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improve the environment, not weaken it, if you believe in these things, then you have got to help us for the next 5 weeks.

We can win a stunning, unprecedented, historically, literally unprecedented victory if only the people understand what the issues are, where the parties stand, where the candidates stand. But we have to push back the veil here and get people to think about their children and their future and understand that the people that have asked you to give this money are committed to it. If these ideas have worked for the last six years, they'll work just fine for the next 2 and for the next 20 if we're given the chance to implement them.

Thank you, and God bless you.

NOTE: The President spoke at 9:53 p.m. in the ballroom at the Sheraton Luxury Collection Hotel. In his remarks, he referred to Representative Nancy Pelosi; Senator Robert G. Torricelli; Terry McAuliffe, former national financial chair, Steve Grossman, national chair, and Leonard Barrack, national finance chair, Democratic National Committee; and President Petar Stoyanov of Bulgaria.

Remarks on Departure for Cleveland, Ohio and an Exchange With Reporters

October 2, 1998

Initiatives for the International Economy

The President. Good morning. Today I would like to talk to you about the steps we are taking to keep our economy growing by keeping the world's economy growing. Less than 36 hours ago, America closed the books on an era of exploding deficits and diminished expectations by recording a budget surplus of $70 billion, the largest on record and the largest as a percentage of our economy since the 1950's. Every American should be proud of this.

Today, we received more evidence that the economy remains solid. For 15 months in a row now, unemployment has stayed below 5 percent for the first time in 28 years. Over the last year, wages have risen at more than twice the rate of inflation, and now the economy has added more than 16.7 million new jobs since 1993.

Today, America enjoys a great moment of prosperity, But we cannot remain an oasis of prosperity in a world in which so much of our growth depends upon trade and in which so many of our trading partners are experiencing economic turmoil. We must hold to the economic strategy that has brought us to where we are today and move aggressively to deal with the challenges around the world. We must maintain our fiscal discipline. When I supported targeted tax cuts that we paid for in this budget, I made it clear, and I want to make it clear again: I will veto any tax plan that drains the new surplus. We simply have to set aside every penny of it, not only to set a good financial example around the world but to save Social Security first.

Second, we must continue to invest in education. The fiscal year has just ended. Yet, Congress still has not found time to send me an appropriations bill on education. Congress must put progress ahead of partisanship and send me an education bill that funds our investments in smaller classes, 100,000 new teachers, better trained, and safe, more modern schools, with every class able to be hooked to the Internet by the year 2000.

To ensure prosperity for the American economy, I say again, however, we must continue to lead, and we must move more aggressively to lead in the global economy. Today, the world faces the most serious financial challenge in 50 years. Our future prosperity depends upon whether we can work with others to restore confidence, to manage change, and to stabilize the financial system. Our chief priority is and must be economic growth, here and around the world.

Last month in New York, I outlined several steps we can take immediately to address the crisis. I asked Secretary Rubin and Federal Reserve Chairman Greenspan to convene a major meeting of their counterparts to recommend ways to adapt international financial institutions to the 21st century. Yesterday, Secretary Rubin spoke about that, and I am pleased that, on short notice, Secretary Rubin and Chairman Greenspan have arranged the meeting of finance ministers and central bankers from the major industrialized nations and the key emerging markets for next Monday here in Washington. I will personally participate in their deliberations. The following day, I will address the World Bank

and the International Monetary Fund to underscore the urgency of quick action and the need for long-term reform of the international financial system.

But we must do more to help the international community respond to the challenges posed by the current crisis. And today we are taking the following steps, steps that build on the approach I outlined a few weeks ago at the Council on Foreign Relations.

First, we must act to strengthen the international financial community's capacity to limit the contagion. This week, Secretary Rubin and Chairman Greenspan will explore with the International Monetary Fund and their G–7 colleagues whether best to design a new mechanism, anchored in the IMF, to provide contingent finance to help countries ward off global financial contagion. This step, combined with full funding for the IMF, would give the international community a powerful new tool to help reduce the risk posed by the current financial crisis.

Second, we must help the people who have been hurt by this crisis. As I said in New York, multilateral development banks like the World Bank, the Asian Development Bank, the Inter-American Development Bank have played a critical and positive role. Today, I ask them to explore the following steps to develop a new emergency capacity to lend quickly so as to help other countries reform their financial sectors while also helping the most vulnerable citizens, to use loan guarantees and other innovative means to leverage private sector lending to emerging markets and to expand their own lending as much as possible within their guidelines to countries now affected by the crisis who desperately need an infusion of new cash.

Finally, the United States will take new steps to encourage American businesses to continue exporting to and investing in emerging markets hurt by the crisis. Jim Harmon, the head of our Export-Import Bank, will travel to Brazil, Argentina, and Mexico over this month. I have asked him to establish new short-term credit facilities to make it easier for American businesses to continue exporting to critical Latin American markets. He will coordinate these efforts with his counterparts in other leading industrial nations to ensure that trade credit continues to flow during this period of financial stress. That is very, very important to our economy.

And the Overseas Private Investment Corporation, OPIC, has developed a new instrument to help emerging economies raise money from international capital markets. That also is very important.

Now, with these steps, we are acting to protect our own prosperity and to exercise responsible economic stewardship in the world. But we cannot act alone. Congress must take some responsibility as well. In the few working days it has left this year, the most important thing Congress can do to protect our farmers, our ranchers, our businesses, and our workers is to secure full funding for the International Monetary Fund. Congress cannot afford to delay approving IMF funding another day. Every day Congress delays, increases our vulnerability to crisis, decreases confidence in global markets, and undermines our prospects.

Without giving the IMF the resources it needs, many vital efforts to strengthen the international financial institutions simply will fall short. We can have an honest debate about the best ways to put out economic fires abroad, but there should be no doubt about whether we give the fire department the resources to do the job. If America is to continue to grow, we must support the IMF. If America is to continue to grow, we must lead. We cannot lead if we won't even pay our fair share to the International Monetary Fund. I have been asking for this for nearly a year now. The crisis overseas has continued to intensify. This is inexcusable, and we need the money now for Americans and their interests and for the long-term stability of the world. This is terribly, terribly important.

We have done our best to manage this crisis, to mobilize other countries. We want other countries to do more. We are not going to be able to get them to do more if we won't even do what is plainly our responsibility. No other country in the world has benefited as much as we have in the last 6 years from the global economy. We can lead back away from this financial precipice, but we need the resources to do it.

Now, let me say to all of you: Remember where we were 6 years ago. There were some

people who were saying America was in decline. Today, we have a new surplus. We have wages rising—the highest levels in over 20 years. We have the confidence in the country soaring. We have an unprecedented opportunity to build for the future. But with all this turmoil in the rest of the world, we also have a heavy responsibility to the future. We know that a lot of our growth has come because others were growing in the rest of the world and could buy American products and American services. We know we are going into an unprecedented time. This country has got to lead. We've got to be aggressive. We've got to stay on the balls of our feet. We've got to be aware that this thing is changing every day.

We can help a great deal to modify the difficulties, to move the world back toward growth, and to keep our own prosperity going. But if we're going to do that, we've got to lead. We've got to do our part. We can't talk about these things and not put up our share of the investment. So, again, I say we're going to do what we can. I'm looking very much forward to the IMF and the World Bank meeting. I'm looking forward to meeting with the finance leaders and the central bankers of these 22 countries. We're going to come up with some good ideas, but ideas have to be followed by action. And for us to take the action we need to take, the Congress has got to provide funds for the IMF.

Thank you very much.

Possibility of Worldwide Recession

Q. How close are we to a worldwide recession? Is there a danger of a recession in this world?

The President. Well, I think the proper answer to that, Sam [Sam Donaldson ABC News], is that about a quarter of the world is and has been in recession. About a quarter of the world is in a period of very low growth. The rest of us are growing. But in the nature of things, if you want growth to continue, you have to restore growth in that part of the world that's suffering now; and it cannot be done without aggressive action—as I said in New York a couple of weeks ago—aggressive action to restore the stability of the world financial system, to restore the confidence of investors, and to deal with the legitimate problems within each country that many of those countries have to deal with that we can't do anything about.

But there are three things we've got to do. We've got to do what we can to restore stability of the world financial system, we've got to restore the confidence of investors so they'll put their money back in to markets everywhere, and we've got to work with these countries to solve the problems within the countries that only they can solve. But the answer to your question is, we don't have to have a worldwide recession if those of us that enjoy growth will take the initiative and move now.

But we cannot afford to dally around here. If we'd had this money 6 months ago, we could have done more than we have. So I think it's important that everybody recognize that we don't know—nobody can predict the future with great certainty, but I have a lot of confidence in the strength of the American economy and our ability to keep doing well, but it rests in large measure on our ability to do the right thing around the world.

But keep in mind, 30 percent of our growth in the last 6 years has come from our ability to sell our goods and services around the world. We have a personal, vested interest quite apart from our larger ethical responsibilities to lead the world that we've profited so much from; we've got a vested interest in averting a global financial slowdown by taking initiatives and doing it now. We've got to do it now.

Kosovo

Kosovo?

Q. On Kosovo, should the world be surprised that the Serbs believed that they could possibly get away with massive bloodletting once again in the region without fearing action from the United States and in particular its European allies?

The President. Well, that's the argument I've been making for months, that we have seen, we saw in Bosnia what works in dealing with Mr. Milosevic. And the Kosovo situation is somewhat different in that Kosovo is actually a part of Serbia, although by law, it's supposed to be autonomous. But let me tell you

what we're doing. Let's focus on what we're doing.

We have been working for months and months—I have personally been working for months, first of all, to get NATO and then to get the U.N. to send a message to Mr. Milosevic to stop the violence.

We have NATO working, we have the U.N. resolution. I believe that our allies in Europe are with us, and I think that we all understand and we hope he got the message. I think it is very important. We have to be very, very strong here. We need to stop the violence, get a negotiated settlement and work our way through this. We don't want thousands upon thousands of people to be caught up in a war or to starve or freeze this winter because they have been displaced, and we are working very, very hard on it and we're briefing on the Hill as well.

I want to say a special word of appreciation to Senator Dole, who has been very outspoken about this, very supportive about an aggressive role for the United States, very understanding that we cannot allow this conflict to spread again and risk what we stopped in Bosnia, starting again in Kosovo. So we're working on it very hard, and I'm quite hopeful that we'll have a positive resolution of it. Thank you.

NOTE: The President spoke at 10 a.m. at the South Portico of the White House. In his remarks, he referred to President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro).

Remarks at a Luncheon for Senatorial Candidate Mary Boyle in Cleveland, Ohio

October 2, 1998

The President. Well, let me begin by thanking you for the wonderful welcome, thanking you for being here for Mary. Tony and Kristine, I have now been in your home and Slam Jam's. [*Laughter*] And I like them both very much. Thank you so much for opening your home to a few of your friends today. It is a wonderful act of generosity.

I'd like to thank all the candidates who are here. They've all been introduced, but I thank them for coming. I thank Mayor Coyne and David Leland and Mayor Starr and—Mayor Coyne, thank you for being here. I would like to say also a special word of appreciation to David Leland and the work that he has done with the Ohio Democratic Party. I think it's one of the best State Democratic Parties in the entire United States, and I thank you. And I thank all of these legislators and others who are here who are a part of that.

I'd like to thank Tony and Kristine for having their family here, and I'd like to thank Mary for having her mother, her husband, her kids—her whole family here. This has turned out to be a family affair.

I'd also like to say a special word of thanks—I always try to do this when I come to Ohio. You know, the press said that I would be the nominee of the Democratic Party when I won the Ohio primary in 1992. And then at the Democratic Convention in New York, Ohio's votes put me over the top officially. And then on election night in 1992, all the experts didn't predict that I was a winner until Ohio flashed on the screen for the Clinton-Gore ticket. And I thank you for that. And then in 1996, our margin of victory here was more than tripled over 1992. And I thank you for that. It took a lot of heartache away from me on election day, so I thank you for all that.

As Tony has already said, I would like to say a special word of appreciation to the family of Tom Coury for continuing to sponsor and support this event, for the love they had for him. And I would like to say a special word of appreciation for the feeling he had for the First Lady. We talked about that a little tonight. She is down in Uruguay, having the second of her Vital Voices conferences. That's a group that she's organized all over the world—starting, I might add for the Irish here, in Northern Ireland—to organize women committed to peace and to economic development and to good family-supportive policies. So I wish she could be here.

But I would like to thank Robert, Thomas, Tracy, Terry, and Robert for being here and for what the Coury's have meant in their support of me. And thank you for supporting Mary today. Yes, give them a hand again. That's good. [*Applause*]