THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 2, 1998

REMARKS BY THE PRESIDENT UPON DEPARTURE

The South Portico

10:00 A.M. EDT

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

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

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

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

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

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

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

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

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

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

The Overseas Private Investment Corporation, OPIC, has developed a new instrument to help emerging economies raise money from international capital markets. That also is very important. Now, with these steps, we are acting to protect our own prosperity and to exercise responsible economic stewardship in the world. But we cannot act alone. Congress must take some responsibility as well. In the few working days it has left this year, the most important thing Congress can do to protect our farmers, our ranchers, our businesses and our workers is to secure full funding for the International Monetary Fund. Congress cannot afford to delay approving IMF funding another day. Every day Congress delays, increases our vulnerability to crisis, decreases confidence in global markets and undermines our prospects.

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

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

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

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

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

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

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

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

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

Kosovo?

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

THE PRESIDENT: Well, that's the argument I've been making for months, that we have seen, we saw in Bosnia what works in dealing with Mr. Milosevic. And the Kosovo situation is somewhat situation in that Kosovo is actually a part of Serbia, although by law, it's supposed to be autonomous. But let me tell you what we're doing. Let's focus on what we're doing. We have been working for months and months -- I have personally been working for months, first of all, to get NATO and then to get the U.N. to send a message to Mr. Milosevic to stop the violence.

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

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

END 10:15 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 30, 1998

REMARKS BY THE PRESIDENT ON THE SURPLUS

Room 450
Old Executive Office Building

11:21 A.M. EDT

THE PRESIDENT: Thank you very much. Let me begin by saying to Kay McClure, we thank you for being here. All of us who have been a part of this effort to tame the deficit and to turn our economy around, we did it for people like you. And I think you made everybody here proud to be an American, and everybody who was part of that project proud of that.

I'd like to thank the members of the Cabinet and administration who are here, and the former Cabinet members. I would also like to say that we invited Henry Fowler, who was President Johnson's Treasury Secretary the last time the budget was balanced, to come here, but he couldn't come because of hip surgery. Our thoughts are with him and his thoughts are with us today.

I want to thank Senator Moynihan and Senator Robb, Senator Rockefeller, Senator Breaux, Senator Conrad, Senator Dorgan. Mr. Sabo, who was our chair, along with Senator Moynihan back in '93; and Congressmen Boyd, Brown, Edwards, Filner, Congresswoman Furse, Congressman Hastings, Hinojosa, Markey, Vento, Wise, and Congressman Thurmond for being here.

The Vice President also noted that there were several former members of Congress here who voted for the budget in 1993. There are quite a number here, and since they -- most of them who are here paid quite a high price for doing what makes it possible for us to be here today, I'd like to ask them to stand. Would every member of Congress who is no longer a member of Congress, who was here and voted for that budget in '93 please stand. (Applause.) Thank you very much. Thank you.

Mark Twain once said that two things nobody should ever have to watch being made are laws and sausages. And the aftermath sometimes is not very pretty. They and many others had to endure being accused of raising taxes on people they didn't, being accused of not lowering taxes for people they did, and all manner of other perfidy to try to bring us to this moment -- to break the spell that had gripped America and led to a quadrupling of the debt of this country in the previous 12 years. And a lot of the people who are still here took very significant risks, as well, and set the stage for what has been done since.

Let me ask you to begin by just thinking about what 29 years means. Twenty-nine years ago Neil Armstrong walked on the moon, Bonanza was one of our top-rated TV shows, and Sammy Sosa was one year old. (Laughter.) We have waited a long time for this -- not quite as long as we waited for Roger Maris' record to be broken, but nearly.

For 29 years, the last day of the fiscal year was not a day of celebration, but a day we were handed a powerful reminder of our government's inability to live within its means. In the 12 years before this administration took office the debt quadrupled, partisan gridlock intensified and a crushing debt was being imposed on our children. These deficits hobbled economic growth, spiked interest rates, robbed too many people of their chance at the American Dream.

The end of this fiscal year, obviously, is different as the flashing sign behind me shows. Tonight at midnight, America puts an end to three decades of deficits and launches a new era of balance budgets and surpluses. While the numbers will not be official until the end of the month, we expect the 1998 surplus to be about $70 billion. (Applause.) Thank you.

This is the largest surplus on record and, as a percentage of our economy, the largest one since the 1950s. Our economy is the strongest in a generation. That's why we see the deficit clock has become a surplus clock. It will tally the growing opportunities of the 21st century. It is a landmark achievement not just for those in the room who have played a role in it, but indeed for all the American people. And it will be a gift-giving achievement for generations to come.

I want you to think about what this means for our democracy and also what it means for our obligations now. First and foremost, as our previous speaker so eloquently noted, balancing the budget has brought tangible economic benefits to the American people.

In the 1980s, high interest rates kept entrepreneurs from starting new businesses. Tight money made it harder for people to buy a new home. When I came to Washington six years ago nearly everybody felt our economy was drifting. College graduates were having a hard time finding jobs; factory workers were seeing their industries fall behind foreign competition. The deficit then was $290 billion and projected to be over $350 billion this year alone.

But even more than the economic problems, the deficit seemed to be Exhibit A for those who claimed that America was in decline. The notion seems preposterous today. But it's worth remembering that just a decade ago the idea of America in decline was widely accepted in some circles, not only here, but around the world. There were works of scholarship suggesting we were bound to go the way of other powers who had risen and then fallen. There was a little defeatism that became part of the conventional wisdom here in Washington, symbolized by this national government that was inefficient, ineffectual and insolvent. And, therefore, the government became the poster child for what people said was happening to America. The two political parties seemed inevitably locked in a series of false choices between old ideas competing in a very new time.

But a funny thing happened on the road to American decline. The American people stepped in. Just as we have at every critical juncture in our history, the people came together once again to become the captains of our fate, the commanders of our destiny. That is really what we celebrate here today. (Applause.)

The American people simply demanded a new direction. They demanded that our government put its house in order. They demanded that America's greatness be reasserted, that opportunity be provided again to all who are willing to work for it. They demanded that we be able to say with confidence that the greatest days of this country still lie before us.

And so, in 1993, the members of our party in Congress, some at the cost of their careers, took the courageous action which began the road we celebrate today -- a new economic strategy that reduced the deficit by more than 90 percent. Then four years later, Congress put progress over partisanship and passed a bipartisan balanced budget agreement that closed the rest of the deficit gap and will keep us in balance structurally for many years to come.

The deficit reduction has saved the American people more than a trillion dollars on the national debt. The new strategy has helped lead to lower interest rates, higher investments, unprecedented prosperity. We have already heard about that. The unemployment rate is the lowest in 28 years, the percentage of Americans on welfare the lowest in 29 years, the inflation rate the lowest in 33 years. More than 6 million American families have realized their dreams of owning a first home; another 10 million have refinanced the homes they had. Today, home ownership is the highest in history. And for millions of Americans, these lower interest rates have amounted to an unofficial tax cut of tens of billions of dollars -- making a college education, a new car, a family vacation more affordable.

Now, balancing the budget and increasing our investment in our people is the core of a new vision of government, one that lives within its means; one that is the smallest in 35 years, but with the Vice President's leadership, has been redesigned to meet the challenges of this new era; one that cuts wasteful spending, but also makes significant investments in education, health and the environment. We have done a lot to make this new economy. But we now have to do more to see that all of our people can participate in it fully.

Our success has helped to inspire confidence here and around the world. Six years ago, when I went to my first G-7 meeting in Tokyo, every leader told me that America was holding the rest of the world back and that unless we were willing to get our deficit down we would always be a drag on the world -- we were taking money away, we were keeping interest high, that it was unfair.

Well, what we have done in the last six years has also helped to spark economic growth elsewhere. But now that there is so much turbulence for other reasons in other parts of the world, it is important to remember that our growing economy is today serving as a bulwark of stability in the rest of the world and that without it the rest of the world would be in much worse shape, indeed.

Now, let me just ask you very briefly before we close in this celebration, what are we going to do with this moment of celebration of the balanced budget and unprecedented prosperity? What exactly are we going to do with it? That really is before the American people today.

We see from troubled economies around the world, in my view, that this is not a time to simply celebrate and rest. It is not a time to be distracted from our mission of strengthening our country for the new century, of leading the world toward prosperity, peace and freedom, of bringing our people together.

For the sake of our children, now that we've balanced the budget, I think the first thing we ought to do is commit ourselves to save Social Security for the 21st century. (Applause.) The system is in very good shape now, but everyone knows in its present terms it is not sustainable when the baby boomers retire, and that if we do not act now, when the baby boomers do retire, we will be confronted with two very unpleasant choices. One is to lower the standard of living of the baby boomers so that their children can continue on with their business. The other is to lower the standard of living of their children and their ability to raise our grandchildren so that we can live in the same manner that seniors today are living. Neither choice need be made if we act now with discipline and use the fact that we're going to have this surplus to make a down payment and to begin with deliberation to save Social Security. It is a huge issue.

Now I am well aware that it is a popular thing, particularly right here, just four weeks and change before an election day, to serve up a tax cut -- to say, well, we've got a surplus, we're going to give you some of your money back. But all of us know this surplus was run up over the years -- or the deficit over the years was made smaller because we actually were taking in more money in Social Security taxes than we were paying out. And all of us know that this problem is looming out there and will need money to fix. And so I think the American people have waited 29 years, and I think most Americans would like to see the ink change from red to black and then just dry a little before we put it at risk. (Applause.)

But if you think about this issue, there is hardly anything that goes to the core of what we are as a people more than our sense that we owe an obligation to both our parents and our children. And if we squander this surplus and start spending a little here, a little there, a little yonder on the tax cuts just because we're a few weeks before an election, before we take care of this, what are we going to do when times get tough and we still have to take care of it?

So I say to all of you again, I think that's the first thing that we ought to do. We are not against tax cuts. There are tax cuts in this budget, as has already been said, for education, for child care, to help small businesses provide pensions for their employees. There are tax cuts for environmental investments that help to cut energy bills. But we don't take any money out of the surplus. We adopted a disciplined framework for the future in 1997; we ought not to depart from it. We had a bipartisan commitment to that framework in 1997, and we ought not to depart from it. (Applause.)

The second thing we ought to do is to recognize that we have money set aside in the budget to invest in education and we're still a long way from having the ability to say that every American child can get a world-class education. We ought to fund smaller classes. We ought to fund the initiative to revitalize, repair or build 5,000 schools; to hook up all our classrooms to the Internet; to give kids in troubled communities mentoring programs, that guarantees they can go on to college; after-school programs, summer schools programs, the kind of things that don't treat them as failures just because the system they've been in has failed.

We ought to pass the patients' bill of rights for the 160 million Americans that are in managed care to put health care first and make sure you're managing for a healthier America, not the other way around. We ought to keep the economy going and maintain our leadership in the global economy by funding our fair share of the International Monetary Fund because, as Alan Greenspan said the other day, we cannot forever maintain our position as an island of prosperity in a sea of distress.

Now, that's what we ought to be doing. So we're here to celebrate. But this country is here now, after 220 years, still again at the top of its game, having totally debunked all the defeatists who said we were in decline. But let's not forget why it happened. Don't you ever forget that these seven people back here stood up, and a lot like them, and laid their jobs on the line for ac's future.

Now, when no one has that kind of risk, nobody is being asked to cut their throat and give up a job they love and work they believe in to do the right thing, no one is being asked to do that, how can we possibly walk away from this session of Congress -- when there is no pain in doing the right thing, not the kind of pain they had to endure -- without saying we're going to save Social Security first, put education as our first investment priority, pass a patients' bill of rights, and keep America and the world's economy growing? How can we do that? We owe it to the people who made the sacrifice that brought us to this day to build for another day. We should not sit on or celebrate this balanced budget, we should build on it.

Thank you very much. (Applause.)

END 11:40 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 1, 1997

STATEMENT BY THE PRESIDENT ON THE ECONOMY

Rose Garden

11:12 P.M. EDT

THE PRESIDENT: Good morning. Today Congress will send to me for my signature the first balanced budget in a generation. This budget will help millions of families to raise their children, educate them, and provide health care for them. It is an investment in the hopes and dreams of the American middle class, and I look forward to signing it.

This morning we have further evidence that the strategy of balancing the budget while investing in our people and selling more American products around the world has helped to produce sustained prosperity for Americans. The new figures indicate 4.8 percent unemployment in July and 316,000 new jobs. Our economy is growing with the lowest unemployment in 20 years.

This economic rebirth is due to many things: first and foremost the hard work and productivity of American businesses and American workers, the spirit of American entrepreneurs, the diligence of the Federal Reserve. But there is no doubt that the economic strategy we put in place in 1993 created the conditions for the extraordinary private sector growth we have all witnessed.

The day I took office, the deficit was $290 billion; today, even before the budget agreement, it had been reduced by 80 percent. Four straight years of deficit cuts have begun to put our fiscal house in order. The low interest rates that have resulted have produced the economic expansion as well as real benefits for ordinary Americans: lower car payments, lower mortgage rates, lower credit card rates.

It also made possible -- that 1993 did -- this budget agreement that has spending cuts and tax cuts and very large increases in investments in education and health care.

This year we had a choice -- whether to succumb to gridlock and undercut confidence in our economy, or continue our successful strategy into the 21st century. I am pleased that very large bipartisan majorities in both chambers, including over 75 percent of the Democrats on all the votes, have voted to continue our economic approach and keep our prosperity going. There are many reasons why I believe it will strengthen America, but let me just mention one of them as I close.

For years, as our economy has gathered momentum, we've looked for ways to make sure all Americans reap the rewards of that prosperity. The tax cuts in this balanced budget will directly and immediately improve the standard of living of millions of middle class families. For a typical middle class family with two children, the child tax credit alone amounts to a thousand-dollar raise in take-home pay. The college tax cuts will help families even more. And by encouraging more Americans to get the education they need, these education tax cuts will boost the long-term earning potential of all Americans who use them and therefore the long-term strength and wealth of the American economy.

Let me make one other point. This balanced budget will close a chapter in American history: years -- decades, in fact -- when our people doubted whether government could work for them and questioned whether our nation could set and meet goals. Over the past four years, through tough, persistent, patient effort, we have made unparalleled progress, rolling back the crime rate, reducing welfare rolls by historic numbers, and now finishing the job of balancing the budget. All Americans can be proud of what has been accomplished.

But let me say, too, that we know there are still challenges we have to meet to fully prepare our people for the 21st century. We must move ahead now to set national education standards and test our children on whether they're meeting them; to make further progress in the work of racial reconciliation; to open more foreign markets to American products; to move on our environmental problems; and finally, to address the very real challenges of long-term entitlement reform. I look forward to dealing with all these issues.

If we follow the path that has proven so successful in this balanced budget process, working to find common ground on common challenges, then I have no doubt that we will move forward together into the 21st century.

Thank you very much.

Q Is there a connection between -- and the New York arrests? Is there a connection there?

Q Mr. President, there seems to be some confusion about whether or not you think this is a good time to send Secretary of State Madeleine Albright on her first trip to the Middle East. Could you tell us where that possibility stands, and the level of cooperation between the Israelis and the Palestinian Authority? And if you could, what, if any, connection to the Middle East, to the Jerusalem bombing occurred in New York yesterday with this foiled bombing plot?

THE PRESIDENT: Let me -- Mr. Plante asked that question, and you asked that. Let me try to answer both of them. I have to go meet with President Aliyev of Azerbaijan, but I will try to answer them both quickly.

First of all, when the period of mourning is over, I will send Dennis Ross to the Middle East to meet with the leaders there with our latest ideas. I think it was appropriate to delay that in view of the terrible loss of life from the bombing. And then we will see where we are. I have said all along that I would send the Secretary of State to the Middle East at the appropriate time. But I want Mr. Ross to go there to do the work I am sending him to do to get the reaction of the leaders and then we'll make a decision.

Secondly, with regard to the arrests in New York yesterday, first of all I'd like to commend the law enforcement officials -- both the New York City officials and the federal officials who were participating in it; and secondly say that I cannot comment and cannot reach a final conclusion yet because I haven't received a report of the direct investigation done, including the interrogation of the people who were arrested.

But I will say that we have worked very hard in this country to increase our capacity to deal with terrorism. It is something we take very seriously, and we will continue to do that. We will work very hard. But I think it's important not to reach conclusions before we have iron-clad evidence to support them. The main thing we need to do is to thank the law enforcement officials for what they did and to continue to heighten our vigilance and our capacity to deal with such matters.

Thank you very much.

END 11:19 A.M. EDT