

Clinton's Silicon Valley Trip Reaps Big Endorsements

Some of the most prominent leaders of Silicon Valley's high-tech industry emerged from a private meeting with Democrat Bill Clinton on Tuesday and, in an extraordinary moment in the campaign, anointed him the candidate of change and innovation.

It was a coup for Clinton, whose challenge to President Bush depends on persuading independents and moderates of both parties that he can be trusted to govern the economy. The Bush campaign took immediate notice -- suddenly dispatching Education Secretary Lamar Alexander to give a high-tech talk today at Dataquest in San Jose.

But Tuesday's remarks by Silicon Valley leaders left little doubt that they have little faith left in the president.

The challenge facing the American economy "in many ways resembles the experience that a lot of us have had in Silicon Valley -- that companies don't run themselves," said John Sculley, chairman of Apple Computer Inc., in an unmistakable swipe at Bush. "Countries need leadership, too."

"To be successful as a nation, we have to forge a private sector-public sector partnership," said John Young, chief executive officer of Hewlett-Packard Co. "I find in Governor Clinton a very compatible soul in terms of exactly that view of the world." Clinton returned the compliment, declaring that: "If the economy as a whole had performed as well as these companies have, Americans would not be working harder for less, our productivity rate as a country would be soaring, and we would be in much, much better shape than we are today."

Their comments came at a late afternoon news conference with Clinton after 20 Silicon Valley leaders, most of them Republicans, met privately with the Arkansas Democrat at the Tech Museum of Innovation in downtown San Jose.

The meeting, organized by Apple Vice President Dave Barram and former San Jose Mayor Tom McEnery, took place in the exhibit hall of the Tech, around a display of a giant computer chip, surrounded by exhibits on robots, DNA and silicon wafer fabrication.

Earlier, Clinton spoke about education and change before more than 6,000 cheering supporters at a rally in the quad at San Jose State University, where he blamed cutbacks in California education on "12 long years of trickle-down economics."

In an interview with the Mercury News, Clinton seemed elated at having drawn the

support of former Bush-backing Silicon Valley executives.

"These people represent a lot of jobs in sectors of the economy that have unlimited growth potential," he said. "It is important to have the support of these people and it is important for me to have policies that help them because they really will determine, to a major extent, what the shape of the American economy is."

Moreover, he said, "It's important because of what these companies and these leaders represent to the rest of America. They represent the future. They represent an America that's winning, not an America that's losing. They represent constant change. They are the embodiment of institutionalized change."

'Extraordinary gathering'

The high-tech leaders -- at what McEnery called "an extraordinary gathering of people involved in making Silicon Valley famous around the world" -- were equally effusive about Clinton.

"What is significant about this group, Governor, is that many of us here are actually Republicans," said Sculley. "Yet as we look at

the future of this country, we said we couldn't sit this one out, that this country is in trouble in terms of how well it's prepared to compete in the world going forward. But it's not too late."

Standing before more than two dozen executives, Clinton told the media that the companies they represented had sales of more than \$25 billion, employ more than 100,000 people, have created more than 45,000 jobs in the past five years with an annual growth rate of 16 percent.

Capital-gains tax cut

Dissatisfaction with Bush is not the only reason Clinton has made inroads with these executives. The crafting of a "National Technology Policy for America" -- with significant contributions from Silicon Valley executives is another draw. In addition, he is the first Democratic presidential candidate to support reducing tax on capital gains -- a much-sought goal among valley entrepreneurs. "Just the fact that somebody cared enough to ask us was a refreshing change," said Sculley of Clinton's technology plan.

As for the capital-gains tax, Clinton acknowledged the issue has been a hot topic among high-tech executives who would like him to broaden the definition of "what kinds of investments qualify."

But, he said, he is firmly committed that any reduction should be only for investments in job-generating growth held for at least five years.

San Jose State Engineers

Earlier, Clinton told his campaign rally: "San Jose State has graduated more engineers for America's companies than MIT, Stanford and Berkeley combined. And yet today, because of the economic problems of California, 1,000 students have been turned away, there has been a 20 percent cut in class offerings and a big increase in the cost to students of going to school here.

"What I want you to understand is, that this is going on all across America. That the problems of California -- because it's a bigger state it has taken bigger defense cuts and has bigger problems -- are bigger. But this is a problem of America. It is the expression of the ultimate consequence of 12 long years of trickle-down economics."

After his appearances in San Jose, Clinton traveled to San Francisco for two fund-raising dinners. Today he campaigns in Los Angeles.

BUSINESS LEADERS WHO MET CLINTON

THESE SILICON VALLEY BUSINESS LUMINARIES MET WITH GOV. BILL CLINTON ON TUESDAY:

GIL AMELIO, CEO, NATIONAL SEMICONDUCTOR; **DAVE BARRAM**, VICE-PRESIDENT, APPLE COMPUTER; **GERRY BEEMILLER**, CEO, INFANT ADVANTAGE; **CHUCK BOESENBERG**, CEO, CENTRAL POINT SOFTWARE; **DICK BRASS**, PRESIDENT, ORACLE; **CHUCK COMISO**, PRESIDENT, LINK TECHNOLOGIES; **YVETTE DEL PRADO**, VICE PRESIDENT, TANDEM COMPUTERS; **LARRY ELLISON**, CEO, ORACLE; **JOHN FREIDENRICH**, GENERAL PARTNER, BAY PARTNERS; **ED MCCRACKEN**, CEO, SILICON GRAPHICS; **TOM MCENERY**, FORMER SAN JOSE MAYOR; **REGIS MCKENNA**, CEO, REGIS MCKENNA, INC.; **BILL MILLER**, FORMER CEO, SRI INTERNATIONAL; **GLORIA ROSE OTT**, CEO, GO STRATEGIES; **SANDY ROBERTSON**, GENERAL PARTNER, ROBERTSON, COLMAN & STEPHENS; **JOHN SCULLEY**, CEO, APPLE COMPUTER; **KIETH SORENSON**, CEO, RASTEROPS; **JIM TREYBIG**, CEO, TANDEM COMPUTERS; **JOHN YOUNG**, CEO, HEWLETT-PACKARD; **LEWIS SHEPHERD**, EXECUTIVE DIRECTOR, SAN JOSE TOMORROW; AND **PETER GILES**, PRESIDENT, THE TECH MUSEUM OF INNOVATION.