these changes well. In his remarkable "Report on Manufacturers" and other of his writings, Hamilton identified new ways to harness the changes then going on so that our Nation could advance.

Listen to this. He proposed what many thought were radical ideas at the time: a central bank, a common currency, a national system of roads and canals, a crackdown on fraud so that American products would be known all over the world for quality. He created the blueprint that made possible America's industrial age and, many of us believe, the preservation of the American Union.

Today, we are drawing up the blueprints for a new economic age, not for starting big institutions but for freeing small entrepreneurs. We have the honor of designing the architecture for a global economic marketplace, with stable laws, strong protections for consumers, serious incentives for competition, a marketplace to include all people and all nations.

Now, I may not know as much about cable modems and T-1 lines as the Vice President-[laughter]-I think we made a living of jokes out of that for 6 years. But I do know, thanks to his and others' work,

that electronic commerce gives us an extraordinary opportunity to usher in the greatest age of prosperity not only Americans but people all over the world have ever known.

To me, the most moving thing said from this podium today involved the stories of people in Africa and Latin America lifting themselves from abject poverty through access to the Internet. That can happen to more than a billion other people in ways that benefit all of us, if we do this right.

We have made a good beginning. I am confident we will finish the job.

Thank you very much.