



## One-on-One with Bill Gates

### Microsoft Chairman Talks to Peter Jennings About Innovation, Competition, Goals

REDMOND, Wash., Feb. 16, 2005 —

Microsoft Corp. has for decades been on the cutting-edge of technological innovation. Company co-founder and chairman Bill Gates spoke to Peter Jennings today at the corporation's headquarters.

Gates talked at length about Microsoft's effort to upgrade security in the computer industry, his foundation's charitable work and his goals for the company.

Following is a transcript of the interview:

**PETER JENNINGS:** There are several stories in the newspapers this morning all about the speech you made in San Francisco about the state of security in the industry. How much of a challenge is security these days?

**BILL GATES:** Security is, I would say, our top priority because for all the exciting things you will be able to do with computers -- organizing your lives, staying in touch with people, being creative -- if we don't solve these security problems, then people will hold back. Businesses will be afraid to put their critical information on it because it will be exposed. People won't use their credit cards quite as much and buy things, and so it's really the thing we got to get right so that people don't think about it. So that it's just happening without their having to learn a lot of terminology and see a lot of user interface. We're making good progress on it.

**JENNINGS:** Microsoft is nonetheless accused of not getting it right and being slow to get it right.

**GATES:** Well, the whole industry has a challenge here. Because of Microsoft's central role, that means it's a big challenge that Microsoft has to step up to. Over the last year, people have been more and more complimentary of how we have made progress. We're focused on it, but a few years ago, people were being tough on us and I think there was a lot of validity to that.

**JENNINGS:** Microsoft is the biggest target.

**GATES:** We're responsible for the creation of the PC industry. The whole idea of compatible machines and lots of software -- that's something we brought to computing. And so it's a responsibility for us to make sure that things like security don't get in the way of that dream. You know, its individual empowerment, information at your fingertips -- we need to drive that forward.

**JENNINGS:** And if people continue to undermine Microsoft or the general technology in general, how seriously does it inhibit its future?

**GATES:** Oh, I think there are a lot of people who would be buying and selling online today that go up there and they get the information, but then when it comes time to type in their credit card they think

twice because they're not sure about how that might get out and what that might mean for them. So I don't think it has caused us to go down in any way, but there is a lot more people who would be using it once we get all these concerns taken care of.

**JENNINGS:** You notice that ChoicePoint in California found that 30 some odd thousand, perhaps a hundred thousand, of their employees found that their identities got raided in their huge system. How worried does that make you?

**GATES:** Well, certainly there has been a lot of information in computers for decades -- your charge card information, your telephone call data. It's partly because people have personal computers, they realize all that information is out there and the people that have those databases need to secure them. They need to administer them properly because people expect their privacy to be preserved.

**JENNINGS:** I read an article coming up here on Firefox (Web browser) and its perceived ability to do this better than you. Is that fair?

**GATES:** Well, there's competition in every place that we're in. The browser space that we are in we have about 90 percent. Sure Firefox has come along and the press love the idea of that. Our commitment is to keep our browser that competes with Firefox to be the best browser -- best in security, best in features. In fact, we just announced that we'll have a new version of the browser so we're innovating very rapidly there and it's our commitment to have the best.

**JENNINGS:** Are you going to have to push your browser faster because of competition?

**GATES:** Well, competition is always a fantastic thing, and the computer industry?

**JENNINGS:** I knew you were going to say that (laughs).

**GATES:** (smiles) ... is intensely competitive. Whether it's Google or Apple or free software, we've got some fantastic competitors and it keeps us on our toes.

**JENNINGS:** And you say it keeps you on your toes, you have such a huge portion of the market -- in all elements of technology. Is the tendency in the shop sometimes to think that we just can't be beaten?

**GATES:** No, in fact that's one thing I like about the Microsoft culture -- is that we wake up every day thinking about companies like Wang or Digital Equipment, or Compaq, that were huge companies that did very well and they literally have disappeared. Got bought up, you know went into a direction that was a dead end for them. So we have that lesson and we are always saying to ourself -- we have to innovate. We got to come up with that breakthrough. In fact, the way software works -- so long as you are using your existing software -- you don't pay us anything at all. So we're only paid for breakthroughs. We have to make a new version of Windows or Office that you think is worth going out and buying.

**JENNINGS:** Why do so many people seem to think that open sourcing is so essential?

**GATES:** Well certainly there is always going to be free software, and there will be commercial software. We represent one company that has commercial software and can stand behind it in terms of support and compatibility. But we have always believed that free software space will be there and will be complimentary.

**JENNINGS:** Everybody I talked to seems to, particularly if they are young, seems to think that open sourcing is important and that among the reasons it is important is that it enables them to run more secure systems. Is that true from your point of view?

**GATES:** Actually no, but that is the kind of competition that we have. Is that they will innovate in that space, we will innovate in our space. And in fact, we do a lot of work to make sure that these things can inter-operate so that a company can have a mix of Microsoft products, Unix products, Mainframe products, and then each time they do a project they can look and say - is the Microsoft solution best? Is the other solution best? And so there will just be a lot of choices there, no one approach is going to replace the other.

**JENNINGS:** You sound quite sanguine about this. Is this a public position that is essential to take?

**GATES:** No, I have always loved the competitive forces in this business. You know I certainly have meetings where I spur people on by saying, "Hey, we can do better than this. How come we are not out ahead on that?" That what keeps my job one of the most interesting in the world.

**JENNINGS:** What does it mean to be the Chief Software Architect?

**GATES:** Well it means that there are a lot of business issues and concerns and you know final decision making that the CEO Steve Ballmer gets to worry about, and I get to worry about the technical strategy. What are we doing with the products? And so five years ago, when I was still CEO, the percentage of time I got with the engineers was going down. It had gotten down to almost less than a third of my time. And now I get to focus the vast majority of my time on exactly those software design issues.

**JENNINGS:** Can you tell me two things that you have changed your mind about in the last year about, in the last year, about technology?

**GATES:** Well let's see. There are some things that we are always thinking about. For example, when will speech recognition be good enough for everybody to use that? And we have made a lot more progress this year on that. I think we will surprise people a bit on how well we will do on our speech recognition. Also the idea of how the phone and the PC are coming together. Where you will be able to see the calls that you missed, or even when your phone rings see immediately who that is that's calling, or control how that is forwarded, or even set it up so that the screen is part of your interaction. We are seeing that as increasingly important and are putting a lot of research into that.

**JENNINGS:** And are there a couple of things about technology in the last couple of years that you have simply said -- don't need to go there, don't want to go there or can't go there?

**GATES:** Anywhere that we can have software work for somebody and make them more productive, help them stay in touch. We're going to write software for them. So we do software for watches, for phones, for TV sets, for cars. And some of these take a long time to catch on. In fact it's just this last year our software for cable systems, for TV watching, has really gotten a lot of customers and we have working on that for over 10 years.

**JENNINGS:** Do you struggle sometimes between being a hugely successful businessman and being a software architect?

**GATES:** No, I don't think there is any contradiction there. The way to be successful in the software world is to come up with breakthrough software, and so whether it's Microsoft Office or Windows, its

pushing that forward. New ideas, surprising the marketplace, so good engineering and good business are one in the same.

**JENNINGS:** You have so many opportunities available to you on a daily basis, more than most people in their lives, when you got up this morning and headed for work, what did your day look like? What's on the agenda today which is utterly fascinating?

**GATES:** Well, I have a meeting today with our people doing search. And that's an area where Google has got out in front, does a very good job. We're sort of the David vs. Goliath in that (chuckles) particular battle so we'll have fun talking to them about their progress. I am meeting with our tablet people about the idea of carrying text books around. They'll have just a tablet device that they can call up the material on. That's been a dream for a long time, we're making progress there. So review of the software projects and encouraging them in terms of what they are doing well and telling them who else they need to work with. That's the primary thing on my schedule.

**JENNINGS:** What about off the job?

**GATES:** Well I get a lot of time to read for my work the foundation is doing. I'm very interested in the education work there, very interested in the global health programs. They send me over lots of books I read and send back questions about doesn't this mean we can do this that or the other thing. So I would say that after software the thing I spend most time on is the work of the foundation.

**JENNINGS:** You are famous for your determination that people acquire knowledge and learn more and yet you like everyone else make these extraordinary games now (Gates chuckles). Is gaming both enhancing now and undermining society?

**GATES:** I think the thing we see is that as people are using video games more, they tend to watch passive TV a bit less. And so using the PC for the Internet, playing video games, is starting to cut into the rather unbelievable amount of time people spend watching TV. The interactive games range quite a bit in terms of how much they enrich you. Certainly your reflexes get quite a good workout there. We've had this "Halo 2" that has been an unbelievable hit, and the new thing we brought to that is that you don't just sit in a room by yourself, you connect over what we call live - so you are talking to your friends, you are meeting people, who are making it more social and I think that will bring it to a lot more people and a lot more age groups.

**JENNINGS:** Are you nonetheless happiest when you are alone with a book and so you recommend it to other people?

**GATES:** I spend a lot of time reading. I think getting kids to love reading, any topic is fantastic thing for their future. When I go on vacation I always take way too many books because I am always worried I will run out. That's one of my greatest pleasures.

**JENNINGS:** And Fresca I am told you always take on vacation. Is that true?

**GATES:** Oh different diet drinks. Diet Coke, Diet Orange, Diet Fresca -- I like all of those.

**JENNINGS:** You have been a big advocate of travel. And you have on occasion said that Americans who spent more time traveling in Africa, for one, would learn something. What would we learn?

**GATES:** Well I think there is a lot of compassion when you see people in a very tough situation. When

you see parents dying of AIDS, you see orphans, you see malaria. If you don't see it -- if you are just reading the statistics its hard to relate to and its hard to think of it as something that you need to help change. So actually getting out to India, to Africa, that's critical to me to make sure my foundations is doing effective work and you know renews my commitment to take all the wealth I have and make sure it goes back to causes like world health.

**JENNINGS:** But you are a very specific example in this case and I will come to that, how do you think the average American would change if he or she traveled more?

**GATES:** I think they'd vote for Politicians who cared more about the developing world and the tough conditions there. That our aid would be more enlightened and a higher percentage of what we do. I think they would want to get involved themselves in either being a part of a volunteer organization here in the U.S. or even spending some time helping out overseas. I think they would feel a more common bond and realize how privileged they are.

**JENNINGS:** Is there any part of the world that intimidates you?

**GATES:** Well I could say that every time I go to China I am amazed by the level of energy and activity there. And you know its like super charged capitalism where they're creating new jobs and they are being very efficient. And you know that's daunting. It's a challenge to the rest of the world that we got this great opportunity that they're going to build good products, but we all have to become more efficient to work at that level as well.

**JENNINGS:** Should we be worried that China will best the United States before long?

**GATES:** Well in the area of economic activity, no one bests anyone. As their people are more college educated and creating inexpensive products. That's just a great thing for our consumers. It does mean that the companies here need to think about selling to China. About how they work with partners there. And measuring their efficiency against the best in the world which in my business will be the leaders in China.

**JENNINGS:** Is the U.S. as competitive as it needs to be?

**GATES:** I think we need to renew our competitiveness.

**JENNINGS:** How do we do that?

**GATES:** Well we need to look at particularly our education system. I'm very passionate about the fact that our high schools are not doing the job they should do. They were really invented for an era where really not every one needed to get a good college education to get the jobs of the future, and so I think we need to start there. I think we need to look at some of the efficiencies in our medical care, legal system, but education would be at the top of my list in keeping the U.S. at the forefront, where it clearly is today.

**JENNINGS:** You are constantly giving money to different causes. I wonder if your money creates a sense of urgency that you would like it to create in terms of other people's interest and commitment.

**GATES:** Well we often will give in partnership with other people. For example these grants for new high schools that work in a different way. We've had many people come along and help out with that. Of course there we need to work with the government. The vast amount of funds for education will always

come from the government. Likewise in world health we have been able to draw people in and really show that you can make a big difference and save lives and improve outcomes and there is no inefficiency in this like sometimes the image in foreign aid feels like, well where does it go?

**JENNINGS:** Are you saying that private enterprise, private money, is more efficient than government money?

**GATES:** No, I am saying that there are examples when you focus on health, that all the money -- government and private -- can make a difference. We often do pilot projects though to you know make it evident what the right approach is. We're very careful about measuring the outcomes, making sure that we really did get what was intended and then if it goes well than both private and government money hopefully come in and scale up the good idea.

**JENNINGS:** Is the converse true? Do you sometimes give so much money that people are inclined to say, "Let Gates do it."

**GATES:** Well I hope that's not the case. I know that in the case of world health and education we are seeing more money, other than our money, come into those areas and we're able to shape how some of the government money comes in in way that makes it more effective.

**JENNINGS:** You are paid a great compliment once, when someone said, "You feel a death in Africa as if it were a death in the world." A, is that true? And B are the rest of us missing something?

**GATES:** Well I think most people are kind of overwhelmed with the statistics. You know that you hear a million people die of Malaria, several million people die of AIDS, and it's hard to relate to. Whereas if you knew just one family, and saw what was happening there, you could understand that those children have joy and opportunity, just like your children do. Then it would be easier to relate to. And so for me, you know I study the statistics, but I also have to go over there and have that direct connection to really renew my belief that every life should be treated on an equal basis.

**JENNINGS:** What have you learned about the value of private money?

**GATES:** Well private money can take risks in a way that government money often isn't willing to. For example, take the creation of a vaccine that will eliminate AIDS as a problem or Malaria -- that's been vastly under-funded and we need to change that. Governments didn't want to try something that could be a failure.

**JENNINGS:** You are so well known that I think people expect you to be good at almost everything. Are you good at almost everything?

**GATES:** No -- absolutely not. My success, part of it certainly, is that I have focused in on a few things. From a very young age I thought software was magical, I thought if I just really focused on that and hired great people that we could change the world through the tool that software has now become. And so you know, I picked just a very few things. I think that's the only way I can make a difference.

**JENNINGS:** Is there anything you're notoriously bad at?

**GATES:** Oh my wife thinks she's better at me than puzzles. I haven't given in on that one yet. I don't get to do a lot of sports. I do a few -- some tennis, and golf, but you know, I'm mostly known for my work in software and now a tiny bit for the foundation work.

**JENNINGS:** Can you play an instrument?

**GATES:** I'm very embarrassed. I played a bit when I was young and I'm not good at musical instrument. I meet people overseas that know five languages -- that the only language I'm comfortable in is English. Those are things that I'd like to get around to but I haven't been able to.

**JENNINGS:** Can you write?

**GATES:** I like to think I can write. I have a few books that sold fairly well and I think putting your thoughts on paper is very, very important. In my work at Microsoft there've been a number of very key memos. For example, one that kicked off our focus on the Internet that's still pretty famous called "Internet Tidalwave." Three years ago is when I wrote the memo getting us focused on these security problems, making sure that we had breakthroughs that would avoid that holding the field back.

**JENNINGS:** Did you ever envision, and is it difficult to live life in the stratosphere as you do at such an early age?

**GATES:** Well, my company was pretty small when I was in my 20s. The success of Microsoft has really been in the last 15 years or so. I think it is tough to have success at a young age. I've tried to limit the distortive effect that that has. I think that having kids helps a lot with that. Just staying very focused on the problems people have.

**JENNINGS:** And are you very, very aware that your children are terribly privileged? I shouldn't say terribly privileged, very privileged and that you have to fight that with them for the future?

**GATES:** I think that's one of the biggest challenges that Melinda and I face is that our kids will grow up in a nice house and we don't want them to take things for granted. We're looking forward to taking them on a lot of these foundation trips so that they will see what life really is like for most people on the planet and they'll have an understanding for why we're giving our wealth to those causes.

**JENNINGS:** When I talk to people about you, everybody was fascinated that I was coming to see you. I'm sure that's not a surprise to you. They very quickly, often, particularly if they're young, put you over on the side of being a businessman. And they put other people over here as creators. Do you think that your image has suffered because you've been so successful at business?

**GATES:** Well, my success is creating great software. It's not like if you put me in some other business I'd be an expert and know what to do. And I think my most important work was the early work -- conceiving of the idea of the PC and how important that would be, and the role software would play, having standards there. So, you know, people are welcome to think of me as a businessman, but I think of myself as a software engineer.

**JENNINGS:** You're original vision was to put a PC in every home.

**GATES:** That's right. The slogan of Microsoft when we were just a few people was a computer on every desk and in every home.

**JENNINGS:** And is it realistic today?

**GATES:** Well, in fact, we're very close to that vision being a reality, at least in the rich countries. PC penetration in the United States is over 60 percent. The prices keep coming down, the power keeps

going up. You know, today, people know, if you want to organize your photos or your music or keep a complex family schedule together or just find books -- that PC is the way to do that. So, we really have achieved a lot of that dream.

**JENNINGS:** On the subject of music, I read somewhere that about 80 percent of Microsoft employees who have a music playing instrument or a music playing device use an iPod.

**GATES:** Well, I doubt that's the case. Certainly, the iPod's a great success.

**JENNINGS:** Do you have one?

**GATES:** No, I'm not an iPod user. I use the Creative Zen which is a fantastic product. That's another space where, even what we have today, whether it's iPod or the other things are only the start of what we're gonna have in a few years. People are gonna want choices. These things are going to be smaller or better, cheaper. So, music has changed. The age of the CD is really coming to an end.

**JENNINGS:** The public likes this tension between you and the others as I'm sure you know. So people want to know do you have an iPod. You say you don't have. Did iPod beat you in this issue?

**GATES:** Oh the iPod did a great job, but what Apple's done there is typically what they do. It's their, only their one music store, only their device. What we're doing is providing choices. So it's like the Apple computer versus the PC. With the PC you can buy from many companies so you get cheaper prices, you get more variety and here with music devices we're coming in with the same. But they're a strong leader in the space and I think as we gain share, people will be surprised.

**JENNINGS:** But, it isn't hard for you is it to stand back and compliment somebody else?

**GATES:** No, particularly Steve Jobs who's done a lot of amazing things in our business.

**JENNINGS:** I've heard some people say that if they were graduating from science or technology today, they'd rather work for Jobs than Microsoft. Why do you think that might be true?

**GATES:** Well it's certainly not the case. You found a very unusual data point there. In terms of software that's going to change lives and the most interesting software work in the world we're able to attract the smartest people and believe me, that's something that we track very, very carefully. When it comes to having the best software people, that's been the key to our success.

**JENNINGS:** I think it was in Davos you said it was stupid as hell to let Google get ahead of you on the search engine.

**GATES:** Yea, that's throughout my career, you know, I've gotten to make hundreds and hundreds of mistakes sometimes we get into something too early sometimes we have to match what they do but then come with something better there. I think we're actually one of the few companies that can say with credibility that we'll give Google some competition. And that's great for everyone.

**JENNINGS:** What is the next big thing?

**GATES:** Well, we can make computers far simpler than they are today even as we're doing more and more with, you still have to learn to much about the innards. You know, security is a great example of that. Even communications, you have multiple e-mail accounts, and instant messaging and phone

numbers, it should just be that you pick the person you want to contact and the right thing happens automatically. If you want to have a meeting, you ought to be able to have somebody at a distance be involved in that in a very simple way. So communication itself is still very, very inefficient. That's one of the areas where we see breakthroughs, even in the next 3 years.

**JENNINGS:** SPAM?

**GATES:** Well SPAM is taking e-mail, which is a wonderful tool, and exploiting the idea that it's very inexpensive to send mail. What we're doing is we're filtering out these SPAM e-mails because they have a certain character, certain topics that they cover, that filtering works very well. SPAM is way down from its peak. There's a new technology that is an industry standard we created called Sender ID that will bring it down even more. And so we're well on the track to making this problem and making sure that it doesn't make e-mail waste your time with lots of unimportant messages.

**JENNINGS:** We are all so dependent on the technology now, is it possible that some evil genius could bring the system down?

**GATES:** Well, certainly, take the electricity network. We've experienced even in the last two years, that without anyone evil, that there was a big blackout there. Likewise for the internet. We have to worry that it gets administered well and that nothing bad happens to it. More and more safeguards are being put into place but no infrastructure's invulnerable and there's a lot more to be done for the computer infrastructure.

**JENNINGS:** When I said to somebody the other day that you at Microsoft had always said we will continue to be the innovators of technology this person who was young and a techie said "Oh they've never innovators they buy other people's material, they expropriate other people's knowledge and adapt it into their business." I don't understand that completely, but is there some truth in that?

**GATES:** Well the biggest thing we did was we invented the field. That is there were no other companies doing what we were doing. The idea of the PC, the idea of the software industry -- that was something very, very unique. There are companies like Xerox had a research lab that did a lot of forward looking work. In fact, the whole interface you see with windows and with the Apple McIntosh a lot of the early ideas came from Xerox. A lot of the good people who did the work there are now here at Microsoft taking those ideas a lot further. And so, it is important to acknowledge that we build on the work of others. But if any one company has done a lot of unique work, breakthrough work, risk-taking work, that's gotta be Microsoft.

**JENNINGS:** I was asking you about whether or not you thought an evil genius might be able to bring the country down? Second point to that, how much do you worry about technology letting us down in general?

**GATES:** Well technology has provided a lot of increased productivity but we always have to look at where it comes in and causes problems. Spam is a great example of that, making sure parents can control where their kids are going on the internet is a very good example of that, so it's hard to think of a breakthrough that hasn't come with some challenges that we have to mitigate.

**JENNINGS:** Which movie do you think's gonna win the Academy Awards?

**GATES:** Perhaps Hotel Rwanda. I think there's a lot of good movies this year so I can't say for sure.

**JENNINGS:** What's the last book that you read that really made a difference in your life?

**GATES:** I just finished reading Jared Diamond's book called "Collapse" and I highly recommend it, it's about societies that used up their resources and therefore, went into decline. So he's talking a lot about some of the environmental challenges will face and it's a fantastic read.

**JENNINGS:** You are a very, very serious man.

**GATES:** Oh, I'm serious when I do my work. I'm not serious when I'm home with my kids.

**JENNINGS:** The person you would like to meet that you haven't been able to meet yet?

**GATES:** I like to meet scientists who are doing breakthrough work. A lot of them toil in obscurity some of them are very well known. I wanted to meet Richard Fineman but I never got a chance to do that.

**JENNINGS:** The best thing about gaming?

**GATES:** Gaming draws you in. We're gonna make gaming far more social than it's been to date. Certainly, versus somebody just sitting there on the couch watching passing TV I'll stick up for gaming.

**JENNINGS:** What's the worst thing about gaming?

**GATES:** Well, gaming can be so interesting that it draws you away from reading or doing your homework. Certainly in our household there'll be a budget for how much time gets spent in front of the videogame.

**JENNINGS:** Do you think that the country continuing to have the degree of deficit spending which this administration appears to support is good for the country?

**GATES:** I'm quite worried about the fiscal imbalances that we've got and what that might mean in terms of financial crisis ahead. I think we're a bit in uncharted territory. I'm not an expert myself but I definitely hope we go back to less of a trade deficit and less of a budget deficit.

**JENNINGS:** President, beg your pardon, Senator Frist said yesterday he didn't think there was enough public support in the country for the president's plan to have private security accounts in social security. Do you think the public support is there?

**GATES:** I think the issue of what type of returns you'll see there, how that will effect interest rates and things, I think there's some very complex issues there that the public in general has a hard time understanding. Partly, the specifics aren't in so that you're looking at in a very abstract way. People want to know, when they retire, will their benefits be as good as they've been in the past. And I think there's a lot of unanswered questions.

**JENNINGS:** What would you do if you were away for an entire day and you had no access to technology.

**GATES:** I would take a bag of books with me and have a fantastic day.

**JENNINGS:** So, you are not dependent on technology?

**GATES:** No, in fact when I go on vacation, I don't do e-mail when I'm off on vacation because that's my time to read. But, over the weekend, I do a lot of e-mail because I come up with new ideas and that's my chance to really write down my extensive thoughts about things that happened during the week.

**JENNINGS:** Do you talk to your public?

**GATES:** I'm not sure what you mean?

**JENNINGS:** Do you talk to the public on e-mail?

**GATES:** I don't get out in chat rooms all that much. I do put out broad letter to our customers about 3 or 4 times a year.

**JENNINGS:** How do you think you've changed in the last 10 or 15 years?

**GATES:** Well certainly having kids has been a fantastic thing for me. It's meant that I'm a little more balanced. In my 20s I worked massively, hardly took vacation at all. Now, I, with the help of my wife, I'm always making sure I've got a good balance of how I spend my time.

**JENNINGS:** And finally, though, it's completely out of order. The Bill and Melinda Gates Foundation is astonishing. How do you choose what you're going to give money to?

**GATES:** Well the basic priority is what we're doing in world health and that's about saving lives. And so we look at what breakthroughs, what medicines can save lives. It's very clear that you can list those top 10 diseases that only exist in the developing world and say, OK, we've got to solve those. and so that's pretty easy. In education, which is our other area, we've chosen high schools. Saying that in fourth grade U.S. students are very competitive by 12th grade they're among the worst. So what is it that goes on there in terms of motivation or tracking or incentive systems and we hope to make a contribution in improving that.

**JENNINGS:** But you could have chosen other issues. Why were so intent in making a difference in communicable diseases?

**GATES:** Well, I looked at what is the greatest inequity in the world. The U.S. is very oriented towards solving inequity -- gender inequity, racial inequity. In fact, you'd have to say, the great inequity is that we let people die of these diseases. We treat their lives as being worth less than a few hundred dollars because that's what it would take to save them. And so there's a huge disparity and bringing the advances in science to those diseases can change that in a big way. So, my goal was to pick the thing I thought was the greatest inequity in the world, focus on that as our top priority and that's world health and then take the greatest challenge for the United States and make that also a priority and that's the work we're doing in education.

**JENNINGS:** Many thanks. I enjoy listening to you.

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