

up to 5 years; and securities guarantees having maturities of up to 10 years.

Repayment of these loans and guarantees is backed by revenues from the export of crude oil and petroleum products formalized in an agreement signed by the United States, the Government of Mexico, and the Mexican government's oil company. In addition, as added protection in the unlikely event of default, the United States is requiring Mexico to maintain the value of the pesos it deposits with the United States in connection with the medium-term swaps. Therefore, should the rate of exchange of the peso against the U.S. dollar drop during the time the United States holds pesos, Mexico would be required to provide the United States with enough additional pesos to reflect the rate of exchange prevailing at the conclusion of the swap.

I am enclosing a Fact Sheet prepared by the Department of the Treasury that provides greater details concerning the terms of the four agreements. I am also enclosing a summary of the economic policy actions that the Government of Mexico and the Central Bank have agreed to take as a condition of receiving assistance.

The agreements we have signed with Mexico are part of a multilateral effort involving contributions from other countries and multilateral institutions. The Board of the International Monetary Fund has approved up to \$17.8 billion in medium-term assistance for Mexico, subject to Mexico's meeting appropriate economic conditions. Of this amount, \$7.8 billion has already been disbursed, and additional conditional assist-

ance will become available beginning in July of this year. In addition, the Bank for International Settlements is expected to provide \$10 billion in short-term assistance.

The current Mexican financial crisis is a liquidity crisis that has had a significant destabilizing effect on the exchange rate of the peso, with consequences for the overall exchange rate system. The spill-over effects of inaction in response to this crisis would be significant for other emerging market economies, particularly those in Latin America, as well as for the United States. Using the ESF to respond to this crisis is therefore plainly consistent with the purpose of 31 U.S.C. 5302(b): to give the United States the ability to take action consistent with its obligations in the International Monetary Fund to assure orderly exchange arrangements and a stable system of exchange rates.

The Mexican peso crisis erupted with such suddenness and in such magnitude as to render the usual short-term approaches to a liquidity crisis inadequate to address the problem. To resolve problems arising from Mexico's short-term debt burden, longer term solutions are necessary in order to avoid further pressure on the exchange rate of the peso. These facts present unique and emergency circumstances, and it is therefore both appropriate and necessary to make the ESF available to extend credits and loans to Mexico in excess of 6 months.

WILLIAM J. CLINTON

The White House,  
March 9, 1995.

## Remarks on the Administration's Economic Strategy and an Exchange With Reporters *March 10, 1995*

*The President.* Good morning. Today's employment report shows that the economic strategy pursued by our administration has worked for the last 2 years, thanks not only, of course, to our economic policies but also to the dramatic increases in productivity by American businesses and American workers.

The new unemployment rate of 5.4 percent is the lowest in almost 5 years. We have the

lowest combined rates of unemployment and inflation in 25 years. The fundamentals of this economy overall are healthier than they have been in a generation.

When I took office, we had had 12 years in which the deficit had quadrupled and investments in our people had been ignored. There was no job growth. That's not true anymore. Our disciplined plan to reduce the deficit, lower

trade barriers to American products and services, and invest more in the future of our people through education, training, and technology, is working.

Let me underscore this: As of today the economy has produced 6.1 million jobs since I became President. And if Michael Jordan goes back to the Bulls it will be 6,100,001 new jobs. [Laughter] That includes, I might add, 14 straight months of manufacturing job growth, something almost unheard of in the modern era. And encouragingly for our biggest continuing economic problem, last year we had more high-wage jobs coming into the economy than in the previous 5 years combined.

Those are 6.1 million reasons for this country to stay committed to an economic strategy of opportunity and responsibility, disciplined commitment to investment in the future of our people through education, training, and technology, selling our products, and reducing our deficit. We have reduced the deficit by \$600 billion, and of course, our new budget proposed another deficit reduction in excess of \$80 billion.

It has now been 66 days since the new Congress came to town. We are still waiting for the leadership to propose their budget plan. But now we do see that there is a proposal for massive tax cuts which will benefit largely upper income Americans, tax cuts that will cost \$188 billion in the first 5 years, but, if you look at the 10-year figure, will cost \$700 billion. These are more than 3 times the aggregate amounts of the proposals that I made in my budget, which are heavily targeted to the needs of middle class Americans to raise their incomes, educate their children, provide for the basic health

care needs through an IRA, a tax deduction for the cost of education after high school.

And I want to emphasize furthermore, that I think what we ought to be working on now as we look ahead, are things that will continue to increase jobs. That means staying with deficit reduction, staying with investments in education and training and technology, staying with selling American products and things that will raise incomes.

The "GI bill" for American workers does not cost any money, but the Congress could pass it to consolidate all these training programs, to give vouchers to unemployed people and people on low wages. The Congress could pass the minimum wage increase, which is overdue and which will have an impact in raising incomes.

But the fundamental strategy is sound. We are producing jobs. Now we have to raise incomes. We have to stay with this strategy. There are 6.1 million arguments for why it is the right strategy.

Thank you.

Q. What about the capital gains tax? What do you think of that?

#### *Interest Rates*

Q. Mr. President, don't these numbers push interest rates up?

*The President.* Well, Chairman Greenspan hadn't said that yet. Let's—I don't want—every time I say something about the money it turns out to be wrong, so I'm not going to comment on it.

NOTE: The President spoke at 9:45 a.m. in the Briefing Room at the White House.

## The President's Radio Address

*March 11, 1995*

Good morning. I ran for President to keep the American dream alive for the forgotten middle class and for all of those struggling to make it in our country, to make sure all Americans have the chance to live up to their God-given potential. Today in Washington, there's a great debate about how best to do that, and the choices we make will say a lot about who we are as a nation as we enter the new century.

On one side, there's the old one-size-fits-all Washington view that big Government can fix every problem. On the other, there's the Republican contract view that the Federal Government is the cause of every problem. Well, I have a different view. I believe the purpose of Government is to expand opportunity, not bureaucracy, to empower people through education to make the most of their own lives, and to en-