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up. [*Laughter*] He weighed about 15 pounds the first time I—and he came to see Buddy today, so my dog is eagerly awaiting his reunion there.

I also have very much admired Tubby Smith from afar. And I like it when teams can come back. Although I must say, I prefer to get ahead and stay ahead. [*Laughter*] But sometimes you just have to come back. [*Laughter*] So I think we've had the best of both worlds here today and a lot of what is best about our country.

Thank you, and God bless you all. Welcome.

NOTE: The President spoke at 6:10 p.m. in the East Room at the White House. In his remarks, he referred to Gov. Paul E. Patton of Kentucky; and NBA Chicago Bulls player Michael Jordan.

Remarks to the National Townhall Meeting on Trade

November 10, 1998

Thank you. Well, Lionel, you did a great job. The first thing I asked him today was whether or not his speech was going to be beamed into his school. [*Laughter*] I love Brooklyn. I've been to Senator-elect Schumer's home. I've spent a lot of time in Brooklyn. Neither Chuck Schumer nor I would have the courage to leave our electorate on election day. [*Laughter*] And you did, and for that reason alone I hope that you are rewarded. I'm glad you're with us.

I want to welcome the other student leaders and teachers, business people here today and those joining us by satellite and the Internet. I'd like to thank Mike Armstrong for his great leadership of the President's Export Council and all the other members of the Council who are here with us on the stage today for their service.

I want to thank Secretary Daley for doing a superb job as Commerce Secretary, not only in his responsibilities to promote America's exports and, generally, a free trading system throughout the world but for the many other good things he does for the American economy as the Secretary of Commerce.

I'm very glad to address this first-ever national townhall meeting on trade. When the President's Export Council was created 25 years ago to promote America's businesses and jobs—just think of it; people are joining us today via satellite and the Internet—25 years ago, communications satellites were largely tools of our military. Even 6 years ago, when I took office, the Internet was basically the private province of physicists. There were about 50 sites. Today, it's the fastest growing organ of communication in all of human history. Today, the Internet and communication satellites are not instruments of war but plowshares to help us to cultivate education and understanding, exports and the growth of our global economy.

I think I'd like to say that it's also fitting that this townhall be held in a building named in honor of President Reagan, because he believes deeply in our indispensable role in promoting freedom and free trade throughout the world. In 1982 he said this: "Great nations have responsibilities to lead. If we lower our profile, we might just wind up lowering our flag." Well, we still have a responsibility to lead—in the aftermath of the cold war, I would argue, a greater responsibility than ever before.

That is why, 6 years ago, we charted a new course for our country, designed to preserve both the American dream and the American community at home and America's leadership for peace and freedom and prosperity around the world. We had a three-word motto: opportunity, responsibility, and community. That meant, among other things, that we took a new direction with our economy, a new strategy that began first with fiscal discipline, because our deficit was $290 billion that year, slated to go to nearly $400 billion last year. No country can buy prosperity by spending itself into debt deeper and deeper every year.

In the years since, we have seen that the hard work of reducing the deficit and producing the first balanced budget in a generation has paid rich dividends: lower interest rates, higher investment, more growth, rising wages, a 28-year low in unemployment with a 32-year low in inflation. We have more to do. We must keep America fiscally sound. We must deal with the Social Security challenge that we face. We must expand the reach of enterprise into those neighborhoods

and places in America that have not yet felt this economic recovery. But it is working.

The second thing we did in building this historic surplus was to make equally historic investments in our people, in education, in health care, in economic empowerment. In the new global economy, education and technology, research and development, health care and a clean environment, all these things will be increasingly valued, and without them it will be very difficult to prove that the global economy works for ordinary citizens. We have more to do, especially in education. And we have more potential in research, in medicine, and in economic and technological areas. But we are doing the right things.

The third thing that we did with our economy, after balancing the budget and increasing investment, was to try to make the global economy work more aggressively for our people. During the past 5 years, exports have helped to create more than 2 million jobs, high-skilled jobs that on average pay more than 15 percent above the average.

The free and open exchange of capital and ideas and goods across the globe has been vital to our prosperity throughout this century we're about to leave, but it will be far more important to our continued growth in the 21st century. That is why I have been so committed to opening markets to our goods and services throughout the world. During the past 5 years, we have completed 260 trade agreements to open global markets to areas from automobiles to telecommunications.

Now, as we meet here today, this global trading system is facing two great related challenges: first, the most serious financial challenge since World War II; and second, the continuing need to put a human face on the global economy, that is, to make sure that in every country increased trade and investment works to benefit ordinary citizens.

A full quarter of the world is now living in countries with declining or negative economic growth. Millions who were in the middle class in Asia or Russia, for example, have been devastated by economic problems in their own countries. Therefore, we see people, for the first time in a good while, beginning to question the premises of the free flow of goods and services and capital.

With the whole world increasingly linked together in a global marketplace, with global communications, clearly these shocks abroad also reverberate at home. We saw it most clearly in the last several months in the markets that our farmers no longer had in Asia, leading to steep drops in farm prices here at home. We see it most clearly today, perhaps, in the fact that America's economy has remained strong, and with other countries suffering from no growth or negative growth, the flooding of our markets by certain products, especially steel, which has become a big source of concern and about which I'll say more in a couple of minutes.

The point I want to make to all of you, especially to the students who are here, is that resolving the global crisis today is vitally important for the American people, from Brooklyn to North Dakota, in small towns and big cities. Why? Not only because it is in our interest to help our friends around the world to continue to enjoy the benefits of freedom and prosperity but because if we want to keep our own economy and social fabric strong, we have to do so in the context of a growing economy where people embrace the ideas of freedom and free exchange of goods and services. That is why America must continue to lead in building a strong financial and trading system for the 21st century.

Over the past year we have pursued a very aggressive strategy to combat the financial crisis and to protect our jobs here at home. In September I called for urgent action to spur growth and to aid those nations most in need. The nations of the world have rallied to this agenda. Japan has committed substantial resources to repair its troubled banking system. Brazil is moving forward to address its fiscal problems. The international community is working to support these efforts.

America, Japan, and others have cut interest rates. Our Congress agreed to fully fund our commitment to the International Monetary Fund. Through our Export-Import Bank and our Overseas Private Investment Council, we're providing credit and investment insurance to encourage the flow of capital to developing nations. The World Bank has announced that it will expand its spending to strengthen the social safety net in Asia, where

so many people have been hurt by financial and economic collapse.

Just 10 days ago the Group of Seven major industrial nations announced additional steps: a new line of credit to help nations with sound economic policies fight off the financial contagion in the first place—it is always less expensive to keep something bad from happening than it is to fix it once it happens—and second, a new World Bank Emergency Fund to aid those who are suffering the most.

Now, these are very, very positive steps. But there is still much more to do to keep countries on the path to prosperity to stop future crises before they start. I have called on the world community to act to adapt the architecture of the international financial system for the new realities of the 21st century, the 24-hour-a-day high-tech markets, with $1.5 trillion a day in currency exchanges.

Let me say that again. We set up a system—for all the students here—that would enable more and more trade to occur in goods and in services and more and more investment to occur. Now, obviously, if you're going to have more trade and more investment in other countries, and their money is different from yours, there has to be a system to ensure a fairly free flow of capital around the world because those things have to be purchased or invested in in other countries. But today, the financial markets, more than any other time, are operating as an independent economic force, and let me say again, $1.5 trillion a day is changing hands in international currency exchanges. That is many, many times the total value of goods and services traded in any given day.

And that is at the bottom of a lot of the challenges we're facing today: How do we continue to support the necessary free flow of capital so that we can have the trade, the investment we need, and avoid the enormous impact that a financial collapse can have when the money being traded on its own is so much greater than the total value of goods and services being traded or investments being made?

Later this week, leaders of the Asia-Pacific community of nations will gather in Asia to continue our efforts toward a more prosperous and secure future. We'll work on speeding the economic recovery in Asia, strengthening the social safety net, helping companies there to restructure their debt so they can emerge from the crushing burdens they face and once again employ people and pay them wages.

Now, in solving the current crisis in Asia, Japan is of particular importance. It is, after all, the second largest economy in the world. It has been a key engine of growth for the entire world over the last two decades. The restoration of growth in Japan, which has been stalled now for more than 5 years, is absolutely essential to the restoration of growth in the remainder of Asia. The rest of us look to Japan to move quickly to implement the good banking reforms which have been passed, to spur demand for goods and services in the home market, to reduce unnecessary regulation, and to open its markets.

At the Asia-Pacific leaders summit, our nations will work together to bring down more barriers to trade. Last year we agreed to consider opening nine key sectors, worth more than $1.5 trillion a year in world trade. We need to deliver on that agreement.

We must also, here in the United States, move ahead on trade initiatives with Latin America, with Africa, with Europe. We must launch negotiations on agriculture and other areas within the World Trade Organization as we move toward next year's ministers meeting here at home in the United States. And here, on our domestic front, we need to find common ground on fast-track negotiating authority, so that I can continue to negotiate good trading agreements with other nations.

Now, as we deal with all these issues, we must remember that it's also important to keep in mind that there must be a human face on the global economy; we must be able to show that economic exchange benefits ordinary citizens. Therefore, we will continue to work for trade agreements that include important protections for workers, for health and safety, for the environment, and to work for a world trading system that is more open to all elements of society and more designed to lift the fortunes of all people in all trading countries. Expanded trade must not provoke the so-called race to the bottom.

We'll also work hard with our Congress to make our own sanctions policy more judicious, more fair, more cost-effective, something our business community has talked to us about quite a lot.

America must also continue to lead the world to have an open, rules-based trading system. If we expect the American people to support expanded trade, free trade must also be fair trade. I'm especially concerned, as I said earlier, about the impact of the international financial crisis on American steelworkers and our steel industry. We are committed to a full and timely enforcement of our trade laws to address unfair trade practices affecting this industry, and we will insist that our key trading partners play by the rules.

I am pleased that Secretary Daley earlier today released regulations to implement our laws against unfairly subsidized imports. This expedited action will greatly help our steel and other industries as they review the legal remedies available to them.

Our companies deserve fair treatment overseas as well. Earlier today I signed legislation approving an agreement with other industrial nations to crack down on bribery in international business transactions. This agreement requires the nations that sign it to enact laws barring their citizens from bribing foreign officials to win business in those countries.

We've had laws like that on the books for more than 20 years. I'm sorry to say, as many of the people up here on this platform can testify, it's cost us a lot of business over the last 20 years to do the right thing. But it is clearly the right thing. American companies deserve a level playing field, and now, with this legislation and this international agreement, we will have it.

Let me say one other thing. We believe the global economic system is strengthened by openness, so that people can judge whether governments, businesses, and international institutions like the WTO and the IMF act responsibly and honestly. And we will continue to push for greater openness.

Finally, as I have told audiences this year from Santiago to Shanghai, no matter what we do in the United States to try to restore growth, no matter how good our world trading and financial systems are, there are some things nations must do for themselves. Unless nations deepen their democracies, unless they provide good education, health care to the maximum ability according to their means, unless they have a fair legal system, unless the citizens of each nation feel they have an actual stake in their own economies and they've got a good chance to get a fair shake if they work hard and play by the rules, unless these things are present, then nations will resist; people will resist the reforms that a lot of these nations have to undertake now to recover and to grow over the long run. Unless people are empowered with the tools to master economic change, they will feel they are its victims, not its victors.

So I say again, we have heavy responsibilities here in the United States. We must continue with our efforts to generate greater economic growth, to seek freer and fairer trade, to see that trade and the global financial systems are modified to meet the needs of the 21st century, to roll back the present financial crisis, and to design efforts that will lift the lives of all people over the long run. We have to do this, but other countries must do their part as well.

All of you young people who are out here, if you look at where we are in the United States, with a population that is more diverse racially, ethnically, culturally than ever before in our history, we are well-positioned to do better in the 21st century than at any time in our glorious past. If you look at the efforts being made to overcome old problems, from Northern Ireland to the Middle East, to Bosnia and Kosovo, to tribal difficulties in Africa, and you look at the continuing troubles that are still out there, it is clear that if a unifying rather than a dividing vision of human life and human society is the dominant one the young people in this country and this world bring to the world of the 21st century, we have the chance to have the most peaceful, most prosperous, most healthy, most forward-looking period in all human existence for people throughout the globe.

But it is by no means certain. And this is a critical period. Everything we do for economics should be seen not as an economic matter alone but should be done because it also advances the texture and meaning and

quality of life—the ability of families to raise their children, the ability of people to get better education, the ability of people to live in peace, the ability of people to look beyond their noses and the struggles of putting food on the table today to the need to reconcile our growing economy with our fragile environment around the globe.

That's what this is about. That's why your presence here is so important. And that's what I ask you to think of. Yes, America is blessed. Yes, we're doing well. Yes, we're making money from the global economy. Yes, we can make more money and have more jobs and enjoy more prosperity. But in the end, the purpose of all this is to improve the quality, the depth, the texture of life, not only for ourselves but for the cause of peace and freedom throughout the world.

I believe we can do it. I hope you will support that. And I hope very much that, once again in the coming year, we will make great advances here in the United States to that end.

Thank you very much.

NOTE: The President spoke at 1:35 p.m. in the Atrium at the Ronald Reagan Building and International Trade Center. In his remarks, he referred to Lionel Ogelsby, student, Washington Irving High School, who introduced the President; and C. Michael Armstrong, Chairman, President's Export Council and chief executive officer, AT&T.

Statement on Signing the International Anti-Bribery and Fair Competition Act of 1998

November 10, 1998

It is with great pleasure that I sign today S. 2375, the "International Anti-Bribery and Fair Competition Act of 1998." This Act makes certain changes in existing law to implement the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which was negotiated under the auspices of the Organization for Economic Cooperation and Development (OECD). The Convention was signed on December 17, 1997, by the United States and 32 other nations. On July 31, 1998, the Senate gave its advice and consent to ratification of the Convention. With enactment of this bill, the United States is able to proceed with the deposit of its instrument of ratification, and it is my hope that the Convention will enter into force by the end of 1998, the target date established by OECD Ministers.

The United States has led the effort to curb international bribery. We have long believed bribery is inconsistent with democratic values, such as good governance and the rule of law. It is also contrary to basic principles of fair competition and harmful to efforts to promote economic development. Since the enactment in 1977 of the Foreign Corrupt Practices Act (FCPA), U.S. businesses have faced criminal penalties if they engaged in business-related bribery of foreign public officials. Foreign competitors, however, did not have similar restrictions and could engage in this corrupt activity without fear of penalty. Moreover, some of our major trading partners have subsidized such activity by permitting tax deductions for bribes paid to foreign public officials. As a result, U.S. companies have had to compete on an uneven playing field, resulting in losses of international contracts estimated at $30 billion per year.

The OECD Convention—which represents the culmination of many years of sustained diplomatic effort—is designed to change all that. Under the Convention, our major competitors will be obligated to criminalize the bribery of foreign public officials in international business transactions. The existing signatories already account for a large percentage of international contracting, but they also plan an active outreach program to encourage other nations to become parties to this important instrument. The United States intends to work diligently, through the monitoring process to be established under the OECD, to ensure that the Convention is widely ratified and fully implemented. We will continue our leadership in the international fight against corruption.

Section 5 of S. 2375 is unrelated to the Convention. However, it can be implemented in a manner that advances U.S. objectives for the privatization of the international satellite organizations, and does not