I believe that it is essential that cooperation between the United States and EURATOM continue, and likewise, that we work closely with our allies to counter the threat of proliferation of nuclear explosives. Not only would a disruption of nuclear cooperation with EURATOM eliminate any chance of progress in our negotiations with that organization related to our agreements, it would also cause serious problems in our overall relationships. Accordingly, I have determined that failure to continue peaceful nuclear cooperation with EURATOM would be seriously prejudicial to the achievement of U.S. nonproliferation objectives and would jeopardize the common defense and security of the United States. I therefore intend to sign an Executive order to extend the waiver of the application of the relevant export criterion of the Atomic Energy Act until the current agreements expire on December 31, 1995.

William J. Clinton

The White House,
March 9, 1995.

Letter to Congressional Leaders Transmitting a Report on International Agreements

March 9, 1995

Dear Mr. Speaker: (Dear Mr. Chairman:)

Pursuant to subsection (b) of the Case-Zablocki Act (1 U.S.C. 112b(b)), I hereby transmit a report prepared by the Department of State concerning international agreements.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Jesse Helms, chairman, Senate Committee on Foreign Relations.

Message to the Congress on the Financial Crisis in Mexico

March 9, 1995

To the Congress of the United States:

On January 31, 1995, I determined pursuant to 31 U.S.C. 5302(b) that the economic crisis in Mexico posed "unique and emergency circumstances" that justified the use of the Exchange Stabilization Fund (ESF) to provide loans and credits with maturities of greater than 6 months to the Government of Mexico and the Bank of Mexico. Consistent with the requirements of 31 U.S.C. 5302(b), I am hereby notifying the Congress of that determination. The congressional leadership issued a joint statement with me on January 31, 1995, in which we all agreed that such use of the ESF was a necessary and appropriate response to the Mexican financial crisis and in the United States' vital national interest.

On February 21, 1995, the Secretary of the Treasury and the Mexican Secretary of Finance and Public Credit signed four agreements that provide the framework and specific legal arrangements under which up to $20 billion in support will be made available from the ESF to the Government of Mexico and the Bank of Mexico. Under these agreements, the United States will provide three forms of support to Mexico: short-term swaps through which Mexico borrows dollars for 90 days and that can be rolled over for up to 1 year; medium-term swaps through which Mexico can borrow dollars for up to 5 years; and securities guarantees having maturities of up to 10 years.

Repayment of these loans and guarantees is backed by revenues from the export of crude oil and petroleum products formalized in an agreement signed by the United States, the Government of Mexico, and the Mexican government's oil company. In addition, as added protection in the unlikely event of default, the United States is requiring Mexico to maintain the value of the pesos it deposits with the United States in connection with the medium-term swaps. Therefore, should the rate of exchange of the peso against the U.S. dollar drop during the time the United States holds pesos, Mexico would be required to provide the United States with enough additional pesos to reflect the rate of exchange prevailing at the conclusion of the swap.

I am enclosing a Fact Sheet prepared by the Department of the Treasury that provides greater details concerning the terms of the four agreements. I am also enclosing a summary of the economic policy actions that the Government of Mexico and the Central Bank have agreed to take as a condition of receiving assistance.

The agreements we have signed with Mexico are part of a multilateral effort involving contributions from other countries and multilateral institutions. The Board of the International Monetary Fund has approved up to $17.8 billion in medium-term assistance for Mexico, subject to Mexico's meeting appropriate economic conditions. Of this amount, $7.8 billion has already been disbursed, and additional conditional assistance will become available beginning in July of this year. In addition, the Bank for International Settlements is expected to provide $10 billion in short-term assistance.

The current Mexican financial crisis is a liquidity crisis that has had a significant destabilizing effect on the exchange rate of the peso, with consequences for the overall exchange rate system. The spill-over effects of inaction in response to this crisis would be significant for other emerging market economies, particularly those in Latin America, as well as for the United States. Using the ESF to respond to this crisis is therefore plainly consistent with the purpose of 31 U.S.C. 5302(b): to give the United States the ability to take action consistent with its obligations in the International Monetary Fund to assure orderly exchange arrangements and a stable system of exchange rates.

The Mexican peso crisis erupted with such suddenness and in such magnitude as to render the usual short-term approaches to a liquidity crisis inadequate to address the problem. To resolve problems arising from Mexico's short-term debt burden, longer term solutions are necessary in order to avoid further pressure on the exchange rate of the peso. These facts present unique and emergency circumstances, and it is therefore both appropriate and necessary to make the ESF available to extend credits and loans to Mexico in excess of 6 months.

William J. Clinton

The White House,

March 9, 1995.

Remarks on the Administration's Economic Strategy and an Exchange With Reporters

March 10, 1995

The President. Good morning. Today's employment report shows that the economic strategy pursued by our administration has worked for the last 2 years, thanks not only, of course, to our economic policies but also to the dramatic increases in productivity by American businesses and American workers.

The new unemployment rate of 5.4 percent is the lowest in almost 5 years. We have the lowest combined rates of unemployment and inflation in 25 years. The fundamentals of this economy overall are healthier than they have been in a generation.

When I took office, we had had 12 years in which the deficit had quadrupled and investments in our people had been ignored. There was no job growth. That's not true anymore. Our disciplined plan to reduce the deficit, lower trade barriers to American products and services, and invest more in the future of our people through education, training, and technology, is working.

Let me underscore this: As of today the economy has produced 6.1 million jobs since I became President. And if Michael Jordan goes back to the Bulls it will be 6,100,001 new jobs. [*Laughter*] That includes, I might add, 14 straight months of manufacturing job growth, something almost unheard of in the modern era. And encouragingly for our biggest continuing economic problem, last year we had more high-wage jobs coming into the economy than in the previous 5 years combined.

Those are 6.1 million reasons for this country to stay committed to an economic strategy of opportunity and responsibility, disciplined commitment to investment in the future of our people through education, training, and technology, selling our products, and reducing our deficit. We have reduced the deficit by $600 billion, and of course, our new budget proposed another deficit reduction in excess of $80 billion.

It has now been 66 days since the new Congress came to town. We are still waiting for the leadership to propose their budget plan. But now we do see that there is a pro-