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POTUS excerpts on debt

contrary to the interest of working people. Competition and integration lead to stronger growth, more and better jobs, more widely shared gains. Renewed protectionism in any of our nations would lead to a spiral of retaliation that would diminish the standard of living for working people everywhere. Moreover, a failure to expand trade further could choke off innovation and diminish the very possibilities of the information economy. No, we need more trade, not less.

Unfortunately, working people the world over do not believe this. Even in the United States, with the lowest unemployment rate in a generation, where exports accounted for 30 percent of our growth until the financial crisis hit Asia, working people strongly resist new market-opening measures. There are many reasons. In advanced countries the benefits of open trade outweigh the burdens. But they are widely spread, while the dislocations of open trade are painfully concentrated.

In all countries, the premium the modern economy places on skills leaves too many hard-working people behind. In poor countries, the gains seem too often to go to the already wealthy and powerful, with little or no rise in the general standard of living. And the international organizations charged with monitoring and providing for rules of fair trade, and enforcement of them, seem to take a very long time to work their way to the right decision, often too late to affect the people who have been disadvantaged.

So as we press for more open trade, we must do more to ensure that all our people are lifted by the global economy. As we prepare to launch a new global round of trade talks in Seattle in November, it is vital that the WTO and the ILO work together to advance that common goal.

We clearly see that a thriving global economy will grow out of the skills, the idea, the education of millions of individuals. In each of our nations and as a community of nations, we must invest in our people and lift them to their full potential. If we allow the ups and downs of financial crises to divert us from investing in our people, it is not only those citizens or nations that will suffer -- the entire world will suffer from their lost potential.

It is clear that when nations face financial crisis, they need the commitment and the expertise not only of the international financial institutions, they need the ILO as well. The IMF, the World Bank and WTO, themselves, should work more closely with the ILO, and this organization must be willing and able to assume more responsibility.

The lesson of the past two years is plain: Those nations with strong social safety nets are better able to weather the storms. Those strong safety nets do not just include financial assistance and emergency aid for poorest people, they also call for the empowerment of the poorest people.

This weekend in Cologne, I will join my partners in the G-8 in calling for a new focus on stronger safety nets within nations and within the international community. We will also urge improved cooperation between the ILO and the international financial institutions in promoting social protections and core labor standards. And we should press forward to lift the debt burden that is crushing many of the poorest nations.

ILO Geneva 6/16/99

We are working to forge a bold agreement to more than triple debt relief for the world's poorest nations and to target those savings to education, health care, child survival and fighting poverty. I pledge to work to find the resources so we can do our part and contribute our share toward an expanded trust fund for debt relief.

and look how big it is.

So I just want to say, I wish everyone here would look at yourselves and ask yourselves if you are wearing anything made in a country other than the country where you live.

There are benefits to imports. We don't just do a favor to developing countries, or to our trading partners in developed countries, when we import products and services from them. We benefit from those products. Imports stretch family budgets; they promote the well-being of working families, by making their dollars go further; they bring new technology and ideas; they, by opening markets, dampen inflation and spur innovation.

In a few days, we will have the longest economic expansion in the history of the United States. I am convinced one of the reasons that it will happen is that we have kept our markets open, even in tough times, so that there has always been pressure to keep inflation down as we continue to generate jobs and growth. I am convinced of it. And those of us in wealthier countries need to make the case that even when we have trade deficits, if we're growing jobs and we're gaining ground, and the jobs are growing in areas that pay better wages, we are getting the benefits of imports. I think all people in public life have been insufficiently willing to say that. And we must do more.

The third point I would like to make is that we simply cannot expect trade alone to carry the burden of lifting nations out of poverty. It will not happen. Trade is essential to growth in developing countries, but it is not sufficient for growth in developing countries. Sustained growth requires investment in human capital, education, health care, technology, infrastructure. Particularly in an economy that runs more and more on brainpower, no investment pays off faster than education. The international community has set 2015 as a target for giving every child access to basic education. I'm asking our Congress for more funding to help nations get more children out of work and into school. I hope others in the public and private sectors will join us.

Each year in the developing world, we see millions of lives lost and billions of dollars lost -- dollars that could be spent in many more productive ways to killer diseases like AIDS, malaria and tuberculosis. Last year in Africa, AIDS killed more people, ten times more, than all the wars did. We have the technology to find vaccines for those diseases. We have medications that can lengthen and improve the quality of life.

Davos
1/29/00

But let's face a fact. The pharmaceutical industry has no incentive to develop products for customers who are too poor to buy them. I have proposed a tax credit to say to our private industry: if you will develop these vaccines, we'll help to pay for them. I hope the World Bank, other nations and the corporate world will help us in meeting this challenge. If we could get the vaccines out to the people who need them in time, we could save millions and millions of lives, and free up billions of dollars to be invested in building those lives, those societies, into strong, productive partners -- not just for trade, but for peace. (Applause.)

We can also help countries help themselves by lifting their crippling burden of debt, so they'll have more to invest in their people and their future. The Cologne debt initiative commits us to reducing the foreign debt of the world's poorest and most indebted nations by as much as 70 percent. Last fall, I pledged that the United States would forgive 100 percent of the debts those countries owe to us. This year, I will work to fund our share of the multilateral debt relief. I am

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pleased that so many others have made similar pledges, and look forward to the first countries benefiting from this initiative very soon. If we keep working on this, expanding it, and we all pay our fair share, we can turn a vicious cycle of debt and poverty into a virtuous cycle of development and trade.

The last point I'd like to make on this is, I think the developed countries who want an open trading system that has the trust and confidence of developing countries should also contribute to indigenous trade, which may not be directly related -- excuse me, indigenous economic development, which may not be directly related to trade. Just for example, the United States Agency for International Development each year funds about 2 million micro-enterprise loans in poor communities in Africa, Asia and Latin America.

I will never forget going to small villages in Senegal and Uganda, and seeing people who had gotten their first business loan -- sometimes as small as $50 -- show me their businesses, show me the people they were doing business with in their villages, who has also gotten such loans. I'll never forget the man in Senegal who was this designated village accountant, making me wait outside his front door while he went into his house to bring me back all of the accounts he had carefully kept for the last month, to prove that the money we were investing was being spent wisely.

Does this have any direct impact on international trade? Of course not. Did it make that society stronger? Did it make the economy stronger? Did it increase the stability and long-term prospects of the nation? Of course it did. So I believe we should all be thinking about more we can do on the indigenous economic development issues.

The President of Colombia is here. I've asked the Congress to pass a very ambitious program to try to help Colombia deal with the narco-traffickers and the guerrillas and all the problems that he faces -- perhaps the oldest democracy in Latin America. But one part of it is for economic development. It is one thing to tell people they should stop growing crops that can be turned into drugs that can kill our children, and quite another to tell people, if you do this, by the way, here's a way to support your children.

And so I think that we can never lose sight of the fact that if we want to build an integrated economy with more and more trade, we have to build an economy from the grass-roots up in places that want to have a balanced, stable society.

The fourth point I would make is that developed and developing countries alike must ensure that the benefits of trade flow widely to workers and families within our nations. Industrialized nations must see that the poor and those hard hit by changes are not left behind. And all nations need to ensure that workers have access to lifelong learning benefits, they can move between jobs without being unemployed for too long and without having their standard of living dropped.

We have to work with corporate leaders to spur investment also in the people and places that have been left behind. We have to find a new markets within our own nation. For example, I will tell you something that might surprise many of you. The national unemployment rate in the United States is 4.1 percent. On many of our Native American Indian reservations the unemployment rate is about 70 percent. In isolated rural areas in America, the unemployment rate is sometimes two, three, four times as high as the national average.

So we have not figured out how to solve this. When you have these eyesores in a country, when the development is not even, they can easily

There are five steps in particular I believe we must take. First, we must build an open world trading system which will benefit Africa alongside every other region in the world. (Applause.) Open markets are indispensable to raising living standards. From the 1970s to the 1990s, developing countries that chose trade grew at least twice as fast as those that chose not to open to the world.

Now, there are some who doubt that the poorest countries will benefit if we continue to open markets, but they should ask themselves: what will happen to workers in South Africa and Kenya without the jobs that come from selling the fruit of their labors abroad? What will happen to farmers in Zimbabwe and Ghana if protectionist farm subsidies make it impossible for them to sell beyond their borders?

Trade must not be a race to the bottom, whether we're talking about child labor, harsh working conditions or environmental degradation. But neither can we use fear to keep the poorest part of the global community stuck at the bottom forever. Africa has already taken important steps, forming regional trade blocks like ECOWAS, the East Africa Community, and SADC. But we can do more. That is why our Overseas Private Investment Corporation in Africa is working to support three times as many business projects in 1999 than it did in 1998, to create jobs for Africans and, yes, for Americans as well. That is why we are working with African nations to develop the institutions to sustain future growth -- from efficient telecommunications to the financial sector.

Nat'l Summit Africa 2/17/00

And that is why, as soon as possible, we must enact in our Congress the bipartisan Africa Growth and Opportunity Act. (Applause.) This bill has passed in one version in our House and another version in our Senate. I urge the Congress to resolve the differences and send me a bill for signature by next month. (Applause.) And I ask every one of you here who just clapped -- and those who didn't, but sympathize with the clapped -- (laughter) -- to contact anyone you know in the United States Congress and ask them to do this. This is a job that needs to be done. (Applause.)

We must also realize that trade alone cannot conquer poverty or build a partnership we need. For that reason, a second step we must take is to continue the work now underway to provide debt relief to African nations committed to sound policies. (Applause.) Struggling democratic governments should not have to choose between feeding and educating their children and paying interest on a debt. (Applause.) Last March, I suggested a way we could expand debt relief for the world's poorest and most indebted countries, most of which are African, and ensure the resources would be used to improve economic opportunity for ordinary African citizens. Our G-7 partners embraced that plan.

Still, I felt we should do more. So in September, I announced that we would completely write off all the debts owed to us by the countries that qualified for the G-7 program -- as many as 27 African nations in all. The first countries, including Uganda and Mauritania, have begun to receive the benefits. Mozambique, Benin, Senegal and Tanzania are expected to receive benefits soon. Mozambique's debt is expected to go down by more than $3 billion. The money saved will be twice the health budget -- twice the health budget -- in a country where children are more likely to die before the age of five than they are to go on to secondary school.

update on this

Last year, I asked Congress for $970 million for debt relief. Many of you helped to persuade our Congress to appropriate a big share of that. Keep in mind, this is a program religious leaders say is a moral imperative, and leading economists say is a practical imperative. It's not so often that you get the religious leaders and the economists telling us that good business is good morals. (Applause.) It's probably always true, but they don't say it all that often. (Laughter.) We must finish the job this year; we must continue this work to provide aggressive debt relief to the countries that are doing the right thing, that will take the money and reinvest it in their people and their future. I ask you, especially the Americans in this audience, if you believe in what brought you here, help us to continue this important effort. (Applause.)

A third step we must take is to give better and deeper support to African education. Literacy is crucial -- to economic growth, to health, to democracy, to securing the benefits of globalization. Sub-Saharan Africa has the developing world's lowest school enrollment rate. In Zambia, over half the schoolchildren lack a simple notebook. In rural parts of Tanzania, there is one textbook for every 20 children. That's why I proposed in our budget to increase by more than 50 percent the assistance we provide to developing countries to improve basic education, targeting areas where child labor is prevalent. I ask other nations to join us in this. (Applause.)

I'll never forget the schools I visited on my trip to Africa -- the bright lights in the eyes of the children, how intelligent they were, how eager they were. It is wrong for them to have to look at maps of nations that no longer exist, without maps of nations in their own continent that do exist. It is wrong for them to be deprived the same opportunities to learn that our young people have here. If intelligence is equally distributed throughout the human race -- and I believe it is -- then every child in the human race ought to have a chance to develop his or her intelligence in every country in the world. (Applause.)

A fourth step we must take is to fight the terrible diseases that have afflicted so many millions of Africans, especially AIDS and also TB and malaria. Last year, ten times as many people died of AIDS in Africa as were killed in all the continent's wars combined. It will soon double child mortality and reduce life expectancy by 20 years.

You all laughed when Andy Young said that I was going to get out of the presidency as a young man. Depending on the day, I sometimes feel young or I feel that I'm the oldest man my age in America. (Laughter.) The life expectancy in this country has gone from 47 to 77 in the 20th century. An American who lives to be 65 has a life expectancy in excess of 82 years. AIDS is going to reduce the life expectancy in Africa by 20 years. And even that understates the problem, because the people that escape it will live longer lives as African economies grow and strengthen.

The worst burden in life any adult can bear is to see a child die before you. The worst problem in Africa now is that so many of these children with AIDS have also already lost their parents. We must do something about this. In Africa there are companies that are hiring two employees for every job on the assumption that one of them will die. This is a humanitarian issue, a political issue and an economic issue.

Last month, Vice President Gore opened the first-ever United Nations Security Council session on health issues, on a health issue, by addressing the AIDS crisis in Africa. I've asked Congress for another $100 million to fight the epidemic, bringing our total to $325 million. I've asked my administration to develop a plan for new initiatives to address prevention, the financial dimensions of fighting AIDS, the needs of those affected, so that we can make it clear to our African partners that we consider AIDS not just their burden but ours, as well.

But even that will not be enough. Recently, Uganda's Health Minister pointed out that to provide access to currently available treatments to every Ugandan afflicted with AIDS would cost $24 billion.

Sept 29 99

IMF

WB

DC

modern, powerful economy. In fact, those economies will emerge more quickly with more sustainable development strategies.

Some of you in this room -- a minority still -- are nodding your heads "yes" as I say this. If you believe it, we must work together to achieve it. These efforts must be part of a broader approach that ensures the integrity and openness of emerging economies. Last Saturday, the G-7 finance ministers outlined specific safeguards for Russia and called for comprehensive review by the World Bank and the IMF, to make sure that funds are used appropriately in high-risk environments. The United States will continue to insist on such accountability.

For many developing countries, however, there is a greater obstacle in the path to progress. For many of them, excessive and completely unsustainable debt can halt progress, drag down growth, drain resources that are needed to meet the most basic human conditions, like clean water, shelter, health care and education. Debt and debt relief are ~~normally~~ subjects for economists. But there is nothing academic about them. Simply put, unsustainable debt is helping to keep too many poor countries and poor people in poverty. That is clearly why the Pope and so many other world leaders from all walks of life have asked ~~us all~~ to do more to reduce the debt of the poorest nations as a gift to the new millennium -- not just to them, but to all the rest of us, as well.

Personally, I don't believe we can possibly agree to the idea that these nations that are so terribly poor should always be that way. I don't think we can, in good conscience, say we support the idea that they should choose between making interest payments on their debt and investing in their children's education. It is an economic and moral imperative that we use this moment of global consensus to do better. I will do everything I can to aid this trend. Any country, committed to reforming its economy, to vaccinating and educating its children, should be able to make those kinds of commitments and keep them.

In June, at the G-7 summit in Cologne, the world's wealthiest nations ~~made an historic~~ pledge to help developing nations. The debt relief program we agreed upon is a big step in the right direction, dedicating faster and deeper debt relief to countries that dedicate themselves to fundamental reform. This initiative seeks to tie debt relief to poverty reduction and to make sure that savings are spent where they should be -- on education, on fighting AIDS and preventing it, on other critical needs. It will help heavily indebted poor countries to help themselves and help to build a framework to support similar and important efforts by the IMF, the World Bank and international financial institutions.

More than 430 million people could benefit from this effort. In Bolivia, for example, debt relief could help the government nearly double the people's access to clean water by 2004. In Uganda, it could allow health and education spending to increase by 50 percent between 1998 and 2001. Rural development expenditures there would more than double. That's why we all must provide our fair share of financing to global debt relief.

Last week, to make good on America's commitment, I amended my budget request to Congress and asked for nearly $1 billion over four years for this purpose. We must keep adequate assistance flowing to the developing countries, especially through the International Development Association. I'm encouraged by the financial commitments made by some of the other donor countries this past week.

And I call on our Congress to respond to the moral and economic urgency of this issue, and see to it that America does its part. I have asked for the money and shown how it would be paid for, and I ask the Congress to keep our country shouldering its fair share of the responsibility. (Applause.)

Now, let me make one final commitment. Today, I am directing my administration to make it possible to forgive 100 percent of the debt these countries owe to the United States -- (applause) -- when -- and this is quite important -- when needed to help them finance basic human needs, and when the money will be used to do so. In this context, we will work closely with other countries to maximize the benefits of the debt reduction initiative.

What's it take to enact this?

We believe the agreements reached this weekend will make it possible for three-quarters of the highly indebted poorest countries, committed to implementing poverty and growth strategies, to start receiving benefits sometime next year -- actually receiving the benefits sometime next year.

how much money

If we do these things as nations, as international institutions, as a global community, then we can build a trading system that strengthens our economy and supports our values. We can build a global economy and a global society that leaves no one behind, that carries all countries into a new century that we hope will be marked by greater peace and greater prosperity for all people.

We have before us perhaps as great an opportunity as the people of the world have ever seen. We will be judged -- by our children and grandchildren -- by whether we seize that opportunity. I hope, and believe, that we all will do so.

Thank you very much. (Applause.)

END 2:23 P.M. EDT

GAYLE SMITH

Jubilee 2000

coalition of churches + NGOs
they call for debt cancellation
they

Sony auto reverse
TCM 80

Rick Samans
Speeches

- Africa Speech 2/17
- Davos - POTUS
- Koln - 6/99 some G8 action 6/16/99
- NGO expert on debt relief,
- Gayle Smith - best concrete examples

vivid examples -
Country x should have its education budget tied
up in ____

they have action

~~Koln Sp~~

Speeches
2/17/00
6/16/99
Davos

talk to Treasury & NGE
how do we position ourselves while that
event is coming up
Gayle think he can refer.

His speech

Mozambique most compelling specific
case - issue here -
if comes up soon for advanced HIPC
will qualify for 100%.
finding way for payments to
be deferred.

We can say

no broad deliverable.
Chirac came out EU Africa summit, France
will x/ Mozambique's debt

All we have of Mozambique's debt is $5 million.

NEC can give details.

On debt -

we have ~~b~~ upon Hill for HIPC that

they want more.

Gayle + Treasury —

This is why we've sent the request

" - we should do it

Mozambique

Bolivia

Tanzania

to say Americans don't care is wrong

350 church groups all over the

country.

HIPC ~~b~~ initiative.

~~Admin~~ amt of time takes to qualify was long.

HIPC was born this Admin.

POTUS recently last yr took lead in G-7

as "advanced HIPC," big deliverable. About

a year at G-7.

~~$~~ Sept 99 POTUS annc we'd

provide 100% forgiveness for

bilateral ~~conc~~ concessional debt

to be used for social spending.

~~#1~~
If Pres talking to US.

Make the case that Americans care -
Jubilee
if countries can get out of burden they make investments they need for educ, h-can get econ in shape.

Private US direct investment is into Mozambique.
Point is - when countries are able to achieve peace & stability and train citizens to join global econ - when debt burden doesn't crowd out other invest

Moz 10 yrs ago was country no one thought would come out of war.
By times of floods - fastest econ in world.
~~#1 [illegible] in Africa~~
single biggest U.S. pvt sector
Enron

We have continually encouraged greater Russian economic and security integration, and worked hard on achieving the landmark NATO-Russia Founding Act in 1997, which codified a cooperative partnership with NATO, despite Russian objections to NATO enlargement., a policy that we recently reaffirmed with visit of NATO's Secretary General to Moscow last month. We have worked together to strengthen the OSCE and to negotiate and then adapt the CFE Treaty. And our forces are serving side by side in Bosnia and Kosovo.

On the economic front, we pursued three parallel tracks to help Russia create the infrastructure of a market economy: dismantling state controls, creating private property, and building the laws and institutions that support an open and competitive market.

Specifically, we launched a rule of law project immediately after the 1993 Vancouver Summit that helped Russia draft a new Civil Code, a Criminal Code, bankruptcy laws, and much of the legal and regulatory framework that allows Russia's fledgling Securities and Exchange Commission to function. Our assistance programs have been important in separating the judicial system from the executive branch, training judges in commercial law, and supporting a number of Russian law schools.

We joined with the World Bank to promote sound practices by Russian banks and create a program to raise them to international standards. We helped the Central Bank develop commercial bank supervision procedures that took 900 risky banks off the market. At the same time, we have given financial assistance that has benefited more than 15,000 small and medium businesses in Russia. We are working with Russia to support its eventual accession to the WTO.

We have targeted resources to help create the infrastructure in Russia for holding free and fair elections. We have supported the growth of NGOs . The U.S. has also provided training, grants, and technical assistance to help establish independent TV, radio and print media across Russia.

The conflict in Chechnya is an important test of our strategy of integration. Russia, as member of the OSCE is obliged to respect the norms and institutions of which it is a part. That's why we have called on Russia to cooperate with the OSCE and the ICRC to permit impartial and transparent investigations of alleged human rights abuses.

With the election of President Putin, Russia has a fresh opportunity to address the key questions about its future. There is much that is unkown about the new President and what direction he will lead Russia, much that may still be unknown to Putin himself. Our challenge will remain to work with the new leadership and the Russian people to demonstrate that choosing the path of integration will profoundly serve Russia's own interests.

Let me turn now to the subject of the other important democratic transition of the last few weeks.

The Taiwanese elections proclaim the rise of a vibrant, competitive, multi-party democracy, and it convincingly dispels the notion that democracy is foreign to the Chinese people. This is a purely home-grown democracy, created by the desire of the people to shape their own destiny. The popular vote for . Chen Shui-bian was a mandate for effective, responsive government, and his election shows that both the political leaders and their parties in Taiwan are becoming increasingly accountable to the public. This is something the people and leaders of the PRC cannot fail to notice.

The elections in Taiwan pose clearly a central question: Is Taiwan's history – of embracing greater economic freedom in the 1960s and 1970s, then greater political freedom in the 1990s – an isolated development? Or does it foreshadow a similar evolution for China as a whole? And what can we in the United States do to help foster that outcome?

Mainland China too has experienced remarkable changes over the past 50 years, and especially in the last two decades. China has made great progress in building a new economy, lifting more than 200 million people out of poverty; linking millions of people through its new communications network. But China also faces daunting economic problems. Its working age population is increasing by more than 12 million people every year. Tens of millions of peasants are migrating from the countryside to the city, where only some find work. And nearly 60 percent of the investment and 80 percent of all business lending still goes to the state-owned dinosaurs that are least likely to survive in the global economy.

Many young Chinese are now finding work with private or foreign invested companies, where their responsibilities grow, their working conditions improve, and their expectations rise. Many others are not finding work at all, raising fears of popular unrest among Chinese officials. In some cases officials in China have lifted travel restrictions on unemployed citizens to give them better opportunities to seek work.

In other cases, economic pressures have led to China's first experiments in local democracy. The President has made this point by citing the story of the city of Shenyang. Since 1949, most of the people of Shenyang have worked in massive, state-run industries. But as these old factories and mills shut down, people are losing their jobs and their benefits. Last year, Beijing announced it was going to be awarding bonus checks to Chinese citizens to celebrate China's 50th anniversary under Communism. But Shenyang didn't have the money to pay, and there was a massive local protest.

To ease tensions, the local government has given the people a greater say in how their city is run. On a limited basis, citizens now have the right to vote in local elections – not exactly a democracy; the party still puts up the candidate and decides who can vote, but it is a first-step. And it goes beyond Shenyang. Local elections are now held in the vast majority of the country's 900,000 villages.

Compounding the change is the explosion of information technology in China. In the past year, the number of Internet addresses in China has more than quadrupled, from 2 million to 9 million. This year the number is expected to grow to over 20 million.

Our strategy of integration seeks to build on these developments and harness the forces of change. We do not underestimate the difficulties this approach faces. China's history has made it leary of engagement with the outside world, suspicious of the motives and intentions of other countries and inclined to inward lookingness and self-sufficiency. It has built both its internal and external policies on a strong allegiance to the principle of non-interference in internal affairs and respect for sovreignty at all costs.

This history has led some to believe that China cannot and will not move beyond authoritarianism at home and an ever more assertive actions abroad. They advocate policies of containment or confrontation to deal with what they perceive as the growing menace to our values and our interests.

We believe that such an approach is a self-fulfilling, and self-defeating policy. While China's future course remains uncertain, there are signs that China's leaders increasingly recognize that to suceed they must not only accept but embrace a greater integration into the wider international and political community. And that recognition offers us an opportunity to help shape China's own decisions about the future.

In the security sphere, for decades China resisted any involvement with regional organizations or international arms control regimes. Yet in the last decade, China has signed the NPT and CTBT, the BWC and the CWC, and joined key non-proliferation groups such as the Zanger Committee. China participates in the ARF, has joined with us in the Four Party Talks on the Korean peninsula, and worked with the P-5 to fashion a common response to the nuclear test in South Asia. Nonetheless, we remain concerned about aspects of China's non-proliferation policy and are pressing China to join fully in the MTCR. We are monitoring carefully China's military modernization and pressing China to take steps to improve confidence and military transparency in the region.

In the economic arena, China is a full participant in APEC, and worked constructively with its regional partners to support stability during the Asian financial crisis. And perhaps the most significant indication that China accepts the logic and necessity of integration is its decision to proceed with accession to the WTO.

Chinese leaders know that if they open China's market to global competition, they risk unleashing forces beyond their control -- temporary unemployment, social unrest, and great demand for freedom. But they also know that without competition and investment from the outside, China cannot build a world-class economy. And that could be even more destabilizing.

By signing the WTO agreement with the United States, despite the risks, China has chosen reform, on terms that will open its market to American products and investment, and commit itself for the first time to abide by the rules of international trade. The question for the United States, is, do we want to support that choice?

The President will continue to make the economic case for supporting China's entry into the WTO and extending Permanent Normal Trade Relations to the Chinese. The agreement requires China to open its markets to our products, services, and investment; all we do is agree to make permanent the present access China enjoys to our markets. If Congress refuses, China will still join the WTO, but we'll be unable to reap the dramatic benefits of the bilateral agreement that took 13 years to negotiate.

But this agreement is about much more than economic interests. The WTO-mandated changes in China generally move China in the directions we have long endorsed: toward a smaller role for government, greater information availability, better work environments, more individual choice, a stronger role for the rule of law, greater transparency, and overall greater openness.

By lowering tariffs, China is tearing down the wall of protection that has sustained its state-owned industries. These enterprises were the backbone of the communist system in China – the instrument through which the Party exercised day to day control over most people's lives, and through which it rewarded the loyalty of its subjects. China's state sector is already shrinking, and membership in the WTO will speed its demise. This will go a long way toward taking the command and control out of communism in China.

Still, getting China's leaders to embrace international norms on human rights and democracy remains one of the most difficult challenges. On a formal level, there has been some progress. China has signed the two human rights convenants, and has made strides in moving toward a more predictable applications of the rule of law.

Nonethelesss, Chinese authorities still tolerate no organized political dissent or opposition, and no direct challenge to the Communist Party. Religious freedom is sharply curtailed. Over the past year, we have seen an increase in its crackdown on political activities. Entrenched interests resist economic reform and corruption is an ever-growing problem. Social and economic upheaval threaten the paramount concern of China's leaders to preserve stability.

We understand that integrating China into the global economy is not by itself a human rights policy. Change will come to China by a combination of internal pressures for greater freedom and external validation of the human rights struggle by the international community. The WTO agreement will bolster the former, but we must maintain our leadership role in the latter.

We are doing exactly that. We are now sponsoring a resolution at the UN Human Rights Commission in Geneva condemning China's human rights record. And we have continually focused on key human rights cases, including Dickinson College librarian Song Yongyi, Tibetan religious figures, Catholic priests, and others.

The process of change in China is unpredictable, and will be shaped by many factors. But one of the potentially greatest factors is how both Beijing and Taipei manage the tension created in cross-Strait relations by the democratic transfer of power in Taiwan.

We welcome .Chen Shui Bian's constructive statements following the election, and we hope they help open the way toward a resumption of cross-Strait dialogue. But the larger message of this election, and the change of the party in power, is that it shows the need for a broader conception of cross-Strait dialogue. The PRC needs to speak not just to the ruling party in Taiwan, but also to minority parties, and ultimately to the public at large. Taiwan is a democracy, and any resolution of differences between the two sides must be acceptable to the people of Taiwan.

The U.S. will keep working to foster an environment conducive to peace, stability, and prosperity in the region. Specifically, we will continue to affirm our "one China" policy, and to urge dialogue between the two sides as the only legitimate way and the only enduring way to resolve differences.

We also encourage the expansion of people-to-people exchanges and economic ties across the Strait. We believe such ties can play a vital role in building trust and bridging gaps between political systems. The prospective WTO accessions by Taiwan and PRC represent key thresholds in developing closer economic and trade ties between Taipei and Beijing.

Again, whether the challenge is to calm tensions between Taipei and Beijing, or advance relations between China and Washington or Moscow and Washington – we believe engagement and integration is the key -- even as we must always be vigilant, always ready to protect our interests in the face of less good outcomes. That is why we must maintain our critical alliances in Europe and Asia, preserve our unique military capabilities, and remain strong at home with a powerful, open economy, an educated public, engaged in vigorous public debate – and yet never lose sight of the end that serves our highest interests: a stable, prosperous democratic world.

Our strategy of integration is a profoundly American strategy, one built on confidence in our values and conviction that we have an opportunity to secure our long-term interests by working in support of change, particularly in those countries whose future will have such a large impact on our own.

We believe that by supporting these trends, we advance our interests as well. That internal progress in other nations is closely tied to external progress in their relations with the United States and with all nations. That as nations grow more democratic, they grow together.

The arc of history is long, and there is strategic value in the patient pursuit of important goals. In the evolution of Russia and China, the U.S. stake is enormous; the U.S. role limited, but crucial. We must be prepared for long and difficult transitions. We must accept that we cannot make their choices. Yet we must openly advocate the right choices, and keep working to create the conditions that encourage both countries to choose stable, prosperous and democratic futures. Thank you.

Questions for Rick Samans:

What is a funding gap?

Can we note - can we equate WB judgment of unsustainable debt to bankruptcy, effectively. can we note corporations can declare bankruptcy, get protection from their creditors and get a fresh start? Why not nations?

How did these countries fall into debt?

Do we insist on a strict link between debt relief, government reform, and channel revenues into social spending?

What is the explicit exhortation?

What are we doing now?

How much does it cost per year?

What is the gap between that and the demands of Jubilee 2000.

What is POTUS proposal?

What would it cost in addition to what we're doing now?

Are there figures on what percentage of their budgets go to debt service/ how about ours?

Give me a vivid, on the ground example, of what has happened because of debt relief already given.

Is the current POTUS proposal beyond what the G-7 has agreed to?

How would you describe the leverage the US would have in pushing this forward.

Can you give me success stories of countries who received debt relief, reformed their governments to some extent to get it, and pushed the new money into needed spending, and can show statistical advances in areas of educaiton and health as a result?

What needs absolutely to be in the radio address?

Any other examples like Uganda?

Best example:

Uganda:
How they fell into debt?
What we have done in debt relief?
What we have gained through debt relief:
reformed gov't, as well as increased spending on health and education.

Question: what can we do that would have the most impact?

(use the word heartbreaking).

If you have a heart, this will break it).

I believe that Americans are always willing to help if:

it is a finite amount (won't cut into needs at home)
if it will improve people's lives?
advances our values and interests?
if it will help move people systematically improve their circumstances. to become more independent. it does not foster dependence. It promote <u>in</u>dependence.

We are generous - as a country (cite stats) but we're also tough-minded. We demand to know that it will make a difference. We demand results.

funding gap: WB has encoug money to apy for its own debt reduction. iMF has enough becaue of gold sales. but we need a HIPC trust fund, pot of meony where every country kicks in omey, the other iFI IABD and ADB they don't have internal resources for the write-offs.

So idea was that donor countries would pay for own relief but pay for trust fund to pay for MDBs to do the same.

1996 WB IMF. HIPC.

prior to that, we took action. debt relief has been going on for a while, ramped up over the next 15 years.

how did ocuntries fall so deeply into debt? couple reasons: one, terms fo trade go against them. oil prices rise; they consume oil, but prices of their exports don't rise, they fall. they export commodities, which have ahd periods of low prices.

other reasons: war and conflict, corrpution, bad government. they're poor, and theyv'e borrowed for developoment,

Bad loans, they can't be collected: yes.

WB: analystical underpsinning, ratio of debt to exports - measure a sustainable debt burden. in KOLN, we adjusted downward so more countries qualify, and countries won't have to wait as long,a nd we ensure resources freed up will be used for improvement in lives of people, esp. health care and eduacaiton.

links

we require that the economic reforms be linked to poverty reduction (from new Koln initiative) - that is the guiding principles for the economic reform program. different from unpopular set of reforms.

economic reofrms and effective poverty reduction, educ and helath care to reduce poverty and help imprpove the lives of people.

Congress pass the President's plan - his request.

my request for funding for Ameirca's particiaptino in this international effort to ...

include point about leveraging. money we put in. is leveraged.

We're a leader in the sense that the KOLN agreement flows from President's prposal to african leaders in washington last March. the president has taken the lead, cologne took up his inititaive.

operationally, we're lagging, we're okayon bilertal side, we're behind the curve on conribting to international trust fund.

if we remain laggards, it will hinder imprlemnetation of the progtam.

we are going to meet our stnading commitment we made as part of Colongne.

Sept 99 - in koln there were two elements of bilat debt - one was concessional lending - below market terms, cut rate interests or exgttremly long terms. 9grant element> everyone agreed they would be totally written off. but for loans extened on commercial tmers, write off level was 90%, POTUS said we would go to 100% That means we would cancel all US government debt for countries that qualified.

US annual expenditure for debt relief. our request this year. did full commitment for that year on bilat debt relief to HIPC.

Last year in fy 2000 totalled 123 million; 110 m for debt relief for HIPC, and another 13 m for a special debt relief program for tropical forest conservation. create a swap for us debt becomes payable in local currency and how it would be spent on preservation.

not appropriate was additional piece for HIPC trust fund. We had requested 370 m last year. NO. That would have been first installment on a four year plan of approps.

POTUS proposed 970 m over four years for HIPC. 920 m for bilat and HIPC trust fund.

we got 123 out of 970, and 110 for HIPC only.

we got 123 out of total request of 370

written breakdown of all the differnet numbers.

now want supp. and approps for 01 02 03.

operative request is 210 in suppl. and

for some nations - percentage of gov't revenues spent on froeign debt service. ratio NGOs care about. in some material from treasury, we have estimates on what number would fall to.

way we talked about this after koln. many couhnries could see the proportion of budget spent on foreign debt fall by as much as half.   some pay 24% could see it fall to twelve. as much as a quearter of their budgets.

we had reached 15% at one point.

Uganda is the poster child. it's ahead of most countries.

one statistical comparison: specific couhntries spend more on debt service.

I believe argument here is these countries this is the right thing to do moreally and economically. we have when a company gets into trouble and its debts are unsustainable, it can reorganize. there is some validity ot the analody. where the debt is so great it impedes them from helping themselves. they need help to resutcuct.re

this program offers an opporotun. they have to get their affairs in order, show they can spend the money wisely and on their people. It removes an impediment.

debts of dictators.

in some cases,

main point, debt has grown so large relative of capacity to pay.

even if it did everything right, it still couldn't be albe to make progress because of this poverhang of past debts. right incentive for them.

unsustainable: even then they are accepting debt service payments on that debt.   if you define in country terms, banktuiped as inability to paythe debts while raising living standrdsa dn alleviating poveryt then that is right.

Draft 3/3/00 1:30pm
Lowell Weiss

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON GUN VIOLENCE
SAN JOSE, CALIFORNIA
March 3, 2000

Good morning. Today, I want to speak with you about the senseless and heartbreaking gun violence that has shaken our nation once again.

Yesterday, the community of Mt. Morris Township, Michigan, held memorial services for a beautiful little girl who was shot to death in her first-grade classroom on Tuesday. Kayla Rolland was only six years old; when she walked to school with her older brother and sister, her backpack looked almost as big as she. Kayla loved to read. She loved to attend church. In the words of her grandmother, "she was a bright light who lit up everything wherever she went."

The community of Wilkinsburg, Pennsylvania, was also devastated this week. On Wednesday, a gunman unloaded his fury and a .22 caliber revolver in a busy commercial center. Five men were killed or grievously wounded, including a young college student and a man who served his community as a priest for 23 years.

Of course, these tragedies were not isolated incidents. From Littleton to Fort Worth, Paducah to Pearl, gun violence has stolen the lives of young and old alike. It has desecrated churches and classrooms and day-care centers. It has kept parents up at night, and made schoolchildren afraid to get on the bus in the morning.

In fact, every day, gunfire takes the lives of a dozen children in America. One University of New Hampshire survey showed that 60% of 15-year olds said they could get a hold of an unlocked gun. If you look just at accidental gun deaths among children under 15, the rate in the United States is nine times higher than in the other 25 industrialized countries combined. This is intolerable – and we must act.

Last year, with a tie-breaking vote by Vice President Gore, the Senate passed a juvenile crime bill that would go a long way toward strengthening our gun laws. But for the past eight months, the leaders in Congress have failed to complete a final bill for me to sign. To break the logjam, I have called on Congressional leaders to join me at the White House on Tuesday.

In that meeting, I will insist that they get the job done. I want the Congress to send me a final bill that closes the loophole that allows criminals to buy firearms at gun shows ... bans the importation of high-capacity ammunition clips ... holds adults accountable when they allow young people to get their hands on deadly guns... and requires child-safety locks for all new handguns – the kind of locks that could have prevented a first grader from taking Kayla Rolland's life. I will also ask for support on three other vital measures -- to develop smart guns that can only be fired by the adults who own them, to require that new handgun buyers first get a photo license showing they passed a Brady background check and a gun safety course, and to hire a thousand new gun prosecutors. Gun crime prosecutions are already up 16% since I took office. But we can do even more.

In a country of 270 million people, no law can stop every act of gun violence. But we can't just throw up our hands as if gun-safety laws don't make a difference. We all have a responsibility to do our part – parents, community leaders, members of the gun industry, and yes, Members of Congress too. When we passed the Brady Bill, people argued that it wouldn't make any difference because criminals don't buy guns at gun stores. But it turned out that many of them did. Brady background checks have now blocked gun purchases by 500,000 felons, fugitives, and stalkers – and gun crime is down more than 35 percent since 1993.

The only reason the Congress has not already sent me a bill with comprehensive gun-safety provisions is because of outrageous pressure tactics and threats by the NRA. In fact, the NRA is now launching a $20 million campaign to target and defeat Members of Congress who support responsible gun safety laws.

But when first graders are shooting first graders, it is time for Congress to be guided by their hearts, not by the NRA. It is time for all of us to make our voices heard in the halls of Congress. The very least we can do to honor the memory of Kayla Rolland and all the other tragic victims of gun violence is to pass gun-safety legislation now. Thanks for listening.

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Draft 11/24/99 4:00pm
Lowell Weiss

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON ELECTRONIC COMMERCE
CAMP DAVID, MD
November 27, 1999

Good morning. On this holiday weekend when we count our many blessings, Americans are also busy buying gifts for the next holidays right around the corner. Today, I would like to speak with you about the remarkable rise of the Internet as a destination for holiday shopping – and about how we can ensure that online commerce will live up to its enormous promise.

On Thanksgiving, my family and I had a chance to offer thanks for the confidence and pride that America is carrying forward into the 21st century. One of the key reasons why our thriving economy continues to defy expectations is that we are making the most of new technologies. The Internet and other information technologies are truly revolutionizing our economy. They are the high-performance engine powering one third of our nation's economic growth.

As the Vice President will make clear in a report he will soon release, few applications of information technology have more potential than electronic commerce. During the holiday season alone, online shopping could exceed $9 billion – doubling or even tripling the online totals for the same period last year.

About 4 million American families will buy some of their gifts online for the first time this holiday season – and I intend to join them. Because online shopping has significant benefits not only for consumers and large, established retailers. Online commerce also opens a world of opportunity for local artisans and entrepreneurs.

As with shopping in stores, when consumers shop on the Internet they must take basic precautions to ensure that what they see is what they get. To help familiarize online consumers with these precautions, the Federal Trade Commission has prepared a useful checklist. You can find the complete checklist at www.consumer.gov, but today I would like to emphasize at least some of the essentials.

First, in the online world, you must pay close attention to details. Check carefully for shipping and delivery dates, extra fees, warranties, return policies, and phone numbers to call if you run into a problem. Second, always buy with a credit card. With credit cards, you are protected by federal law against unauthorized charges. Third, guard your privacy at all times. Look for the unbroken key or padlock symbols on the order page to ensure that your credit card information will be transmitted securely; don't share passwords with anyone; and be sure to read the merchant's privacy policy to see what information is being collected about you and how it will be used.

I am pleased to announce that, thanks to the leadership of Vice President Gore, many leading companies and organizations – including the Better Business Bureaus Online, American Express, Mastercard, Dell, GetNetWise, eBay, America Online, and Amazon.com – are joining with us to protect and educate consumers this holiday season. Many are distributing guides to help people shop safely and wisely online. Some are offering financial guarantees that go above and beyond federal law. If we want Internet commerce to continue to grow, we all must work together to make sure that shopping online is just as safe as shopping in a mall.

I want to close today by asking all of you to think not only about using the Internet to buy gifts for friends and family but also to give more lasting gifts to the future. As I discovered during the philanthropy conference we held at the White House last month, charitable web sites like Helping.org have made signing up to contribute time or money in your community as easy as checking on the weather. This holiday season, let's use every avenue possible, including the Internet, to give something back to our communities. Enjoy the rest of your long weekend. And thanks for listening.

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