

House Democratic Leader Richard A. Gephardt
Economic Address to the Democratic Leadership Council

"The Long Look Ahead"

**Washington, DC
January 24, 2002**

"Thanks, Al. You know, Al From has been telling that same joke for 20 years now. And the sad part is, the punch line still applies.

"When we were in college, the one thing most of us couldn't understand is how a guy who grew up in South Bend, Indiana could wind up rooting for the Wildcats.

"One of the things people don't know about the founding of the DLC is that Al spent most of that first year completely distracted because the Bears were making their run to the Super Bowl. I remember asking him at one point if he thought that the DLC would make 'Al From' a household name. And he said, 'Dick, Al From will be a household name when St. Louis wins the Super Bowl.'

"Well, at least half of that equation came true. I'm not sure if 'Al From' is a household name yet, but I do know one thing for sure: the ideas championed by this organization the past decade have made a difference for every single household in America, and are being felt around the world.

"Speaking of the Rams, I don't know how many of you saw that game last weekend. If you watched it, you know the Rams defense scored three touchdowns against one of the best quarterbacks in the league. It led one sportswriter to say that the final score should have been listed as: Rams offense 24, Rams defense 21, Packers 17.

"If Will Rogers were here today, he would say that from time to time, you could apply the same scoring method to debates that involve the Democratic Party. Some Democrats argue one thing, other Democrats argue another, and Republicans argue something else. But when you add up the final score, I think our ideas do more good for more people than practically anything you hear from the other side.

"Even though we have had our differences in the past - and will again in the future - there can be no doubt that we have all strived toward a common goal: to make America a place of opportunity for all. I want to take a moment today to thank one person who has worked harder than any other to remind us that our greatest resources in this changing world are the working men and women of America. Thank you, John Sweeney.

"We have all fought in our own way to keep government working for people. Today, I want to talk about how our nation can work together to find a new consensus about how we move America forward.

"Less than one week from today, the elected representatives of the American people will meet in Joint Session to hear the President of the United States report on the State of the Union.

"For most Americans, that question has already been answered.

"From the firefighters who ran up the steps when everybody else was running down; to the young men and women in uniform who are making us proud in Afghanistan; from the Americans who still work around the clock to bring a final peace to friends and family at ground zero; to the postal workers who have refused to let the threat of terrorism keep them from doing their jobs - there can be no doubt: the state of our union is strong.

"For me, the question before us today is not just what is the state of our union, but what is the state of our vision? Where do we want to go as a nation, and what are we doing to make that vision come true - not just in our own time, but in our children's time?

"It was the same question our nation asked a century ago. In a nation torn by national tragedy, at a time of great change, Teddy Roosevelt looked out at the dawn of a new century and said: 'the one characteristic more essential than any other is foresight. It should be the growing nation with a future which takes the long look ahead.'

"In this city, it's sometimes hard to take the long look ahead. It's so easy to get bogged down in the day-to-day details of the current debate that we never lift our eyes and look ahead to the next decade - about how we want our country to look, not just in one year, but in ten years.

"I'm afraid we are in danger of embarking on one of those very same kind of debates right now, about the economic future of our country. President Bush has been on the stump across America, asserting that he will never budge on the issue of tax cuts. Many members of our own party have responded with thoughtful proposals of their own.

"Like many of you, I believe in tax cuts, but I have always thought that we should evaluate them on the basis of what promotes growth and prosperity for all Americans. If it were up to me, we would have a different set of tax cuts -- focused on those who truly need it and pro-growth tax cuts, some of which I will outline today. Unfortunately, as we predicted last spring, the economic plan that was passed did not consider our long-term economic needs. But we simply have to deal with reality, both in the short and the long-term.

"It's my view that we shouldn't be reconsidering tax cuts in the middle of a recession. And in any case, the president has taken it off the table. I think we would be wise not to

spend all of our time and energy this year debating an issue that we know will end in gridlock, particularly when we have so many other long-term issues that need to be urgently addressed.

"But we will also need to prepare for the time after the recession when we will be back in deficit and taking dollars out of the Social Security trust fund. We will then need a clear plan to get us out of deficit in a way that will allow America to meet its greatest obligations, and we will need long-range goals about where we want to be a decade from now. I hope that we can look for ways to promote growth, honor America's obligations, and promote fiscal responsibility. And I hope President Bush presents a plan for how we will get out of these deficits.

"Common sense dictates that as America's elected leaders, we would come together to address these future challenges. But instead of talking to each other, we are spending too much time talking past each other. From the name-calling that greeted Senator Daschle's principled address a few weeks ago - to the misguided remarks last week that Republicans should use the war to their advantage - it's clear that while everything in our world has changed, when it comes to domestic issues, the same old partisan games are alive and well.

"We shouldn't be so willing to accept one standard for our conduct of the war and another standard for our conduct of the economy, because both affect the long-term success of our nation in equal proportions. The day after September 11th, I went to the Oval Office with other congressional leaders for a meeting with the President. I said, 'Mr. President, we have to find a way to work together.' I said, 'Mr. President, we have to trust you - and you have to trust us.' Since that day, we have met almost every week, and built a bipartisan consensus that is helping America win this war.

"But I don't accept that while we stand shoulder to shoulder on the war, we have to stand toe to toe on the economy. We're not going to make any progress on the deficit and America's long-term goals if our only conversation comes from podiums and press conferences. We need to find a way to respect each other, and trust each other, and work together on the economy just as we have on the war.

"That's why I am proposing that next month, a group of leaders from both sides of the aisle come together at the White House for an economic growth summit to take the long look ahead - to figure out how we are going to restore fiscal discipline to our nation; eliminate the deficit; simplify the tax code; grow the economy; and set long-term goals that will provide our people and businesses the tools they need to compete and win in the decade ahead.

"There has rarely been a time in our history when the decisions we make today will more profoundly affect the shape and character of our country a decade from now. To paraphrase something Yogi Berra once said, if we as a country don't know where we are going, we might not get there.

"I wanted to come here today to talk about some of the values and principles that I believe should guide these decisions, and to set some goals I believe our nation must achieve if our children are going to inherit a prosperous America in the years ahead.

"A little more than a decade ago - in 1991 - I spoke to the DLC in Cleveland to take a long look ahead at the brave new world of the 1990s.

"In that speech, I told the story of a friend of mine who had appeared on a call-in show with a former Prime Minister from Europe. The Prime Minister was asked, 'what will the world's economy look like in the year 2000?' He said, 'quick answer - it will be a giant fight between two great powers. On the one hand Japan - prosperous, wealthy, and productive - fighting it out for number two against a unified Europe.' My friend leaned over and asked, 'what about America in the year 2000?' He replied: 'By the year 2000, America will not be a factor.'

"But the question remains: how did we go -- in ten years time -- from being perceived as a shrinking presence in the global economy to the strongest economic, military, and political power this world has ever known?

"The answer is simple: our nation was poised to take advantage of the sweeping impact of globalization and the fundamental challenges it posed long before anybody else. For all the things that have changed since September 11th, one thing that hasn't changed are the organizing principles of the global economy. If we are going to be as successful at the end of the decade as we were at the beginning, we can't afford to throw the rule book out now.

"What are the rules? Namely, that at a time when more goods move around the world than at any other point in history, the new economy is not just a global economy, it is an engine of growth for all Americans.

"We know that in a world in which information technology has driven a third of all of our economic growth, that innovation, shaped by strong research and development - both public and private - is vital to creating jobs and new industries.

"We know that in an economy where a college education means you earn three times more, where sixty percent of all jobs will be IT-driven, that the best investments we can make are investments in people - in their education and training, in lifelong learning and technology.

"We know that with just four percent of the world's population, we need to sell our products to the other 96 percent of the world if we're going to continue to be prosperous. Trade must be an engine of expanding opportunity. And we need to work hard to forge a new consensus on how we trade. I am confident that we can negotiate agreements -- like the one we completed with Jordan -- that make trade more free, and protects both the environment and workers at home and abroad. The notion that this is an unbridgeable gap is wrong. I urge the Bush Administration to bring back free trade agreements with

Chile and Singapore with meaningful labor and environmental provisions based on the Jordan model.

"And finally, we know that in order to achieve these things, in order to grow the economy and raise living standards, America must keep its fiscal house in order - because money that isn't borrowed by the government is money that can be used to grow businesses, buy houses, and create jobs.

"It's no accident that our economy in the 1990s generated 22 million new jobs, dropped unemployment to its lowest level in 30 years, and cut inflation to its lowest levels since the early 1960s. It's because we followed the same common sense formula most families do: we honored our obligations, we saved more, and we invested in the future. And the formula worked.

"We were reminded in the past 10 years that government doesn't create jobs, the private sector creates jobs - and the best strategy that government can follow is the Hippocratic Oath: the first rule is do no harm.

"We also know that the government can create opportunity - by keeping interest rates low; by investing in research; by making schools better; by creating incentives to bring investment to underserved areas; and by acting as a catalyst for new ideas by helping to create the conditions people need to succeed.

"Opportunity, responsibility, and community isn't just a slogan - it defines who we are as a party.

"Too often in the past 12 months, we have been forced to advance those goals on our own. Nearly every effort we have made to find solutions has been met by a Republican leadership in the House that has no interest in reaching across party lines to find moderate solutions. Given the choice between doing the right thing and listening to their right wing on domestic issues, too often, the White House has given in to pressure from the right-wing zealots in the Congress. Too often the party has been dragged so far right it's wrong.

"I think most Americans believe it was a national disgrace that our airport security bill was held up because of the misguided fear of a few ideological zealots in the House of placing more well-trained law enforcement officials in our airports.

"I'm certain that I wasn't the only American shocked that shortly after the attacks, members of their Congressional leadership suggested the elimination of a provision in the tax code that requires profitable corporations to pay taxes. And by the way, this proposal would have required the federal government to send a check to Enron for over \$250 million.

"Two weeks ago, when the President signed the bipartisan education bill, he said that we have to fight the fringes in our own parties. We need to hold him to his word. I

believe that until the President takes steps to rein in the right wing of his own party, the American people are not going to get the solutions that they want and need.

"As we head toward this economic summit, if we can't agree on a set of policies, we should all be able to at least agree on a set of principles that guide this debate as we go forward - three principles based on the experiences of the past eight years.

"First, we need to promote prosperity for all Americans. One of the problems I have with the tax debate as it has evolved is that we are spending all of our time arguing over how to divide the economic pie, when we should really be focused on how we can grow it. It's no accident that the past decade saw incomes increase across the board for the first time in a generation. It's because we worked to expand opportunity - through things like making education available to more people, raising the minimum wage, and increasing the Earned Income Tax Credit.

"Second, we should be forward-looking, use innovative ideas, and choose priorities that pay long-term dividends in our people, our businesses, and our communities.

"Third, we should honor our commitments - particularly to our parents and grandparents. While we all agree that it's acceptable to run a deficit during a war, we have to remember that every dollar we go deeper into deficit is another dollar taken from Social Security and Medicare.

"These three principles are not new - they have long animated the way Americans have looked at our government, and informed our most closely held values about how we, as a nation, widen the circle of opportunity, deepen the meaning of freedom and security, and strengthen the bonds of community. The more we are able to use these principles as a guide to address the long-cherished values of the American people, I believe the answers in this debate will become much clearer to us.

"As we look ahead to the possibility of an economic summit next month, there are dozens of goals we could set, as this organization has already done. While I am not here today to list every single thing I believe we need to do to grow our economy and keep America prosperous, I want to suggest four goals that I believe America should strive for by the end of the decade.

"First, America should launch an 'Apollo Project' to develop environmentally smart, renewable energy solutions to make our nation energy independent by the end of the decade.

"Every time there is a crisis in the Middle East, or overseas oil producers decide to fix output, our nation feels it at the pump and in our pocketbooks - in 1973, 1979, 1990, 1991, and again in 2000, the story was the same: prices spiked in a matter of days sending gas prices off the charts and making hard times for families on tight budgets. In Missouri, prices doubled to over \$2 a gallon within just a few months in early 2000, and have swung wildly ever since.

"Why do we want to continue to subject Americans to this instability? How many more cycles do we need to live through to convince us that America needs a new energy policy? America's dependence on foreign oil has grown from 36 percent of supplies in 1973 to 56 percent today. At this rate of growth, by the year 2020, we could be importing nearly two out of every three barrels of oil. Even if we allowed drilling off every coastline and in every wildlife refuge in America, our economy - and our security - would still be dependent on foreign oil.

"We need to begin today to reach the goal of making America energy self-sufficient, using clean and safe sources of energy. I believe that with strong leadership - and a real energy policy - we can meet this goal within a decade.

"Our primary goals of this policy should be independence -- we should substantially reduce national dependence on foreign oil and keep reducing it every year; stability - we should ensure that our energy supplies and prices are dependable; affordability - we should lower the cost of energy in our economy every year; efficiency - we should use the newest technology to get more work done with less energy, and find new ways to make renewable energy at the lowest possible cost; and clean - we should increase energy production while also cutting air pollution and protecting the environment.

"At the same time, our policy should create new jobs for Americans. It should help American businesses comply with this policy; reduce our dependence on non-renewable fossil fuels, and assist state and local governments in meeting federal clean air guidelines.

"In the short term, we need to use the resources and leverage of government to spur the adoption of hybrid cars that show so much promise. Our decade-long partnership with American automakers has already led to development of hybrid cars that can get twice the fuel efficiency of traditional vehicles. It's possible to buy a hybrid car today. We need to make these cars as affordable as we can by giving a tax credit to everyone who buys them.

"We can also commit to buying them to meet the needs of the federal government. We should have a goal of one million hybrid cars by 2010, and by 2020, a majority of cars for sale in American showrooms should be hybrids.

"Congress should also set a goal of ultimately converting America's passenger transportation to fuel cell vehicles running on hydrogen, the ultimate 'green' energy resource, whose only byproduct is water.

"By 2010, our goal should be to produce 100,000 fuel cell vehicles - expanded to reach 2.5 million by 2020. To get there, we need a comprehensive policy that promotes developing and building the technology and encourages the marketplace to buy the new products.

"We begin by expanding already successful research programs - including the Small Business Innovation Research Program and the Advanced Technology Program - to provide business incentives to step up research.

"We need to increase - not cut - funding for federal and university research labs.

"We need to expand and modify tax incentives for investment in renewable energy to fully support building and buying fuel cells.

"We should use tax incentives and transportation funds to help create the infrastructure to support a critical mass of fuel cell vehicles.

"And we should provide a tax credit to every family and business who buys fuel cell technology.

"We need to find incentives for automakers to direct the efficiency improvement that they regularly make in their traditional engines and cars, to maximize fuel efficiency of every vehicle they sell.

"This is not just a road to greater energy independence - the development of alternative energy has the potential to be America's largest growth market and job producer in the next ten years. Some studies have shown that there is up to a \$1 trillion market in the world today for energy conservation technologies and alternative energy sources. We are just on the cusp of discoveries that will be made in these areas that can be just as rapid and breathtaking as a lot of the information technology developments of the last decade. By the year 2020, I believe that 20 percent of our energy production can be achieved through alternative and renewable fuels - and that's a goal worth reaching.

"We can bolster America's competitiveness right away by offering a menu of financial mechanisms, such as tax incentives, loans, grants, and bonds to those power generators and industries that come forward with projects that reduce energy use or increase the use of renewable power.

"This approach has not been endorsed by the other side. In fact, the bill proposed by House Republicans last summer would have provided tax breaks for energy - 80 percent of which went to traditional energy interests. Like most Americans, I am disappointed that their only strategy for reducing our dependence on foreign oil is the same old tired call to ruin one of America's pristine wildlife areas and drill for oil in the Arctic National Wildlife Refuge.

"But we have seen what is possible. A few months ago, I visited with representatives of United Technologies - which is sinking huge amounts of private capital into developing fuel cell technology that was first developed as part of the space program - because they believe they can make it profitable and user-friendly by the end of the decade.

"I believe that American business should be leading the world in lowering costs through increased efficiency, conservation, and use of renewable energy. I am proposing up to a 30 percent tax credit for business investment in renewable energy generation; new deductions to increase energy efficiency in new buildings, and an investment tax credit for purchase of cars, light trucks, minivans or SUVs with fuel-saving new technology.

"We've had too many stops and starts since the 1970s when the need for American energy independence became so obvious. We need government - on a bipartisan basis - to make a long-term commitment in the interest of our security, our environment, and our economy.

"Second, we should continue to lead the new economy by making sure America has the best-trained, best-educated workforce in the world.

"The information age is first and foremost an education age, in which education starts at birth and lasts a lifetime. Nothing is more important to the long-term growth of our economy than the education and training of our workforce.

"Today, not only are there more kids in college than ever before, the number of children entering our public schools just surpassed the baby boomers and is now the largest generation in American history.

"When Al and I went to Northwestern, I think our tuition was around \$1,200 a year. The only reason I got to go is because my parents worked hard, and I worked hard, and we got a loan from our Baptist church. Today, it costs over \$35,000 a year to attend Northwestern. We need to do all we can to help families pay for college, and to start saving for college now.

"I think we should start by passing legislation that says if you want to go to college or go back to school to update your skills, the first \$10,000 of your education costs - per student -- should be tax deductible.

"While we make college more affordable, we also need to make sure that all of our children get off to the right start. We just passed a bill to bring more accountability to our schools, our teachers, and our students. And we need to continue that effort. But we all know that if our schools are going to meet the high standards we are setting for them, they need the resources to get the job done.

"There is no group of people in our country today more important than the men and women who teach our children. Yet, by the year 2009, the National Education Association has estimated that we will have to hire between 2.2 and 2.7 million teachers to keep up with retirements and larger school populations. To put that in perspective, there were just 2.7 million teachers - total - in our nation's public schools last year. We need to make sure we have smart, well-trained teachers in the decade ahead who will hold our students to high standards, and give them the quality instruction they deserve. I

believe we should launch a Teacher Corps, with the goal of recruiting two and a half million new teachers by the end of the decade.

"My youngest child Kate is an early childhood teacher, and when she was being educated to be a teacher, her classmates laughed at her because she wasn't going to make any money. We need to change that. We can start by offering some scholarship help for kids who want to be teachers in return for a commitment to teach for a number of years plus being held to high standards.

"At the same time, more and more workers want to rearm themselves for the new economy and the likelihood that they're going to change jobs several times over in their lifetimes. As a nation, we should allow every citizen to live up to their full potential by providing credits and resources so workers can retrain themselves when industries have modernized and they have lost their jobs. As a nation, we need to honor the contributions of our mechanics and machine workers just as much as our doctors and engineers.

"A big part of the reason our growth has been so strong the past eight years while keeping inflation low, is because we made it a priority to give people the tools they need to make the most of their own lives, while giving small businesses the help they need to invest in our economy. This has combined to produce record gains in productivity.

"By the end of this decade, we should build on this progress by doubling America's investment in the information technology that is revolutionizing our economy. And we should help train workers for jobs in large and small businesses who are in need of highly trained employees - by expanding training for dislocated workers, and making lifelong learning more affordable.

"If America can increase its productivity by 30 percent over the next decade, not only will we expand the prosperity, but family incomes would more than double over the next generation. Few things will be more important to the long-term prosperity of our country.

"Third, we must protect the pensions and retirement savings of all Americans with a universal pension system that is always available and moves with them as they move through life.

"By now, everybody in America is wondering: how did Enron happen? As we meet here today, the Senate is beginning hearings to address that very question. The formula seems pretty clear: a corporate system with too little accountability and too many conflicts of interest took America's workers to the cleaners.

"If nothing else, if the world's biggest bankruptcy joined at the hip with the administration's biggest contributors isn't a prime case for campaign finance reform, I don't know what is. The real scandal here may not be what the Administration did to help Enron, but what it avoided doing because it was concerned that the campaign contributions created the appearance of conflict.

"Perhaps the only good thing to come from the Enron debacle is that it helped expose a little-remarked sea change in America's retirement system.

"Twenty years ago most workers were in 'defined benefit' plans -- that is, their employers promised them a fixed pension. Today most workers have 'defined contribution' plans: they invest money for their retirement, and accept the risk that those investments might go bad. Such plans expand an employee's choices; they can choose how much to save, and how to invest their money.

"But the Enron downfall helped expose two giant gaps in the system. Most Enron workers and retirees found that their 401(k) accounts were worthless as a result of the precipitous drop in the value of Enron stock. The SEC reported that 62 percent of the holdings of Enron's 401(k) accounts were in company stock, primarily because the company required that its contributions be invested in Enron. When the stock dropped from \$82 a share to less than a dollar, Enron prevented employees from accessing their 401(k) accounts - even while executives of the company transferred nearly \$150 million worth of their own stock options and pension plans to other accounts.

"I think we need to make changes to this system. We need to give employees more choice and control over their accounts to make sure this never happens again. We also need tougher rules to prevent executive bad behavior.

"I propose that we start by enacting stronger penalties for insider trading, and a real firewall between auditing and consulting activities. The last head of the SEC, Arthur Levitt, proposed forbidding auditing firms from earning other fees from its clients. That's a good place to start.

"But getting to the bottom of the Enron disaster alone won't fix our pension system. In America today, there are more than 16 different pension programs - all with their own different rules. You have to be an accountant just to understand the differences. And we have to do more as a nation to boost our national savings rate.

"Since most workers change jobs a number of times during their working lives, they will end up with several different pension accounts when they retire. More times than not, employers haven't had the incentive to roll over any lump sum payment from previous employers. It's time we make our pension system truly universal and portable, to follow somebody from the moment they're born to the moment they cash out. I want to applaud the DLC and PPI for their work on this issue.

"In the coming months, I will be offering legislation to create a universal pension system that will simplify the system by replacing the 16 current programs with one universal account. Interest on this account will be tax deferred. It will follow a worker wherever he or she goes.

"I also propose making sure that each child starts out life right by staking each child with \$500 through a refundable tax credit, called America's Children Accounts. These

accounts could be used to buy a home or pay for college. With four million children born each year, it would be an investment well worth making.

"To encourage low-income savings, I propose making the recently passed tax credit for contributions to retirement savings plans permanent.

"We also know that many Americans making decisions about their pensions today are also being forced to make decisions about health insurance. Millions of Americans between the ages of 55 and 65 have lost their health insurance. After a lifetime of hard work, they've got nowhere else to turn. For nearly five years, House Republicans have blocked any meaningful reform to the system to help these Americans.

"To solve this problem this year, Congress should let these hard-working Americans buy into the Medicare system. It won't add a dime to the deficit, but it will strengthen our families, and bolster the long-term viability of the program.

"As baby boomers start to retire in droves at the end of this decade, there are few things more important that we can do than ensure the safety and security of their pensions and their health.

"Fourth, we should make it a priority to develop new technologies that will protect our people and extend prosperity to all of America's communities.

"A strong nation also rests on security and freedom - safe streets, safe schools, safe neighborhoods. We need to set a goal for the American people: that they feel safe and secure because they are safe and secure. There is no higher calling for government than to safeguard its people.

"When Speaker Hastert, John Sweeney and I met a group of business and labor leaders organized by Dick Grasso and the New York Stock Exchange, the message we got from them was clear: the key to economic security was the country feeling safe to go about its business. We shouldn't forget that reality.

"September 11th showed us the flip-side of a world where borders have collapsed and distances shrunk. If the American people don't feel safe opening a letter, stepping on an airplane, going to a ballgame, or living their lives, all our efforts for economic growth won't mean a thing. We live in a new era, and we must be ready to defend against a new type of war.

"As we all know, the front line against terrorism begins with our airports, water supplies, nuclear plants, electrical grids, and critical computer systems. Most of those activities are funded out of state budgets. Right now, due to last year's tax cut, the war, and the recession, the 50 states combined face a budget shortfall between \$40 and \$50 billion - equivalent to 10 percent of all state budgets. In fact, more than 40 states anticipate facing deficits this year.

"If we're going to rely on our states to be the first line of defense, we need to make sure they have the resources to do the job. We need to work in a bipartisan way to create a new homeland security trust fund that states can use to bear the new extra costs of homeland defense.

"The federal government also needs to be reorganized to fight this new, modern battle. Right now, 40 agencies have a part in homeland security. We need to coordinate better and train better, in order to better protect our borders. We should improve Customs and INS, to make them more efficient in their often overlapping duties. And we need to do a better job of screening applicants to our country before they arrive at our nation's doors.

"We should invest money and research to keep us safe here at home. One good idea to pursue is the Detection Tracking System, another promising initiative supported by the DLC. This technology can detect nuclear weapons material as it is being transported on our highways and roads. Some experts estimate that we could protect the 20 largest cities for a cost of about \$1 billion for the first year, and 200 million a year after that.

"We can develop mobile systems for less densely populated areas. For biological and chemical weapons we should work on improving airborne particle detection technology. This could help prevent incidents from becoming catastrophes well into the next decade.

"Technology can be the driving force to protect lives, create jobs and grow our economy.

"In recent years, even though information technology accounts for just eight percent of our GDP, it has driven more than a third of our economic growth. Much of today's high-tech boom can be traced directly to government investments in research. The Internet, for example, grew out of government support for computer networks such as ARPANET.

"One of the keys is building an infrastructure that ensures that all parts of America have the same opportunity for technology-driven growth. That means our underserved urban and rural areas should be places where new businesses see the chance for success.

"We need to support -- through grants and tax credits -- partnerships between universities and small businesses to repeat the success of areas like the Research Triangle in North Carolina. The Commerce Department should help create business incubator systems - so that legal, patent, and technology services don't hold regions back from growth.

"And we need to make broadband technology a national priority. By the end of the decade, we should make real broadband available to all Americans at an affordable price. We should use the National Science Foundation to study how the government, in partnership with the technology sector, can make this happen efficiently.

"These four things - achieving energy independence, improving our education system, creating a universal pension system, and deploying new technologies to help protect our people and grow our economy - do not represent everything America needs to do. But to

me, they are essential building blocks for putting our nation on the path to stability, security, and prosperity in the months and years to come.

"How our nation addresses these challenges is a responsibility that falls to every one of us. If we don't talk with one another, how are we going to solve the challenges that face us? That's why I think an economic summit is so important. As far apart as we sometimes seem in this city, we must remember that what binds us together is our common responsibilities as Americans, which is more important than our differences.

"For all the uncertainty we face today, I would bet there are few Americans who would trade living in this time and place with anybody else. We are fortunate to live in the greatest country during one of the most promising times in world history.

"The terrorists who attacked us four months ago wanted to teach us a lesson. They wanted us to know them. But these attacks make clear: they don't know us. They don't know what we will do to defend freedom, and they don't know what they've started. But they're beginning to find out.

"Theodore Roosevelt once said, 'The American people are slow to wrath, but when their wrath is kindled it burns like a consuming flame.'

"Let's do all we can to make sure that flame burns not just for justice abroad, but for opportunity at home; not just for peace overseas, but prosperity at home; not just to win the war against terrorism, but to make our economy work for all Americans in decades to come. Together, we can make the 21st Century not only the most prosperous, but the most peaceful and rewarding time in all of history. Thank you very much."

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Contact: Erik Smith/Kori Bernards (202) 225-0100