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I wish I could bottle what I have seen and heard here today and spread it out in every community in America. We could solve about half the problems of this country in a very short time if I felt the kind of devotion and commitment everywhere that I sensed here on the streets of this community today. And I just want to urge you not to give up and not to be discouraged.

When that earthquake hit southern California a year ago, there were 5,600 school buildings damaged. Today, a year later, we celebrated the one-year anniversary; all but 40 of those buildings are open, out of 5,600, educating kids. And that shows you what you can do if everybody pulls together and works together.

I know that a lot of you have really painful stories now about work you've done in your home that seems to be wiped away and family furniture that may be lost forever and a lot of things that are a very important part of your past. But I would just urge you not to lose the optimism, the resilience, the strength that I have sensed here from all of you today. Don't give up. We will look at the long-term problems that I've been asked to look at. I know this is the second time this has happened in 10 years, and you're getting sick of waiting for the water to come every time the thunder claps overhead. So we'll look at that.

But meanwhile, let's all pull together and work together and follow the lead of these fine young people and the families I had the privilege to visit with today.

Thank you, and God bless you all.

NOTE: The President spoke at 2:46 p.m. at the corner of Tina Way and Elisa Way.

Statement on Action on Congressional Accountability Legislation

January 17, 1995

I want to commend the Congress for passing the Congressional Accountability Act of 1995 today. It is about time that Congress lived by the same laws it places on the private sector. Passage of this bill fulfills a campaign commitment of mine.

However, while this legislation is an important political reform, it is only the first step in what must be a greater effort to change business-as-usual in Washington. Therefore, I reiterate my call for Congress to act swiftly on several much needed reform proposals including real campaign finance reform and the gift ban and a strong version of the line-item veto.

Remarks on Loan Guarantees for Mexico

January 18, 1995

Thank you very much, Secretary Rubin and Ambassador Kantor.

Ladies and gentlemen, we wanted to be here today to make the clearest public case we can for the proposal which has been developed by the administration and the bipartisan leadership in Congress for dealing with the present situation. We have worked hard with an extraordinary group of people who have joined forces because all of us realize how important this proposal is, not only to the people of Mexico but also to the United States and to our workers. We are acting to support the Mexican economy and to protect and promote the interests of the American people.

As Ambassador Kantor said, and as all of you know very well, we live in an increasingly global economy in which people, products, ideas, and money travel across national borders with lightning speed. We've worked hard to help our workers take advantage of that economy by getting our own economic house in order, by expanding opportunities for education and training, and by expanding the frontiers of trade,

by doing what we could to make sure there was more free and fair trade for Americans. And we know, and all of you know, that those efforts are creating high wage jobs for our people that would otherwise not be there.

Our goal, our vision must be to create a global economy of democracies with free market, not government-run, economies; democracies that practice free and fair trade, that give themselves a chance to develop and become more prosperous, while giving our own people the opportunity they deserve to reap the benefits of high-quality, high-productivity American labor, in terms of more jobs and higher incomes.

We have pursued this goal with vision and with discipline, through NAFTA, through the Summit of the Americas, through a number of other international endeavors like GATT and the Asian-Pacific Economic Cooperation group. But we have pursued it especially here in our own hemisphere, where we are blessed to see every nation but one governed in a democratic fashion and a genuine commitment to free market economics and to more open trade.

We have to know that the future on this path is plainly the right one, but as with any path, it cannot be free of difficulties. We have to make decisions based on a determined devotion to the idea of what we are pursuing over the long run. We know that, given the volatility of the economic situation in the globe now, there can be developments that for the movement are beyond the control of any of our trading partners, themselves developing nations, which could threaten this vision and threaten the interests of the American people.

Mexico's present financial difficulty is a very good case in point. Of course, it's a danger to Mexico, but as has already been said, it is plainly also a danger to the economic future of the United States.

NAFTA helped us to dramatically increase our exports of goods and services. It helped us to create more than 100,000 jobs here at home through increased exports to Mexico. But over the long run, it means even more. It means even more opportunities with Mexico. It means the integration of the rest of Latin America and the Caribbean into an enormous basket of opportunities for us in the future. And we cannot—we cannot let this momentary difficulty cause us to go backward now.

That's why, together with the congressional leadership, I am working so hard to urge Congress to pass an important and necessary package to back private sector loans to Mexico with a United States Government guarantee. Let me say, I am very gratified by the leadership shown in the Congress on both sides of the aisle.

By helping to put Mexico back on track, this package will support American exports, secure our jobs, help us to better protect our borders and to safeguard democracy and economic stability in our hemisphere, because America and American workers are more secure when we support a strong and growing market for our exports, because America and American workers are more secure when we help the Mexican people to see the prospect of decent jobs and a secure future at home through a commitment to free-market economics, political democracy, and growing over the long term, and because we're more secure when more and more other countries also enjoy the benefits of democracy and economic opportunity, and perhaps most important over the long run, because we are more secure if we help Mexico to remain a strong and stable model for economic development around our hemisphere and throughout the world.

If we fail to act, the crisis of confidence in Mexico's economy could spread to other emerging countries in Latin America and in Asia, the kinds of markets that buy our goods and services today and that will buy far more of them in the future. Developing these markets is plainly in the interests of the American people. We must act to make sure that we maintain the kind of opportunities now being seized by the Secretary of Commerce and the delegation of American business leaders who have had such a successful trip to India.

If you take Mexico, just consider the extraordinary progress made in recent years. Mexico erased a budget deficit that once equalled 15 percent of its gross domestic product. It slashed inflation from 145 percent a year to single digits. It sold off inefficient state enterprises, dramatically reduced its foreign debt, opened virtually every market to global competition. This is proof that the Mexican Government and the Mexican people are willing to make decisions that are good for the long run; even if it entails some short-term sacrifice for them, they know where their future prosperity and opportunity lie.

Now Mexico, of course, will have to demonstrate even greater discipline to work itself out of the current crisis. Let me say, though,

it's important that we understand what's happened. And the Secretary of Treasury and I and a lot of others spent a lot of time trying to make sure we understood exactly what had happened before we recommended a course of action.

It is clear that this crisis came about because Mexico relied too heavily upon short-term foreign loans to pay for the huge upsurge in its imports from the United States and from other countries. A large amount of those debts came due at a time when, because of the nature of the debts, it caused a serious cash flow problem for Mexico, much like a family that expects to pay for a new home with the proceeds from the sale of its old house only to have the sale fall through.

Now, together with the leadership of both Houses, our administration has forged a plan that makes available United States Government guarantees to secure private sector loans to Mexico. The leadership in Congress from both sides of the aisle and the Chairman of the Federal Reserve Board developed this plan with us. It is something we did together because we knew it was important, important enough to the strategic interest of the United States to do it in lockstep and to urge everyone without regard to party or region of the country or short-term interests to take the long view what is good for America and our working people. We all agree that something had to be done.

Now, these guarantees, it's important to note, are not foreign aid. They are not a gift. They are not a bailout. They are not United States Government loans. They will not affect our current budget situation. Rather they are the equivalent of cosigning a note, a note that Mexico can use to borrow money on its own account. And because the guarantees are clearly not entirely risk-free to the United States, Mexico will make an advanced payment to us, like an insurance premium. No guarantees will be issued until we are satisfied that Mexico can provide the assured means of repayment. As soon as the situation in Mexico is fully stabilized, we expect Mexico to start borrowing once again from the private markets without United States Government guarantees.

The U.S. has extended loans and loan guarantees many, many times before to many different countries. In fact, we've had a loan mechanism in place with Mexico since 1941. And Mexico has always made good on its obligations.

Now, there will be tough conditions here to make sure that any private money loaned to Mexico on the basis of our guarantees is well and wisely used. Our aim in imposing the conditions, I want to make clear, is not to micromanage Mexico's economy or to infringe in any way on Mexico's sovereignty but simply to act responsibly and effectively so that we can help to get Mexico's economic house back in order.

I know some say we should not get involved. They say America has enough trouble at home to worry about what's going on somewhere else. There are others who may want to get involved in too much detail to go beyond what the present situation demands or what is appropriate. But we must see this for what it is. This is not simply a financial problem for Mexico; this is an American challenge.

Mexico is our third largest trading partner already. The livelihoods of thousands and thousands of our workers depend upon continued strong export growth to Mexico. That's why we must reach out and not retreat.

With the bipartisan leadership of Congress, I am asking the new Congress to cast a vote, therefore, for the loan guarantee program as a vote for America's workers and America's future. It is vital to our interests. It is vital to our ability to shape the kind of world that I think we all know we have to have.

No path to the future—let me say again—in a time when many decisions are beyond the immediate control of any national government, much less that of a developing nation, no path to the future can be free of difficulty. Not every stone in a long road can be seen from the first step. But if we are on the right path, then we must do this. Our interests demand it. Our values support it, and it is good for our future.

Let me say again that the coalition of forces supporting this measure is significant; it may be historic. The new Republican leaders in Congress, the leadership of the Democratic Party in Congress, the Chairman of the Federal Reserve Board, why are they doing this? And I might say, I was immediately impressed by how quickly every person I called about this said, "Clearly, we have to act." They instinctively knew the stakes.

Now in the public debate questions should be properly asked and properly answered. But let us not forget what the issue is. Let us not read too little into this moment or try to load it up with too many conditions unrelated to the

moment. The time is now to act. It is in our interest. It is imperative to our future. I hope all of you will do what you can to take that message to the Congress and to the American people.

Thank you very much.

NOTE: The President spoke at 3:49 p.m. in the Cash Room at the Treasury Department.

Remarks on the Retirement Protection Act of 1994
January 19, 1995

Thank you very much, Mr. Secretary. After that kind introduction I'm loath to say what I was about to say, which is I'm afraid the headline on this story will be "Reich comes out for playing hard." [*Laughter*] But I think people who work hard should also be able to play hard. [*Laughter*]

I want to thank Paul Wood for his story and Marvin Clarke for his testimony in his long battle to make sure the country did something to help people so that there wouldn't be other people in the situation he finds himself in. I want to thank the steelworkers and the senior citizens groups and all the others who were mentioned by Secretary Reich. I'd like to especially thank someone who is not here, my longtime friend J.J. Pickle, who retired from the Congress and who left this as his last legacy in a long career of helping people with their own lives. I'd like to thank another longtime friend of mine who is still here—that's maybe a disability in this town, but Marty Slate has done a wonderful job at the Pension Benefit Guaranty Corporation. I'll never forget the first time Hillary told me about Marty Slate. She said, "That's the smartest guy I ever met in my life. He'll find a way to solve any kind of problem." And you have done a fine job, and we're grateful to you.

And I'd like to thank someone whose name I don't know and I've been trying to find out before this moment. I'd like to thank the person in the Richmond debate in 1992 who asked President Bush and Ross Perot and Bill Clinton about the problems of underfunded pensions and first got my attention on this issue. I wish—I don't know who that person was, but I am deeply indebted, and now so are several million other Americans, to that person for bringing this issue personally to me in a very direct way.

Two years ago from tomorrow, I became President, with a commitment to try to restore the American dream for all Americans and to make sure that we enter the next century as the strongest country in the world, a force for peace and freedom and democracy, but most important of all, as one which in a very different world would keep the American dream alive for all of our people.

When I signed the Retirement Protection Act into law last month, it was almost completely unnoticed because at the end of the year it had to go through in the comprehensive legislation that involved the passage of the GATT trade agreement. And we wanted to do this today because this act was so profoundly important to so many millions of Americans and it says a lot about what we are trying to do here in Washington.

This is part of a new economic policy designed to help the American people stay ahead in a world economy that is changing so rapidly that, while it offers vast new benefits to people, it also is very frightening to a lot of people and causes too much insecurity and unsettling for people who have worked hard and done the right things all their lives. It gives the American taxpayers a more effective, more efficient, and more disciplined Government. And this bill furthers what I have called my own contract with America, the New Covenant. It says that people who act responsibly should be rewarded.

The Retirement Protection Act says that people deserve a pension system that they rely on. They deserve employers who take actions to be worthy of their own trust and the labor that they give them, year-in and year-out. They deserve a Government that will protect them and stand by them, a Government that is their partner.