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Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13541
Folder ID Number: 13541-008

Folder Title:
1990 IMF/World Bank Annual Meeting 9/25/90 [OA 5377] [2]

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McNally/Simon
September 18, 1990
Draft Five (B:IMF)

PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING
SHERATON WASHINGTON HOTEL
TUESDAY, SEPT. 25, 1990, 9:30 A.M.

Thank you all very much. And thanks especially to my good friend Nick Brady -- for those kind words -- and for the outstanding job you're doing as our Secretary of the Treasury.

Chairman Saitoti [si-TOE-tee]. Mr. Camdessus [KAHN-deh-soo]. My old friend Barber Conable. It really is a pleasure to be back with you this year, to welcome you all to Washington for this important work.

And it is a particular pleasure today to welcome the new members from Bulgaria, Czechoslovakia, and Namibia, and, of course, the special invitees from the Soviet Union. Your presence here reminds us all of how events of the past year are producing **a new partnership of nations -- a fundamental, indeed inspiring change in the world's political and economic order.**

The movement toward democratic rule -- already strong throughout the 1980's -- accelerated during what I call the Revolution of '89. The rights of the individual have been reaffirmed, with greater adherence to the rule of law.

The freedom to choose political leaders -- and even political systems -- has triumphed in countries that only a year ago were ruled by single-party regimes. And hand-in-hand, new economic freedom has begun to emerge as well.

Today, leaders around the world are turning to market forces

to meet the needs of their people. Of course, change has not come easily. But as I said last year, at this same meeting:

"The jury is no longer out. History has decided." \\\

And today, the results of that global experiment are unmistakable. Today, the consensus is this:

Governments by themselves cannot deliver prosperity. \\\\

Rather, the key to economic growth is setting individuals free -- free to take risks, free to make choices, free to use their initiative and abilities in the marketplace. We are seeing this, for example, in the restoration of private ownership in countries where the state once controlled every aspect of economic life. And for efficient production -- **private ownership is still the most powerful incentive known to Man.** \\\

Matched by the rejuvenation of markets, the ability to make individual economic choices is the fastest, most effective way to achieve and sustain broad-based economic growth. And that is why leaders everywhere are undertaking difficult economic reforms, building stronger, more versatile private sectors, improving efficiency, and making governmental decision-making more rational.

That process takes time. Economic adjustment is often difficult. And in recent months, a new challenge has arisen which could hinder this process of change: Iraq's illegal and unprovoked aggression against the sovereign nation of Kuwait.

Clearly, the greatest harm is to Kuwait and its people. And when the Saudi border was opened, Kuwait's newest refugees

brought fresh tales of the cruelty and horror inflicted on the Kuwaiti people and foreign nationals by the occupying forces of Saddam Hussein.

And today, many other countries -- already facing painful economic and political transformations -- must now deal with added hardships. Serious challenges have emerged for countries rocked by unpredictable tides in the flow of oil, trade, displaced workers, and refugees.

And an even larger group of countries represented here will suffer from higher oil prices and other economic dislocations.

While world attention has rightly focused on those countries closest to the situation and bearing the heaviest economic burden, I can tell you that the rest of the developing world is certainly not forgotten, and never will be.

This gathering of world financial leaders gives us an opportunity to discuss how we can work together to address the special financial burden of this crisis -- and do so in a way that will sustain the dramatic, worldwide transition to free markets.

The IMF and World Bank -- given their central role in the world economy -- are key to helping all of us through this situation by providing a combination of policy advice and financial assistance. \\ **The political leadership of the U.N. must be matched by the economic leadership of the I.M.F. and the World Bank.** \\\\

Secretary Brady will be making some specific suggestions in his remarks for possible means of utilizing current IMF and World

Bank programs more effectively. **But let me say it again: We are determined not to allow the brutal behavior of one aggressor to undermine the historic process of democratic change -- or to derail the movement towards market-oriented economic systems.**

Let me continue, more broadly, with a vision of the role of the United States -- and of a world economy we can all share.

First, we believe that the United States should contributes to economic stability and growth. **And perhaps the greatest contribution the United States can make to the health of the international economy is to get our own house in order. Our budget deficit must be brought under control and reduced.**

Second, the United States is strongly committed to promoting development and growth in the newly emerging democracies of Latin America, Central and Eastern Europe, Africa and Asia. We're working in all four regions to ease debt burdens under the Brady Plan. In this hemisphere, where debt overhang impedes progress, we announced the Enterprise for the Americas Initiative to promote economic growth by expanding trade and investment, to reduce debt owed to the United States government, and to provide funds for needed local environmental projects. In Eastern Europe, where massive restructuring is needed, we are working with other nations to provide billions of dollars in assistance to the newly emerging democracies. And in Africa, where underdevelopment hangs on so stubbornly, many of the lowest-income countries have already benefitted from reductions in debt owed to the U.S. \\\

Third, the United States is committed to the central role of the IMF and World Bank in helping bring about economic reforms. **Reform efforts can only be successful if countries carry through on their responsibilities. And that means deregulatory reform and privatization, sound macro-economic and structural policies, and open borders for trade and investment.**

This is why your work here in Washington this week is so important. For almost fifty years, the Fund and the Bank have been quietly enlisting the talents and the energies of the developed and developing world in a global struggle against poverty. And today, in a world where ideology no longer confronts, and big-power blocs no longer divide, the Bank and the Fund have become paradigms of international cooperation. **Indeed, we especially appreciate your efforts in carrying out a study of the Soviet economy that is unprecedented in its scope. This study will produce recommendations for economic, financial, and structural reform, and will establish criteria under which Western assistance could support such reform.**

As the coming week unfolds, part of your task will also be to plan for the future of your two great institutions. And I pledge the continued support of the United States for a World Bank and IMF which so clearly advance our common struggle to improve the quality of life for all people everywhere.

For this reason, we strongly support the IMF quota increase and the strengthening of the IMF arrears policy. And we would also like to challenge both institutions to intensify their focus

on building dynamic private sectors in member countries -- one of the most important stimulants for energizing these new market economies.

And we would also ask the World Bank to place a high priority on three other issues vital to sound and sustained growth. First is protecting the environment. As I said here last year: **Environmental destruction knows no borders.** \\ Second, eradicating poverty must continue to be a central mission of the Bank. \\ And third, we strongly support greater efforts to integrate women into the developmental process.

Finally, as we plan for the future, we must work together for success in another important international economic institution -- the GATT.

As we meet today, less than 70 days remain in the four-year Uruguay Round of global trade talks. These negotiations are one of the world's greatest economic opportunities of the decade. But much remains to be done.

The Round is not just a trade issue, it is a **growth** issue. This is not an exercise for bureaucrats in Geneva. The trade talks are the "last train leaving the station," and countries throughout the world must jump aboard. **It can be the engine of economic growth that carries us into the 21st century.**

The Round promises to remove barriers in four crucial areas, areas untouched in previous rounds: services, investment, intellectual property and agriculture. **As a matter of fact, agricultural reform remains a major stumbling block. Indeed, it**

We must

threatens to bring down the rest of the Round.

~~Let's~~ **let farmers compete with farmers, instead of farmers competing with the deep pockets of government treasuries.** We need a successful resolution of the agricultural issues if we are to have an agreement.

If countries around the globe don't muster the political courage to face these tough issues in the time remaining, we will forfeit new markets for our businesses, impose higher prices on our consumers, and forgo new jobs and higher incomes for workers in all countries. \\\

Worst of all, we will endanger a vital, proven framework of international cooperation. A collapse of the Round will inevitably encourage increased protectionist pressure and political instability. **That is something we can ill afford as we forge a new partnership of nations against aggression in the Persian Gulf.** \\\

I urge you to work actively within your governments to ensure success. **And I urge my counterparts around the world -- as we did at the Houston Economic Summit -- to instruct your negotiators to bring all the components of the Uruguay Round to a successful conclusion by December.** \\\

In all these efforts, there is much at stake. Almost 35 years ago, President Eisenhower first appeared at an IMF/World Bank meeting. He spoke of the lessons he learned while waging a war that brought together so many different soldiers from so many different lands.

Ike noted, as I do now, that there were people in the audience who were our allies in that grand effort. He said:

"We early found one thing: Without the heart, without the **enthusiasm** for the cause in which we were working, no cooperation was possible. **With** that enthusiasm -- subordinating all else to the advancement of the cause -- cooperation was **easy**." \\\

As the unity of the United Nations has demonstrated in the past two months, the worldwide enthusiasm for today's noble "cause" -- the cause I've described as a "new partnership of nations" -- is not only unprecedented, but truly remarkable. And I urge you to seize that enthusiasm in your meetings this week, to forge the new levels of cooperation needed to succeed.

Thank you for coming to Washington. Good luck this week in the meetings ahead. And Godspeed you in your travels home.

# # #

Document No. 175549

WHITE HOUSE STAFFING MEMORANDUM

DATE: 09/18/90 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 A.M. 09/20

SUBJECT: PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING (09/18 draft four)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	ROGICH N/C	☑	☐
CARD	☐	☑	UNTERMEYER	☐	☐
CICCONI	☐	☑	ROGERS	☐	☑
DEMAREST	☑	☐	PINKERTON	☑	☐
FITZWATER	☐	☑	WINSTON	☐	☑
GRAY	☐	☐	BOSKIN	☑	☐
HAGIN	☐	☐	_____	☐	☐
HOLIDAY	☑	☐	_____	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 9:00 a.m. on Thursday, 09/20, with a copy to my office. Thanks.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McNally/Simon
September 18, 1990
Draft Four (B:IMF)

90 SEP 18 PM 6:55

PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING
SHERATON WASHINGTON HOTEL
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Chairman Saitoti. Mr. Camdessus. My old friend Barber Conable. It really is a pleasure to be back with you this year, to welcome you all to Washington for this important work.

add welcome to new members

And it is a particular pleasure today to welcome the special invitees from the Soviet Union. Your presence here reminds us all of how events of the past year ~~have~~ are producing **a new partnership of nations -- a fundamental, indeed inspiring change in the world's political and economic order.** \\\

The movement toward democratic rule -- already strong throughout the 1980's -- accelerated during what I call the Revolution of '89. The rights of the individual have been reaffirmed, with greater adherence to the rule of law.

The freedom to choose political leaders -- and even political systems -- has triumphed in countries that only a year ago were ruled by single-party regimes. And hand-in-hand, new economic freedom has begun to emerge as well.

Today, leaders around the world are turning to market forces to meet the needs of their people. Of course, change has not come easily. ~~And many other approaches have been tried.~~ But as I said last

year, at this same meeting:

"The jury is no longer out. History has decided." \\\

And today, the results of that global experiment are unmistakable. Today, the consensus is this:

Governments by themselves cannot deliver prosperity. \\\\

Rather, the key to economic growth is setting individuals free -- free to ~~make~~ take risks and make choices, free to use their initiative and abilities in the marketplace. We are seeing this, for example, in the restoration of private ownership in countries where the state once controlled every aspect of economic life. And for efficient production -- **private ownership is still the most powerful incentive known to Man.**

Matched by the rejuvenation of markets, the ability to make individual economic choices is the fastest, most effective way to achieve and sustain ~~see~~ broad-based economic growth. And that is why leaders everywhere are undertaking difficult economic reforms, building stronger, more versatile private sectors, improving efficiency, and making governmental decision-making more rational.

That process takes time. Economic adjustment is ~~always~~ often difficult. And in recent months, a new challenge has arisen which could hinder this process of change: Iraq's illegal and unprovoked aggression against the sovereign nation of Kuwait.

Clearly, the greatest harm is to Kuwait and its people. And when the Saudi border was opened ~~last week~~, Kuwait's newest refugees brought fresh tales of the cruelty and horror inflicted by the barbarous ~~forces unleashed by~~ occupation ~~armed~~ of occupying forces Saddam Hussein.

on the Kuwaiti people and foreign nationals

And today, many other countries -- already facing painful economic and political transformations -- must now deal with added hardships. Serious challenges have emerged for countries rocked by unpredictable tides in the flow of oil, trade, displaced workers, and refugees.

And an even larger group of countries represented here will suffer from higher oil prices and other economic dislocations.

While world attention has rightly focused on those countries closest to the situation and bearing the heaviest economic burden, I can tell you that the rest of the developing world is certainly not forgotten, ~~your hardships are not being ignored.~~ and never will be

This gathering of world financial leaders gives us an opportunity to discuss how we can work together to address the special financial burden of this crisis -- and do so in a way that will <u>sustain</u> the dramatic, worldwide transition to free markets.

The IMF and World Bank -- given their central role in the world economy -- are key to helping all of us through this ~~crisis~~ situation by providing a combination of policy advice and financial assistance. \\ **~~Because in this crisis~~ situation, the <u>political</u> leadership of the U.N. must be matched by the <u>economic</u> leadership of the I.M.F. and the World Bank.** \\\\

Secretary Brady will be making some specific suggestions in his remarks for possible means of utilizing current IMF and World Bank programs more effectively. **<u>But let me say it again</u>: <u>We are determined not to allow the brutal behavior of one aggressor to undermine the historic process of democratic change</u> -- <u>or to derail the movement towards market-oriented economic systems</u>.** \\\

Let me continue, more broadly, with ~~my~~ a vision of the role of the United States -- and of a world economy we can all share.

First, we ~~are committed to a~~ believe that the United States ~~which~~ should contributes to economic stability and growth. **And perhaps the greatest contribution the United States can make to the health of the international economy is to get our own house in order. Our budget deficit ~~will~~ must be brought under control and reduced.** ~~[[Last week's agreement ...]]~~

Second, the United States is strongly committed to promoting development and growth in the newly emerging democracies of Latin America, Central and **Eastern Europe, Africa and Asia.** We're working in all four regions to ease debt burdens under the Brady Plan. In this hemisphere, we announced the Enterprise for the Americas Initiative to promote economic growth by expanding trade and investment, ~~and by~~ to reducing debt owed to the United States government, and to provide funds for needed local environmental projects. In Eastern Europe, we are working with other nations to provide billions of dollars in assistance to the newly emerging democracies. And in Africa, many of the lowest-income countries have already benefitted from reductions in debt owed to the U.S. \\\

Third, ~~all these areas of progress have one important element in common~~ the United States is committed to -- the central role of the IMF and World Bank in helping bring about economic reforms. **Reform efforts can only be successful if ~~the~~ beneficiary countries carry through on their responsibilities. And that means deregulation**, ~~sound~~ economic reform and privatization, **macroeconomic** and structural **policies**, and **open borders for trade and investment.**

This is why your work here in Washington this week is so

important. The international community looks to you to provide ~~three-dimensional~~ appropriate policy responses to a changing world. And for good reason. Your two institutions have evolved into powerful forces for promoting free markets.

The Fund and the Bank have been indispensable players in the economic transformation sweeping Central and Eastern Europe, Latin America and other regions, through their support for economic reforms and their role in the debt strategy. **We also appreciate your efforts in carrying out ~~the unprecedented~~ a study of the Soviet economy that is unprecedented in its scope. This study will produce recommendations for economic, financial, and structural reform, and will establish criteria under which Western assistance could support such reform.**

As the coming week unfolds, part of your task will also be to plan for the future of your two great institutions. The Fund and the Bank must be in a strong position to continue their encouragement of economic reforms and adjustment efforts.

For this reason, we strongly support the IMF quota increase and the strengthening of the IMF arrears policy. And we would also like to challenge both institutions to intensify their focus on building dynamic private sectors in member countries -- one of the most important stimulants for energizing these new market economies.

And we would also ask the World Bank to place a high priority on three other issues vital to sound and sustained growth. First is protecting the environment. As I said here last year: **Environmental destruction knows no borders.** \\ Second, ~~poverty alleviation~~ eradicating poverty must continue to be a central mission

of the Bank. \\ And third, we strongly support greater efforts to integrate women into the developmental process.

Finally, as we plan for the future, we must work together for success in ~~the other great post-war~~ another important international economic institution -- the GATT.

As we meet today, less than 70 days remain in the four-year Uruguay Round of global trade talks. But much remains to be done. **Agricultural reform remains a major stumbling block. ~~Indeed, it threatens to bring down the rest of the Round.~~** (STET)

The Round is not just a trade issue, it is a **growth** issue. **It can be the engine of economic growth that carries us into the 21st century.** It promises to remove barriers in three crucial areas, areas untouched in previous rounds: services, investment, and intellectual property. **But if we fail to achieve an agreement, we will forfeit new markets for our businesses, ~~force~~ impose higher prices ~~for~~ on our consumers, and ~~block~~ forgo new jobs and higher incomes ~~for our~~ in all countries workers.** \\\

Worst of all, we will endanger a vital, proven framework of international cooperation. ~~The~~ A collapse of the Round will inevitably encourage increased protectionist pressure and political instability. **That is something we can ill afford ~~at a time when we are trying to~~ as we forge a new partnership of nations, ~~and when we are engaged in a great struggle~~ against aggression in the Persian Gulf.** \\\

~~Therefore~~, I urge you ~~who~~ to work actively within your governments to ensure success. **And I urge my counterparts around**

the world -- as we did at the Houston Economic Summit -- to instruct your negotiators to bring the Uruguay Round to a successful conclusion by December. \\\

In all these efforts, there is much at stake. Almost 35 years ago, ~~when~~ President Eisenhower first appeared at an IMF/World Bank meeting, he spoke ~~about one~~ of the lessons he learned while waging a war that brought together so many different soldiers from so many different lands.

Ike noted, as I do now, that there were people in the audience who were our allies in that grand effort. He said:

"We early found one thing: Without the heart, without the **enthusiasm** for the cause in which we were working, no cooperation was possible. **With** that enthusiasm -- subordinating all else to the advancement of the cause -- cooperation was **easy**." \\\

As the unity of the United Nations has demonstrated in the past two months, the worldwide enthusiasm for today's noble "cause" -- the cause I've described as a "new partnership of nations" -- is not only unprecedented, but truly ~~astounding~~ remarkable. And I urge you to seize that enthusiasm in your meetings this week, to forge the new levels of cooperation needed to succeed.

Thank you for coming to Washington. Good luck this week in the meetings ahead. And Godspeed you in your travels home.

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SUGGESTED CHANGES TO THE IMF-WORLD BANK SPEECH

SUGGESTED LANGUAGE BY THE DEPARTMENT OF AGRICULTURE:
PAGE: 6

As we meet today, less than 70 days remain in the four-year Uruguay Round of global trade talks. **These negotiations are one of the greatest economic potentials we have as a global community in this decade.** But much remains to be done.

The Round is not just a trade issue, it is a growth issue. **This is not an exercise for bureaucrats in Geneva. It is the economic Olympics which can provide more jobs, more markets for products, and a level playing field for trade. The trade talks are the "last train leaving the station" and countries throughout the globe must jump aboard.** It is the engine of economic growth that carries us into the 21st century.

The Round promises to remove barriers in **four** crucial areas, areas untouched in previous rounds: services, investment, intellectual property **and agriculture.** As a matter of fact, agricultural reform remains a major stumbling block. **But, for good reasons. The United States has laid out a proposal which makes sense. Our proposal would let farmers compete with farmers instead of farmers competing with the deep pockets of government treasuries. We need a successful resolution of the agricultural issues if we are to have an agreement.**

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we must

If countries around the globe don't muster the political courage to face these tough issues in the time remaining, we will forfeit new markets for businesses, force higher prices for consumers and block new jobs and higher incomes for workers both home and abroad.

Worst of all, we will endanger a vital, proven framework of international cooperation. The collapse of the Round will inevitably encourage increased protectionist pressure and political instability. That is something we can ill afford at a time when we are trying to forge a new partnership of nations, and when we are engaged in a great struggle against aggression in the Persian Gulf.

Therefore, I urge you to work actively within your governments to ensure success. I urge my counterparts around the world -- as we did at the Houston Economic Summit -- to instruct your negotiators to bring **all the components of the Uruguay Round** to a successful conclusion by December.

The only line actually deleted is (2nd full paragraph, last line): "... it threatens to bring down the rest of the Round."

THE WHITE HOUSE
WASHINGTON

DATE: 9/21

NOTE FOR: CHRISS WINSTON

The President has reviewed the attached, and it is forwarded to you for your:

information ☐

action ☑

The President asked that this be passed to you.

Thank you.

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
(x-2702)

cc: Ede Holiday -- FYI

The World Bank
Washington, D.C. 20433
U.S.A.

Office of the President

September 20, 1990

Patty:

I believe the President is expecting from Mr. Conable some wording for his possible use in his address to the Annual Meetings of the World Bank and the International Monetary Fund on September 25.

Mr. Conable intentionally kept the attached passage brief, but, of course, would be glad to provide more, if President Bush is interested to have additional verbiage.

Thank you for seeing that the President receives this for his consideration.

Linda

Linda McLaughlin

P.S. Patty, it occurs you probably don't have our new telephone number. In the event you should need it -- 458-2001.

insert A

In a world where ideology no longer confronts and big-power blocs no longer divide, the ~~World~~ Bank and the ~~International Monetary~~ Fund have become paradigms of international cooperation. For almost fifty years, they have been quietly enlisting the talents and the energies of the developed and the developing world in a global struggle against poverty. ~~In the Middle East, where aggression threatens severe economic dislocation; in Eastern Europe, where technical assistance for massive restructuring is needed; in Latin America, where debt overhang impedes progress; in Asia, where absolute poverty persists despite growth; and in Africa, where underdevelopment hangs on so stubbornly, these institutions have set an example for us all.~~ I pledge the continued ~~encouragement and strong~~ support of the United States for a World Bank and IMF which so clearly advance our ~~u~~common ~~but united~~ struggle to improve the quality of life for all people everywhere.

insert B

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395-3390

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	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	ROGICH	☑	☐
CARD	☐	☑	UNTERMEYER	☐	☐
CICCONI	☐	☑	ROGERS	☐	☑
DEMAREST	☑	☐	PINKERTON	☑	☐
FITZWATER	☐	☑	WINSTON	☐	☑
GRAY	☐	☐	BOSKIN	☑	☐
HAGIN	☐	☐	_____	☐	☐
HOLIDAY	☑	☐	_____	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 9:00 a.m. on Thursday, 09/20, with a copy to my office. Thanks.

RESPONSE: No comment

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McNally/Simon
September 18, 1990
Draft Four (B:IMF)

90 SEP 18 PM 6:55

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Chairman Saitoti. Mr. Camdessus. My old friend Barber Conable. It really is a pleasure to be back with you this year, to welcome you all to Washington for this important work.

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The freedom to choose political leaders -- and even political systems -- has triumphed in countries that only a year ago were ruled by single-party regimes. And hand-in-hand, new economic freedom has begun to emerge as well.

Today, leaders around the world are turning to market forces to meet the needs of their people. Change has not come easily. And many other approaches have been tried. But as I said last

year, at this same meeting:

"**The jury is no longer out. History has decided.**" \\\

And today, the results of that global experiment are unmistakable. Today, the consensus is this:

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Matched by the rejuvenation of markets, the ability to make individual economic choices is the fastest, most effective way to see broad-based economic growth. And that is why leaders everywhere are undertaking difficult economic reforms, building stronger, more versatile private sectors, improving efficiency, and making decision-making more rational.

That process takes time. Economic adjustment is always difficult. And in recent months, a new challenge has arisen which could hinder this process of change: Iraq's illegal and unprovoked aggression against the sovereign nation of Kuwait.

Clearly, the greatest harm is to Kuwait and its people. And when the Saudi border was opened last week, Kuwait's newest refugees brought fresh tales of the cruelty and horror inflicted by the barbarous forces unleashed by Saddam Hussein.

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Let me continue, more broadly, with my vision of the role of the United States -- and of a world economy we can all share.

First, we are committed to a United States which contributes to economic stability and growth. **And perhaps the greatest contribution the United States can make to the health of the international economy is to get our own house in order. Our budget deficit will be brought under control and reduced.** [[Last week's agreement ...]]

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Third, all these areas of progress have one important element in common -- the central role of the IMF and World Bank in helping bring about economic reforms. **Reform efforts can only be successful if the beneficiary countries carry through on their responsibilities. And that means deregulation, sound macroeconomic policies, and open borders for trade and investment.**

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As the coming week unfolds, part of your task will also be to plan for the future of your two great institutions. The Fund and the Bank must be in a strong position to continue their encouragement of economic reforms and adjustment efforts.

For this reason, we strongly support the IMF quota increase and the strengthening of the IMF arrears policy. And we would also like to challenge both institutions to focus on building dynamic private sectors in member countries -- one of the most important stimulants for energizing these new market economies.

And we would also ask the World Bank to place a high priority on three other issues vital to sound and sustained growth. First is protecting the environment. As I said here last year: **Environmental destruction knows no borders.** \\ Second, poverty alleviation must continue to be a central mission

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Finally, as we plan for the future, we must work together for success in the other great post-war international economic institution -- the GATT.

As we meet today, less than 70 days remain in the four-year Uruguay Round of global trade talks. But much remains to be done. **Agricultural reform remains a major stumbling block. Indeed, it threatens to bring down the rest of the Round.**

The Round is not just a trade issue, it is a **growth** issue. **It can be the engine of economic growth that carries us into the 21st century.** It promises to remove barriers in three crucial areas, areas untouched in previous rounds: services, investment, and intellectual property. **But if we fail to achieve an agreement, we will forfeit new markets for our businesses, force higher prices for our consumers, and block new jobs and higher incomes for our workers.** \\\

Worst of all, we will endanger a vital, proven framework of international cooperation. The collapse of the Round will inevitably encourage increased protectionist pressure and political instability. **That is something we can ill afford at a time when we are trying to forge a new partnership of nations, and when we are engaged in a great struggle against aggression in the Persian Gulf.** \\\

Therefore, I urge you who to work actively within your governments to ensure success. **And I urge my counterparts around**

the world -- as we did at the Houston Economic Summit -- to instruct your negotiators to bring the Uruguay Round to a successful conclusion by December. \\\

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Ike noted, as I do now, that there were people in the audience who were our allies in that grand effort. He said:

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Thank you for coming to Washington. Good luck this week in the meetings ahead. And Godspeed you in your travels home.

# # #

Chriss — As you see here, USTR wants strong language on the GATT issue. — Ed

USTR Insert on the Uruguay Round for Presidential Address to IMF/World Bank

Just 69 days remain [as of 9/25/90] in the four-year Uruguay Round of global trade talks. In that time, however, a lot of work needs to be done. Agricultural reform remains a major stumbling block. Indeed, it threatens to bring down the rest of the Round. The Uruguay Round can be the engine of economic growth for the 21st century. It can bring the crucial areas of services, investment, and intellectual property into the world trading system. But if we fail to achieve an agreement, we will forfeit new markets for our businesses, lower prices for our consumers, and higher incomes and more jobs for our workers.

Worst of all, we will squander a vital, proven framework of international collaboration. The collapse of the Round will lead inevitably to increased protections and political instability. That is something we can ill afford at a time when we are trying to forge a new world order of economic and political freedom and when we are engaged in a great struggle against aggression in the Persian Gulf.

Therefore, I urge my counterparts around the world, as I did at the Houston Economic Summit, to instruct your negotiators to bring the Uruguay Round to a successful conclusion by December.

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Document No. 175549

WHITE HOUSE STAFFING MEMORANDUM

DATE: 09/18/90 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 A.M. 09/20

SUBJECT: PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING (09/18 draft four)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
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DARMAN	☑	☐	ROGICH	☑	☐
CARD	☐	☑	UNTERMEYER	☐	☐
CICCONI	☐	☑	ROGERS	☐	☑
DEMAREST	☑	☐	PINKERTON	☑	☐
FITZWATER	☐	☑	WINSTON	☐	☑
GRAY	☐	☐	BOSKIN	☑	☐
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HOLIDAY	☑	☐	_____	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 9:00 a.m. on Thursday; 09/20, with a copy to my office. Thanks.

RESPONSE:

See Comment, p. 4 9/19/90

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

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Action: R. Kahn
CC: JT, RS & NGB

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McNally/Simon
September 18, 1990
Draft Four (B:IMF)

90 SEP 18 PM 6:55

PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING
SHERATON WASHINGTON HOTEL
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SR OK 9/19/90

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"We early found one thing: Without the heart, without the **enthusiasm** for the cause in which we were working, no cooperation was possible. **With** that enthusiasm -- subordinating all else to the advancement of the cause -- cooperation was **easy**." \\\

As the unity of the United Nations has demonstrated in the past two months, the worldwide enthusiasm for today's noble "cause" -- the cause I've described as a "new partnership of nations" -- is not only unprecedented, but truly astounding. And I urge you to seize that enthusiasm in your meetings this week, to forge the new levels of cooperation needed to succeed.

Thank you for coming to Washington. Good luck this week in the meetings ahead. And Godspeed you in your travels home.

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Document No. 175549

WHITE HOUSE STAFFING MEMORANDUM

DATE: 09/18/90 **ACTION/CONCURRENCE/COMMENT DUE BY:** 9:00 A.M. 09/20

SUBJECT: PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING (09/18 draft four)

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REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 9:00 a.m. on Thursday, 09/20, with a copy to my office. Thanks.

RESPONSE:

Chriss –

A few very minor comments.

Thanks,

JC 9/19

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McNally/Simon
September 18, 1990
Draft Four (B:IMF)

90 SEP 18 PM 6:55

PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING
SHERATON WASHINGTON HOTEL
TUESDAY, SEPT. 25, 1990, 9:30 A.M.

Thank you all very much. And thanks especially to my good friend Nick Brady -- for those kind words -- and for the outstanding job you're doing as our Secretary of the Treasury.

Chairman Saitoti. Mr. Camdessus.* My old friend Barber Conable. It really is a pleasure to be back with you this year, to welcome you all to Washington for this important work.

And it is a particular pleasure today to welcome the special invitees from the Soviet Union. Your presence here reminds us all of how events of the past year have produced **a new partnership of nations -- a fundamental, indeed inspiring change in the world's political and economic order.** \\\

The movement toward democratic rule -- already strong throughout the 1980's -- accelerated during what I call the Revolution of '89. The rights of the individual have been reaffirmed, with greater adherence to the rule of law.

The freedom to choose political leaders -- and even political systems -- has triumphed in countries that only a year ago were ruled by single-party regimes. And hand-in-hand, new economic freedom has begun to emerge as well.

Today, leaders around the world are turning to market forces to meet the needs of their people. Change has not come easily. And many other approaches have been tried. But as I said last

* Nous avons besoin d'une guide pour la prononciation de « Camdessus, » car en général, les Français n'aiment pas les prononciations anglaises!

year, at this same meeting:

"The jury is no longer out. History has decided." \\\

And today, the results of that global experiment are unmistakable. Today, the consensus is this:

Governments by themselves cannot deliver prosperity. \\\\

Rather, the key to economic growth is setting individuals free -- free to take risks, free to use their initiative and abilities in the marketplace. We are seeing this, for example, in the restoration of private ownership in countries where the state once controlled every aspect of economic life. And for efficient production -- **private ownership is still the most powerful incentive known to Man.**

Matched by the rejuvenation of markets, the ability to make individual economic choices is the fastest, most effective way to see broad-based economic growth. And that is why leaders everywhere are undertaking difficult economic reforms, building stronger, more versatile private sectors, improving efficiency, and making governmental decision-making more rational. [don't individual decision-making always rational?]

That process takes time. Economic adjustment is always difficult. And in recent months, a new challenge has arisen which could hinder this process of change: Iraq's illegal and unprovoked aggression against the sovereign nation of Kuwait.

Clearly, the greatest harm is to Kuwait and its people. And when the Saudi border was opened last week, Kuwait's newest refugees brought fresh tales of the cruelty and horror inflicted by the barbarous forces unleashed by Saddam Hussein.

And today, many other countries -- already facing painful transformations -- must now deal with added hardships. Serious challenges have emerged for countries rocked by unpredictable tides in the flow of oil, trade, displaced workers, and refugees.

And an even larger group of countries represented here will suffer from higher oil prices and other economic dislocations.

While world attention has rightly focused on those countries closest to the situation and bearing the heaviest economic burden, I can tell you that the rest of the developing world is not forgotten, your hardships are not being ignored.

This gathering of world financial leaders gives us an opportunity to discuss how we can work together to address the special financial burden of this crisis -- and do so in a way that will sustain the dramatic, worldwide transition to free markets.

The IMF and World Bank -- given their central role in the world economy -- are key to helping all of us through this crisis by providing a combination of policy advice and financial assistance. \\ **Because in this crisis, the political leadership of the U.N. must be matched by the economic leadership of the I.M.F. and the World Bank.** \\\\

Secretary Brady will be making some specific suggestions in his remarks for possible means of utilizing current IMF and World Bank programs more effectively. **But let me say it again: We are determined not to allow the brutal behavior of one aggressor to undermine the historic process of democratic change -- or to derail the movement towards market-oriented economic systems.** \\\

Let me continue, more broadly, with my vision of the role of the United States -- and of a world economy we can all share.

First, we are committed to a United States which contributes to economic stability and growth. **And perhaps the greatest contribution the United States can make to the health of the international economy is to get our own house in order. Our budget deficit will be brought under control and reduced.** [[Last week's agreement ...]]

Second, the United States is strongly committed to promoting development and growth in the newly emerging democracies of Latin America, Central and Eastern Europe, Africa and Asia. We're working in all four regions to ease debt burdens under the Brady Plan. In this hemisphere, we announced the Enterprise for the Americas Initiative to promote economic growth by expanding trade and investment, and by reducing debt owed to the United States government. In ~~Eastern~~ Europe, we are working with other nations to provide billions of dollars in assistance to the newly emerging democracies. And in Africa, many of the lowest-income countries have already benefitted from reductions in debt owed to the U.S. \\\

Third, all these areas of progress have one important element in common -- the central role of the IMF and World Bank in helping bring about economic reforms. **Reform efforts can only be successful if the beneficiary countries carry through on their responsibilities. And that means deregulation, sound macroeconomic policies, and open borders for trade and investment.**

This is why your work here in Washington this week is so

important. The international community looks to you to provide three-dimensional responses to a changing world. And for good reason. Your two institutions have evolved into powerful forces for promoting free markets.

The Fund and the Bank have been indispensable players in the economic transformation sweeping Central and Eastern Europe, Latin America and other regions, through their support for economic reforms and their role in the debt strategy. **We also appreciate your efforts in carrying out the unprecedented study of the Soviet economy. This study will produce recommendations for economic, financial, and structural reform, and will establish criteria under which Western assistance could support such reform.**

As the coming week unfolds, part of your task will also be to plan for the future of your two great institutions. The Fund and the Bank must be in a strong position to continue their encouragement of economic reforms and adjustment efforts.

For this reason, we strongly support the IMF quota increase and the strengthening of the IMF arrears policy. And we would also like to challenge both institutions to focus on building dynamic private sectors in member countries -- one of the most important stimulants for energizing these new market economies.

And we would also ask the World Bank to place a high priority on three other issues vital to sound and sustained growth. First is protecting the environment. As I said here last year: **Environmental destruction knows no borders.** \\ Second, poverty alleviation must continue to be a central mission

of the Bank. \\ And third, we strongly support greater efforts to integrate women into the developmental process.

Finally, as we plan for the future, we must work together for success in the other great post-war international economic institution -- the GATT.

As we meet today, less than 70 days remain in the four-year Uruguay Round of global trade talks. But much remains to be done. **Agricultural reform remains a major stumbling block. Indeed, it threatens to bring down the rest of the Round.**

The Round is not just a trade issue, it is a **growth** issue. **It can be the engine of economic growth that carries us into the 21st century.** It promises to remove barriers in three crucial areas, areas untouched in previous rounds: services, investment, and intellectual property. **But if we fail to achieve an agreement, we will forfeit new markets for our businesses, force higher prices for our consumers, and block new jobs and higher incomes for our workers.** \\\

Worst of all, we will endanger a vital, proven framework of international cooperation. The collapse of the Round will inevitably encourage increased protectionist pressure and political instability. **That is something we can ill afford at a time when we are trying to forge a new partnership of nations, and when we are engaged in a great struggle against aggression in the Persian Gulf.** \\\

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# # #

THE WHITE HOUSE

WASHINGTON

September 20, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER RBP

SUBJECT: Presidential Remarks: 1990 IMF/World Bank Annual Meeting

I have reviewed the Presidential remarks for the 1990 IMF/World Bank annual meeting. I suggest the minor changes indicated on pages 4 and 5 of the attachment.

If you have any questions or we can help in any other way, please let me know.

Attachment

c: James W. Cicconi

Document No. 175549

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Please provide any comments/recommendations directly to Chriss Winston by 9:00 a.m. on Thursday, 09/20, with a copy to my office. Thanks.

RESPONSE:

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and Deputy to the Chief of Staff
Ext. 2702

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RESPONSE:

See comments

James W. Cicconi
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the world -- as we did at the Houston Economic Summit -- to instruct your negotiators to bring the Uruguay Round to a successful conclusion by December. \\\

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As the unity of the United Nations has demonstrated in the past two months, the worldwide **enthusiasm** for today's noble "cause" -- the cause I've described as a "new partnership of nations" -- is not only **unprecedented**, but truly ~~astounding~~ remarkable. And I urge you to seize that enthusiasm in your meetings this week, to forge the new levels of cooperation needed to **succeed**.

Thank you for coming to Washington. Good luck this week in the meetings ahead. And Godspeed you in your travels home.

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too long

CW comments

McNally/Simon
September 18, 1990
Draft Three (B:IMF)

PRESIDENTIAL REMARKS: 1990 IMF/WORLD BANK ANNUAL MEETING
SHERATON WASHINGTON HOTEL
TUESDAY, SEPT. 25, 1990, 9:30 A.M.

Thank you all very much. And thanks especially to my good friend Nick Brady -- for those kind words -- for the outstanding job you're doing as our Secretary of the Treasury.

Chairman Lee. Mr. Camdessus. My old friend ~~-- former Congressman, now World Bank President --~~ Barber Conable. It really is a pleasure to be back with you and your colleagues this year, to once again welcome you all to Washington, and to wish you well in your important work.

And it is a particular pleasure today to welcome the special invitees from the Soviet Union. Your presence here reminds us all of how events of the past year have produced **a new partnership of nations** -- a fundamental, indeed inspiring change in the world's political and economic order. \\\

The movement toward democratic rule -- already strong throughout the 1980's -- accelerated during what I call the Revolution of '89. The rights of the individual have been reaffirmed, with greater adherence to the rule of law.

The freedom ~~of~~ to choose choice ~~of~~ political leaders -- and even political systems -- has won acceptance in countries that only recently abandoned one-party state structures. And hand-in-hand, new economic freedom has begun to emerge as well.

Today, national leaders around the world, from the Soviet Union to Eastern Europe to Latin America and Africa, are turning

to market forces to meet the needs of their people. This shift has not come easily. Many other approaches have been tried.

But as I said last year, at this same meeting: **"The jury is no longer out. History has decided."** \\\

And today, the results of that global experiment are unmistakable. Today, the consensus is this:

Governments by themselves cannot deliver prosperity. \\\\

Rather, the key to economic growth is setting individuals free -- free to take risks, free to use their initiative and abilities in the marketplace. We are seeing this, for example, in the restoration of private ownership in countries where the state once owned or controlled all aspects of economic life. And for efficient production -- **private ownership is still the most powerful incentive known to Man.**

Matched by the rejuvenation of markets, the ability to make individual economic choices is the fastest, most effective way to see broad-based economic growth. And that is why leaders everywhere are undertaking difficult economic reforms, building stronger, more versatile private sectors, improving efficiency, and making decisionmaking more rational.

That process takes time. Economic adjustment is always difficult. And in recent months, a new challenge has arisen which could hinder this process of change: Iraq's illegal and unprovoked aggression against the sovereign nation of Kuwait.

Clearly, the greatest harm is to Kuwait and its people. And when the Saudi border was opened last week, Kuwait's newest

rocked by unpredictable currents in the flow of oil, trade, displaced workers and refugees.

refugees brought fresh tales of the cruelty and horror inflicted by the barbarous forces unleashed by Saddam Hussein.

And today, many other countries -- already facing painful transformations -- must now deal with added hardships. Serious challenges have emerged for countries ~~that were dependent on oil from Iraq and Kuwait, whose workers were displaced, that face serious refugee problems, or that have suffered trade losses as a result of Saddam's invasion.~~

And an even larger group of countries represented here will suffer from higher oil prices and other economic dislocations, ~~arising out of the Gulf crisis.~~

While world attention has rightly focused on those countries closest to the situation and bearing the heaviest economic burden, I can tell you that the rest of the developing world is not forgotten, ~~that~~ your hardships are not being ignored.

This gathering of world financial leaders provides us with an opportunity to discuss how we can work together to address the special financial burden of this crisis -- and do so in a way that will <u>sustain</u> the ~~striking~~ dramatic, worldwide transition to free markets ~~that so many of you are undertaking.~~

The IMF and World Bank, ~~in~~ given their central role in the world economy, are key to helping all of us through this crisis by providing a combination of policy advice and financial assistance. \\ **Because in this crisis, the <u>political</u> leadership of the U.N. must be matched by the <u>economic</u> leadership of the I.M.F. and the World Bank.** \\\\

Secretary Brady will be making some specific suggestions in his remarks for possible means of utilizing current IMF and World Bank programs more effectively. **But let me ~~emphasize again that~~ we are determined not to allow the brutal behavior of one aggressor to undermine the historic process of democratic change -- or to derail the movement towards market economic systems.** \\\

Let me continue, more broadly, with my vision of the ~~leadership~~ role of the United States -- and of a world economy which I hope we can all share.

First, we are committed to a United States which contributes to economic stability and growth. **And perhaps the greatest contribution the U.S. can make to the health of the international economy is to get our own house in order. Our budget deficit will be brought under control and reduced.** [[Last week's agreement ...]]

Second, the United States is strongly committed to promoting development and growth in the newly-emerging democracies of Latin America, Eastern Europe, Africa and Asia.

~~A major concern of many of you has been the debt burden you carry from the past. We will continue to~~ work with you to ease ~~that~~ debt burdens through ~~debt restructuring under~~ the Brady Plan. ~~We have already seen significant progress in this area, bringing substantial savings to several countries.~~

~~This past June, I~~ announced the Enterprise for the Americas Initiative, ~~which strives~~ to promote economic growth in the ~~Western~~ Hemisphere by expanding trade and investment, and by

reducing debt owed to the United States government. ~~We are extremely heartened by the positive reception the Initiative has received from leaders throughout the Americas. And we would welcome similar actions by other creditor governments.~~

In Eastern Europe, we are working with others ~~industrial countries~~ to provide billions of dollars of ~~technical and financial~~ assistance to newly emerging democracies. ~~While it will take time to achieve results, the commitment by these countries to profound economic re-structuring is inspiring.~~

~~Finally,~~ and many of the lowest-income countries in Africa have already benefitted from reductions in debt owed to the U.S., ~~which~~ we hope will ~~enable~~ them to strengthen and broaden their ~~economic reforms as well.~~ And one of Africa's newest, ~~independent countries -- Namibia -- will be joining the Fund and Bank this week, and will soon benefit from the advice and support of your institutions.~~

Third, all these areas of progress have one important element in common -- the central role of the IMF and World Bank in helping bring about economic reforms. **Reform efforts can only be successful if the beneficiary countries carry through on their responsibilities. And that means deregulation, sound macroeconomic policies, and open borders for trade and investment.**

This is why your work here in Washington this week is so important. ~~The nature of our changing world calls increasingly for coordinated and cooperative responses~~. The international community looks to you to provide the focus for ~~this~~ coordinated responses to a changing world.

coordination. And for good reason. These institutions have evolved into powerful forces for promoting free markets.

The Fund and the Bank have played a key role as we have responded to the needs of Eastern Europe. They have provided vital support -- both financial support and sound policy advice -- to Poland and Hungary. We now welcome Czechoslovakia and Bulgaria into their ranks.

We also appreciate the efforts of the IMF, World Bank and other institutions in carrying out a detailed study of the Soviet economy, an effort that was discussed at the Economic Summit we hosted in Houston. This study will produce recommendations for economic, financial, and structural reform, and will establish criteria under which Western assistance could support such reform. And this study has been given added importance by the recent debate in the Soviet Union over alternative economic restructuring plans.

The Fund and the Bank have also been indispensable players in the economic transformation sweeping Latin America and other parts of the developing world, through their support for economic reforms and their role in the debt strategy.

As the coming week unfolds, part of your task will also be to plan for the future of your two great institutions. We need to build further on their ability to respond to changing circumstances. Market-based economies are best able to adapt to new demands. That is why the Fund and the Bank must be in a strong position to continue their encouragement of economic

reforms and adjustment efforts.

For this reason, I strongly support the IMF quota increase and the strengthening of the IMF arrears policy, ~~as key to keeping the Fund a viable financial institution.~~

And I would also like to challenge both institutions to ~~improve their~~ focus on building dynamic <u>private</u> <u>sectors</u> in member countries, ~~<u>Private investment</u> -- both domestic and foreign -- will be an~~ important stimulants for strengthening ~~new~~ emerging market economies.

And I would also ask the World Bank to place a high priority on three issues vital to sound and sustained growth. First is protecting the environment. As I said here last year: **<u>Environmental destruction knows no borders</u>**. ~~At Houston, for example, the leaders of the largest industrial democracies recognized the special role the World Bank can play in helping to halt the destruction of tropical rain forests. And we urge the Bank to take prompt and effective action in this and other areas.~~ \\ Second, <u>poverty alleviation</u> must continue to be a central mission of the Bank. \\ And third, we strongly support greater efforts to <u>integrate</u> <u>women</u> into the developmental process.

Finally, as we plan for the future, we must work together for success in the other great post-war international economic institution -- the GATT.

As we meet today, less than 70 days remain in the four-year Uruguay Round of global trade talks. ~~In that time~~, much remains to be done. **Agricultural reform remains a major stumbling block.**

Indeed, it threatens to bring down the rest of the Round.

The Round is not just a trade issue, it is a **growth** issue. **It can be the engine of economic growth that carries us into the 21st century.** It promises to remove barriers in three crucial areas, three areas untouched in previous rounds: services, investment, and intellectual property. **But if we fail to achieve an agreement, we will ~~forfeit~~ lose new markets for our businesses, ~~lower~~ force higher prices for our consumers, and ~~more~~ block new jobs and higher incomes for our workers.** \\\

Worst of all, we will endanger a vital, proven framework of international cooperation. The collapse of the Round will inevitably encourage increased protectionist pressure and political instability. **That is something we can ill afford at a time when we are trying to forge a new partnership of nations, and when we are engaged in a great struggle against aggression in the Persian Gulf.** \\\

Therefore, I urge ~~those of~~ you ~~who are finance ministers~~ to work actively within your governments to ensure success. **And I urge my counterparts around the world -- as we did at the Houston Economic Summit -- to instruct your negotiators to bring the Uruguay Round to a successful conclusion by December.** \\\

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