

FOR IMMEDIATE RELEASE
March 7, 2007

CONTACT: Laura Capps /Melissa Wagoner
(202) 224-2633

**CHAIRMAN KENNEDY QUESTIONS BILL GATES ON THE CRITICAL ISSUE
OF AMERICA'S COMPETITIVNESS**

*MICROSOFT CHAIR TESTIFIES BEFORE THE SENATE HELP COMMITTEE ON
INVESTING IN OUR GLOBAL STRENGTH*

Washington, DC: Chairman Edward Kennedy and Ranking Member Michael B. Enzi of the Senate Health, Education, Labor and Pensions Committee held a hearing today on Strengthening American Competitiveness for the 21st Century. The Senators heard testimony from Bill Gates, Chairman of Microsoft Corp. and co-chairman of the Bill and Melinda Gates Foundation. Gates addressed the need to invest in competitiveness and innovation and outlined the importance of securing the future of the American workforce through training programs; delivering immigration reforms that enable highly skilled workers, computer scientists and engineers to serve our economy; and providing high quality education to our country's young people, particularly in the areas of math and science.

"The choice before us is clear. We can be swept away by the swift currents of globalization, or we can determine our own destiny through wise policies and decisive action," Senator Kennedy said. "We should face the future not by lowering American wages, but by increasing American skills to equip our citizens to compete and win in the global economy."

Senator Kennedy and Senator Enzi are working with colleagues on legislation that addresses these goals, by improving educational opportunities, working toward the reauthorization of the Workforce Investment Act, and investing in research and development.

Statement of Senator Edward M. Kennedy

HELP Hearing on

Strengthening American Competitiveness for the 21st Century

Wednesday, March 7, 2007

(Version for the record)

I welcome you here this morning, Mr. Gates. The Committee is very pleased to have

this opportunity to talk to you about the critical issue of America's competitiveness. We are eager to hear the insights you have gained through your leadership of the Microsoft Corporation and through your unparalleled philanthropic endeavors which have shed light on the critical issues facing our families, the nation, and the world.

You and your family are powerful advocates for the principle that all people need and deserve the opportunity to achieve their full potential, regardless of race, ethnic background, or financial means.

In fact, today equal opportunity is more than a guiding principle for our nation. It's essential to our strength and prosperity. We must make use of the skills and talents of every American to compete and win in today's competitive global economy. We cannot tolerate second class schools and second class citizens if we are to have a first rate economy that works for everyone.

So the choice before us is clear. We can be swept away by the swift currents of globalization, or we can determine our own destiny through wise policies and decisive action. In my view, that means we should face the future not by lowering American wages, but by increasing American skills to equip our citizens to compete and win in the global economy.

I'm sure you'd agree that Americans know how to rise to challenges and come out ahead. We've done it before and we can do it again.

Our nation's founders understood that education was important to building a new nation and strengthening our democracy. In 1780, John Adams wrote into the Massachusetts constitution that education of the people was "necessary for the preservation of their rights and liberties." Massachusetts had the first public school and the first college in the nation.

With the Industrial Revolution, America rose to the challenge once again. We established free public schools. And at the turn of the last century, we founded public high schools to help move the nation forward.

After years of depression and the Second World War, we built a new peacetime economy. We passed the GI Bill to enable those who served in battle to rebuild their lives at home. For every dollar we invested, the Greatest Generation returned \$7 to our economic growth.

In 1957, we were called to action once again. The Soviets sparked the Space Age with the Sputnik launch. We rose to the challenge by passing the National Defense Education Act and inspiring the nation to ensure that the first footprint on the moon was left by an American. We doubled the federal investment in education.

Now we must rise to the challenge again.

First, we must invest in education and job training to give our citizens the skills to spur innovation and progress. The No Child Left Behind Act. The Higher Education Act. The America Competes Act. The Workforce Investment Act. The Head Start Act. All of these matters are before this Committee this year and each one is vital to the innovation and competitiveness of our nation.

This was underscored in a report on innovation released just last week by our nation's governors. They, like others, point to education and job training as a key part of the solution.

Mr. Gates, thanks in large part to your work, we know also how critical it is for our high schools to prepare students for success in college and the workplace. We know we can improve the results for our children by creating schools that serve all students with rigorous standards, challenging curriculums, up-to-date materials and technology, highly-trained teachers, and supportive communities.

To be globally competitive, we need to provide a world-class education to each and every student, not just a few. We must close the significant and shameful achievement gap that exists in this country. We must also do more to improve math and science instruction in our public schools to encourage more young people to become scientists and engineers. We can do that if we ensure all students have good teachers. But students in high-poverty and high-minority schools are more likely to learn from new, inexperienced teachers than students in less-poor and less-diverse schools. We passed the No Child Left Behind Act to put a high quality teacher in every classroom and ensure that all students have the opportunity to learn and to meet high standards. We're making progress, but we need to make changes to the law to make it work better for our schools and our children. And we need to provide the resources to support the reform.

We also must dramatically increase access to college. A college degree is fast becoming the ticket to entry in the global economy. In 1950, when I graduated from school, only 15 percent of jobs required some post-secondary training. Today, the number is over 60 percent and rising rapidly. But as the importance of college has increased, the financial challenge for families has only become greater. As a consequence, each year, 400,000 talented, college-ready young people don't go to a four-year college because they cannot afford to do so. To keep America competitive, we must ensure cost is never a barrier to getting a degree.

Improving education is essential, but it alone isn't enough.

We must also do more to address the devastating impacts of the global economy on American workers and their families. We must strengthen our commitment to help workers adjust to the new economy, particularly those who lose their jobs due to trade and those who need training in 21st century skills. In Massachusetts, there are 181,000 people unemployed, and yet there are over 84,000 jobs waiting to be filled. That is a clear sign of a skills gap. And we should enable workers to improve their skills throughout their careers so they can adjust to the constant and rapid changes in the

workplace and the economy.

Second, we must invest in innovation and industries that will create the good new jobs of the future.

We are relying more and more on the private sector to conduct the research and development to keep us competitive. We must make the R&D tax credit permanent. But we also have to increase federal investment in basic research, which is less in real terms today than it was in 2004. While the US continues to be a leader in government-supported research, China, Japan, and other fast growing economies like Ireland and South Korea are seeing the immense potential of basic research for encouraging economic growth. China's total research and development investments rose from \$12 billion in 1991 to \$85 billion in 2003, an average increase of 17 percent per year. Over the same period the US investment increased an average of only 4 to 5 percent annually.

Federally funded research often primes the pump for future innovation and commercial applications of new technologies. It's also essential to our ability to attract the best and brightest students to our universities and employees to U.S. companies, and to cultivate the leading minds in promising new technologies.

Finally, we must reform our immigration laws and policies not only to protect our land and our jobs, but to help keep the engines of innovation running strong.

Since our nation's founding, we have attracted the best and the brightest talent from throughout the world – people determined to live their dreams, reach their potential, and prosper in a way that only this country allows. It is this continual mix of new blood and new ideas that has propelled us to a position of leadership among nations.

Increasingly, our broken immigration system is limiting our ability to recruit and retain the world's best. There are not enough visas under current law to meet our need. The U.S. cannot sit back and watch other countries attract the best talent.

Today, foreign nationals earn over half of the advanced degrees at U.S. universities in science, technology and engineering. Yet, these American-trained, foreign-born students, because of our immigration laws, are not able to stay here and apply their knowledge and skills to advance our economy and create new jobs.

We all agree that Americans must be hired first. But we must also keep the doors open to those who will contribute and strengthen our land for the future.

Last year, I supported the inclusion of immigration provisions targeted at high-skilled foreign workers. I plan to include similar provisions in the comprehensive immigration reform bill that I am about to introduce.

When it comes to innovation, we must look beyond the horizon and invent the future.

Mr. Gates you done that throughout your career. We're delighted to have you before our Committee and look forward to your testimony.