

I thank him for embodying the best of what we all hope the world can become, for his leadership, for reform, for putting a good team in place, for lifting the morale of the people who work here on all our behalf. And I ask all of you to join me in a toast to the Secretary-General and the staff of the United Nations.

NOTE: The President spoke at 1:50 p.m. in the North Delegates Lounge. In his remarks, he referred to U.N. General Assembly President Didier Operti.

**Remarks at Strengthening
Democracy in the Global Economy:
An Opening Dialogue
in New York City**

September 21, 1998

President Clinton. Thank you very much, John. I would like to thank you and the NYU School of Law, the Progressive Policy Institute, the World Policy Institute, and the New School University—all of you—for your support of this endeavor. And especially, we want to thank NYU Law School for hosting this.

I'd like to thank Hillary and the people on her staff and others who worked with you to conceive and execute this remarkable meeting. I want to thank all the participants here on the previous panels. I have gotten a report about what you've said, and I will try not to be repetitive. I would also like to thank Prime Minister Blair, Prime Minister Prodi, President Stoyanov for being here and sharing this couple of hours with me. I want you to have the maximum amount of time to hear from them.

If you listened to the people in the earlier panels today, you know kind of how this so-called "third way movement" evolved, beginning in the 1980's here, in Great Britain, and in other places. If you look around the world, there is an astonishing emergence in so many countries, and obviously in different contexts, of people who are trying to be modern and progressive. That is, they're trying to embrace change; they're trying to embrace free markets; they're trying to embrace engagement in the rest of the world. But they do not reject the notion that we have mutual

responsibilities to each other, both within and beyond our national borders.

Most of us have very strong views about the role of government. We believe that the government should support a pro-growth policy but one that is consistent with advancing the environment. And that's the other thing I know you've heard before, but there are hard choices to be made in life and in politics. But not all choices posed are real.

One of the things that paralyzes a country is when the rhetoric governing the national civic and political debate is composed of false choices designed to divide people and win elections but not to advance the common good once the elections were over. I think that, more than anything else, that feeling that I had many years ago back in the eighties got me into trying to rethink this whole notion of what our national political principles ought to be, what our driving platform ought to be.

I think that we have found that yes, there are some very hard choices to be made, but some of the mega-choices that people tell us we have to make really are false, that you can't have a growing economy by pitting working people against business people, you have to get them to work together. You can't have a successful economic policy over the long run unless you improve the environment, not destroy it.

It is impossible to, anymore, have a clear division between domestic and foreign policy, whether it is economic policy or security policy, and I would like to argue, also, social policy. That is, I believe we have a vested interest in the United States in advancing the welfare of ordinary citizens around the world as we pursue our economic and security interests. And of course, that brings us to the subject we came to discuss today, which is how to make the global economy work for ordinary citizens.

I would just say, I'd like to make two big points. Number one is, the rest of us, no matter how good our conscience or how big our pocketbooks, cannot make the global economy work for ordinary citizens in any country if the country itself is not doing the right things. And I think it's very important to point that out. Second, all the countries in the world trying to do the right things won't

make sense unless we recognize that we have responsibilities, collective responsibilities that go beyond our borders, and I would just like to mention a couple of them.

First of all, we have to create a trading system for the 21st century that actually works to benefit ordinary people in countries throughout the globe. That's what all this labor and environmental conditions and letting all the interest groups be a part of the trade negotiations—all of that's just sort of shorthand for saying, "Look, we've got to figure out some way that if wealth increases everywhere, real people get the benefit of it, and it's fairly spread, and people that work hard are rewarded for it."

Second, I think we simply have to realize that while the IMF and the World Bank and these international institutions have proved remarkably flexible and expandable, if you will, over the last 50 years. We are living in a world that is really quite different now with these global financial markets and the increasing integration of the economy. And while, again I say, in the absence of good domestic policies, there is nothing a global system can do to protect people from themselves and their own mismanagement.

The world financial system today does not guard against that boom/bust cycle that all of our national economic policies guard against. That it does not reflect the lessons that we learned in the aftermath of the Great Depression of 1929 nationally. It does not reflect those lessons on an international scale. And I believe that the most urgent thing we can do is to find a way to keep capital flowing freely so that the market system works around the world but do it in a way that prevents these catastrophic developments we've seen in some countries and also may prevent an overindulgence of giddiness in some places where too much money flows in in the beginning without any sort of proper risk premium at all on it.

We have to recognize that there's going to be a global financial system, and we have to think about how we can deal with it in the way each of us deal nationally to avoid depression and to moderate boom/bust cycles.

Now, in the short run, I think there are a lot of other things we have to do. Europe,

the United States, Japan adopting aggressive growth strategies; working through some of the bad debts in Asian countries, dealing with Russia, especially; preventing the contagion from going to Latin America, especially to Brazil. There are lots of other things we can do.

Just one point, finally, I do believe that it is unavoidable that trauma will come to some of the countries in the world through the workout they have to go through. And therefore, I believe that the developed countries, either directly through the G-8 or indirectly through the World Bank, should do much, much, much more to build social safety nets in countries that we want to be free market democracies; so that people who through no fault of their own find themselves destitute have a chance to reconstruct their lives and live in dignity in the meantime. I think that is quite important that Jim Wolfensohn has committed to do that, and I think the rest of us should, as well.

So in summary, I'm grateful that the third way seems to be taking hold around the world. I think if you look at the record of the people on either side of me, the evidence is that the policies work for ordinary citizens and our countries. I think the challenges ahead of us are very, very profound. But I think if we meet them we will find that this whole approach will work in a global sense in the same way it's worked nationally in the nations here represented and in many others around the world.

Thank you very much.

[At this point, Prime Minister Tony Blair of the United Kingdom, Prime Minister Romano Prodi of Italy, and President Petar Stoyanov of the Republic of Bulgaria made brief remarks.]

Philosophy of Government

President Clinton. I would like to start the conversation by asking you to think about your jobs, first from a domestic point of view, just totally within your country, and then we'll move to our global responsibilities.

Let's go back to what Prime Minister Blair said. Basically, the whole idea of this third way is that we believe in activist government, but highly disciplined. On the economic front, we want to create the conditions and

give people the tools to make the most of their own lives, the empowerment notion. On the social front, we want to provide rights to people, but they must assume certain duties. Philosophically, we support a concept of community in which everyone plays a role.

Now, arguably, that philosophy has led, in every one of the countries here present, to some very impressive gains in economic policy, in crime policy, in welfare policy, and all of that. But I would like to ask you instead to talk about what the—what is the hardest domestic problem you face? What do you have to deal with that the—this so-called third way philosophy we've developed either doesn't give you the answer to, or at least you haven't worked through it yet. And how would you analyze what still needs to be done?

I think it's very important that we understand—that we not stand up here and pretend that we have found a sort of magic wand to make all the world's problems go away, but instead we've found a working plan that sensible and compassionate people can ally themselves with and be a part of. But I think it's important that we, frankly, acknowledge what out there still needs to be done, what seems to be beyond the reach of at least what we're doing now.

Tony, want to go first?

[At this point, the discussion continued.]

President Clinton. Former Governor of New York, Mario Cuomo, used to say, "People campaign in poetry, but they must govern in prose." [Laughter]

Prime Minister Blair. Yes, we're on the prose part. [Laughter]

President Clinton. That's one part of what you said. It's also true, as I used to say, that I never met anyone who did not support change in general. Everybody's for it in general, hardly anyone is for it in particular. And I think that's another problem we face. But I agree with that.

I'd like to follow up, but I'd like to go—Romano, what's your biggest domestic challenge?

Prime Minister Prodi. My prose, my prose. [Laughter] My problem is that—

President Clinton. Italians never have to speak in prose. [Laughter]

[The discussion continued.]

President Clinton. I might say one of the interesting things to me as an American about this consultative process in European governments is the extent to which it really does seem to work very well when practiced in good faith. I was just in Ireland, and Ireland has had the fastest growing growth rate in Europe, I think, for the last several years. Of course, it was starting from a lower base.

But they have an intensive system like the one you describe. And I have been particularly interested in the practice in The Netherlands, and they have sort of a third way government. I wish that Prime Minister Wim Kok were here, but he couldn't come. But they actually have an unemployment rate more or less comparable to what—to Great Britain and the United States, and a more—certainly a more generous social safety net than we do, with a very, very high percentage of part-time workers showing a higher level of flexibility in the work force than virtually any country with which I'm familiar. So I think there is something to be said for this.

One of the things that I think will be interesting is to see whether or not this whole model can produce both a good macroeconomic policy, which gives you growth, and lower unemployment in a way that still saves enough of a safety net for people to believe they're in a just society. I mean, it's a very tough thing.

In France—France has had significant growth in several years and still not lowered the unemployment rate. So this, I think, is a big challenge. But I think the point you made is very good.

What's your biggest domestic problem?

[The discussion continued.]

Problem-Solving in Advance

President Clinton. I would like to make a brief comment and then go into the second question, and then after we all do that, then maybe Dean Sexton will come up, and we'll go through the questions. I think one big problem that prosperous countries have is, even if you have the right sort of theory of

government, even if you have a strong majority support, is dealing with the huge problems that won't have their major impact until a good time down the road.

For example, almost all developed economies are going to have a serious intergenerational problem when all the so-called baby boomers retire. And we are hoping that sometime early next year, that we'll be able to get our big national consensus in America to reform Social Security system, the retirement system, and our Medicare system, our medical program for elderly people, in a way that will meet the social objectives the program has met, in Social Security's case, for the last 60 years and in the case of Medicare for the last 30-plus years.

And we know if we start now, we can make minor changes that will have huge impacts. If we wait until it's a major crisis, then we'll either have to raise taxes and lower the standard of living of working people and their children to take care of the elderly, or we'll have to lower the standard of living of the elderly to protect the working people and their children.

So, clearly, this is something that, it's really worth beginning now on because by doing modest amounts now, you can avoid those dire consequences. And to be fair, I think the whole success of our kind of politics consists in our being able to hold people together, to give people a sense that there really is a genuine sense of community out there.

Ironically, in Japan, they have just the reverse problem: everybody is so panicked about it because their society is even older than Great Britain and the United States and Italy that they're almost oversaving, and it's hard to get growth going there. But for us, the other problem is the bigger one.

Now, having said that, I'd like to segue into the international arena. It seems to me that all of us who are internationalists are pretty good at solving problems when they're hitting us in the face, but not very good in convincing our parliaments to give us the investment to build progress over a long period of time, but will avoid those problems in the first place.

For example, we all got together and stopped the war in Bosnia after too many people have died and had been on television

for too long, and there was too much blood in the streets. And it was quite expensive, but we're all glad we did it. Now, for a pittance of what that cost, we could all send him a check, and we'd never have a problem like that in his country. I mean, that's just one example. [*Laughter*] I don't mean just give the money, I mean investment. You know, I don't mean—you know what I mean. But this is a big problem.

Hillary and I were in Africa a few months ago in a little village in Uganda, looking at all these microcredit loans that have gone to women in this small African village and watching them put together the infrastructure of a civil society. Now, the United States funded, with our aid programs, 2 million such loans last year. In a world with 6 billion people, with whom several billion are quite poor, we could fund for a modest amount of money 100 million such loans a year and create the core of a civil society in many places where we would never have to worry about terrorism, where we would never have to worry about huge public health outbreaks, where we'd never have to worry about these massive environmental problems.

So I put that out because I do believe that somehow, the investment systems of the global economy, through the World Bank, the IMF, and other things, are not—nor are the aid systems of various countries or in the aggregate, the EU—adequate to deal with what I think is the plain self-interest of the developed world in helping prove this global system will work for ordinary people, not because it's the morally right thing to do—it is the morally right thing to do—but because it would be good for ordinary Americans 10 years from now not to have to worry about other Bosnias, not to have to worry about the Ebola virus going crazy, not have to worry about the horrible problems of global warming and malaria reaching higher and higher climates. All these things—these are things that require disciplined commitments over a lifetime.

Maybe I've had it on my mind because I've been at the U.N. today, but if you think about what we spend on that as compared to what we happily spend to solve a problem—I mean, for example, if, God forbid, things really went bad in Albania and Kosovo

at the same time, and you called me on the phone and rang the bell, you know, we would all show up. Whatever you tell me to do there, I'm going to try to help you, no matter how much it costs, right?

But for a pittance, over a period of years, we could maybe move so many more people toward the future we seek. And that goes back to the point Tony made. How do you have a genuinely internationalist outlook that resonates with the people that we have to represent, the kind of people that are out there on the street waving to us when we came in today, people who have worked for very modest salaries, and the kind of people that keep NYU Law School going—how do we make the argument that some of the money they give us in taxes every year should be invested in the common future of humankind?

[*The discussion continued.*]

Human Rights Issues

President Clinton. Well, I think it does limit it, but I think that the answer to that is to keep pushing for more democracy and for more gender equality and more concern for all children, especially young girls. A lot of the most perverse manifestation of gender inequality that I have learned from Hillary's experiences has to do with the treatment of young girls and whether they get schooling and other kinds of things that are regularly offered to young boys in some developing societies. So I think that's very important.

But if you go back to your question, we're just celebrating the 50th anniversary of the Universal Declaration of Human Rights, something I talked about over at the U.N. today. Well, those human rights are not universal, but they're more widely embraced than ever before. I think we should push all these things simultaneously. I don't think you can possibly say, "Well, we won't do this until we've got these other nine things done." If we took that approach toward any endeavor in life, no business would ever be started, no marriage would ever be undertaken, no human endeavor would ever be undertaken.

I do think the accurate part of Professor Dworkin's implication is that if there is no prospect of achieving any advances on these fronts, then it's going to be hard to have a

truly democratic market society. I do believe that. But I think that we just have to face the fact that some cultures are going to be different from others, and if they have democratic governments, we should keep pushing them on these other fronts. That's my view, anyway.

[*The discussion continued.*]

President Clinton. At the risk of getting myself in trouble, let me give a very specific example of—Professor Dworkin asked about women's rights. I think there is a very great difference in the question of what our policy should be, let's say toward the Taliban, if they take Muslim women who are doctors and say, "You can't practice medicine anymore," in ways that really put the health system of the country at risk because it violates their religious convictions and how should we approach them.

And how should we approach a country, let's say, in Africa or Latin America which historically has had gross disparities in the education rates of young girls and young boys? I would argue that if you go into those countries and you start putting money into education, you start putting money into education technology, and you start putting money into these villages and microenterprise loans for village women, giving them power, independent power to the economy, that you will get the objective you want by making sure women get treated more equally with men, and their children are much more likely to be treated more equally.

So I think you have to look at it on the facts. Whereas, with another kind of society you might say, "Well, we need to approach a different strategy," But to go back to what Mr. Prodi said, 9 times out of 10 or more, it doesn't make any sense to isolate them. It's still better to try to find some way to engage these countries and work with them if they're willing to deal with us on peaceful and honorable terms.

Education

[*Referring to the First Lady's description of the government, the economy, and society as three legs of a stool, moderator John Sexton, dean, New York University School of Law,*

read a question concerning the role and goals of education, and the discussion continued.]

President Clinton. I think the issue in education—I think the first question was, should it primarily teach good citizenship. I agree with Tony—you can't be a good citizen if you can't function. I think what you want is an education system that teaches knowledge, citizenship, and learning skills. You basically have to teach people how to keep learning for a lifetime. And I think that every country is different, but you have to disaggregate what the challenges are.

For example, if the system itself is of good quality but insufficiently accessed, or if there is no system, then what you have to do is just fix something that people can access. If the system is all there, but encrusted to some extent and not performing, then you have to go after the system, and that's much harder. That's what Tony was saying.

In our country, we have now dramatically increased access to higher education. Really, if you look at all the tax benefits, the scholarships, and the work study programs and all this, there's almost no reason that anybody in America who can otherwise qualify shouldn't go to college now. We need to do the same sort of thing, I think, with preschool programs, starting with very young children. We need to build that infrastructure out there. Now, in the schools, we need to do better, and part of it is influence. We need more good physical facilities. We need more teachers in the early grades. We need more teachers in the underserved areas.

But a lot of it is—are quality things. We need more competition. That's why I'm for the charter school movements and public school choice. We need more standards and accountability. That's why I'm for the master teacher movement and for—we need an end to social promotion. But if you do that in the inner-city schools and you have the kind of standards, as Tony is talking about, and you actually hold people, schools, teachers, and students, accountable for student performance, then I would argue, ethically as well as educationally, we are obliged to do what has been done in Chicago and give every child who is not performing well the chance to go to summer school and the chance to be in an after-school program. Chi-

cago now has—the summer school in Chicago is now the sixth biggest school district in America—the summer school—and it's a great thing. And guess what happened to juvenile crime? So I just would point that out.

I think that each society needs an analysis of what it takes to take this three-legged school up—some of it is going to be more, some of it is going to be better. And it's very important not to confuse more with better in either direction, because better won't make more, but neither will more make better. By and large, most of us need to be doing some mix of both.

Mr. Sexton. Mr. President, I would be wrong to leave the topic of education without noting something narrowly self-interested, but important to many of the students, many of the students in this room.

President Clinton. It's the American way; do it. *[Laughter]*

[Mr. Sexton thanked President Clinton for his efforts to eliminate the taxability of loan repayment assistance for law school tuition for former students who choose to forgo higher pay to enter public service.]

President Clinton. I think that's very important. If that were the definition of narrow self-interest that most citizens embraced, this would be a better country today. That's great. *[Laughter]*

[The discussion continued.]

Environmental Issues

President Clinton. First of all, let me go back to the basic question as I remember the basic question was: Will environmental security be like a military security issue in the 21st century? The answer is, I think it's very likely that it will be. And the more irresponsible we are for a longer period of time, the more likely that is to happen.

I think it's useful in looking at environmental problems to break them down into two categories, although there's always some overlap. One is, there is one truly global environmental problem, and that's climate change, because the climate of the Earth is changing in ways that already is disrupting life throughout the Earth.

I mentioned one example earlier. You have mosquitoes at higher and higher levels now

giving people malaria who never got it before. And there's no resistance to it so they're getting sicker, and they're getting on airplanes and flying. And now they're bumping into people at airports, and there's now a phenomenon called airport malaria in the world, where technology and global warming are bumping into each other. That's a global problem. You can see it in weather, in disease, and a little bit in air pollution.

Then there are national problems which have global impacts because they're so big, and they prevent countries from becoming what they ought to: air pollution, water pollution, soil erosion, food supply pollution, those kinds of things. Then there's a huge problem we've got that's sort of in the middle. It's partly the result of global warming and partly the results of national pollution, and that is the degradation of the oceans, which is a breathtaking environmental problem that, if unaddressed, we will pay a huge price for.

Now, from my point of view, there are two big issues here. One is—and I agree with Tony—I think Kyoto is a big step forward. So I go to my Congress that's supposed to be Republican, free market oriented and I say, "Okay, guys, no regulations and no taxes, tax cuts and increases for research and development." And they say, "It's a Communist plot," and they hold hearings—[laughter]—about how, you know, this is just some deep, dark conspiracy to undermine the strength of the United States.

Now, wait a minute. You're laughing about this, but actually behind this, as opposed to some other things, there is the core of an idea they have. [Laughter] This idea, widely shared in the developing world and held onto in America more than any other developed country, is—it goes right against what Tony said is—this is a very serious comment; we're having fun, but this is a serious conversation—their idea is that there is an inevitable iron connection between the production of greenhouse gases through the burning of fossil fuel and economic growth, and if you reduce greenhouse gases going into the atmosphere there is no way on Earth that you will not reduce economic growth.

There's all this business about technology and conservation and it's all a big plot designed to bring down the growth machine

of America. Now, you laugh—we've had hearings on it. We've spent hundreds of thousands of dollars complying with subpoena requests and document requests and sending witnesses up to the Hill to basically say, "This is not a conspiracy to destroy the future of America."

But the serious idea here is, if you want something done about climate change, you must prevail in every developing country with evidence—evidence that there is no longer an iron connection between the burning of fossil fuels and economic growth.

The second point I want to make goes to the second question they ask, about how come we spend so little on foreign aid on the poor now? Because they don't have any votes in our country and because we don't think enough about it. I mean, every year my foreign aid budget is cut back.

But one thing we can do is to participate jointly with other countries in environmental projects in developing countries in ways that help reduce climate global warming and create lots of jobs in areas where there are lots of poor people. I believe if there is a serious global effort to deal with these environmental challenges, we would be investing all over the world the way the United States did, for example, in a massive reforestation project in Haiti. And when you do that kind of work—a lot of this work is very basic work that needs to be done—you can create huge numbers of jobs for poor people who would otherwise not have them.

So I would say to all of you, I think this is a big opportunity—I tried to say some provocative things to make you laugh so you'd listen, because it's late in the day and you're all tired. But I'm telling you, the biggest environmental—the obstacle to our having responsible environmental policy in the whole world, including in the United States, is the belief of too many policymakers in 1998 that there is still an iron law between how much junk you put in the atmosphere and how much your economy grows.

And until we break that in the minds of decisionmakers, we will not do what we should do on the climate change challenge. And until we do it, we are playing Russian

roulette with our children's future and running an increased risk that this will be the national security issue of the 21st century.

[*The discussion continued.*]

Closing Remarks

President Clinton. John, I would like to thank you, the law school, and NYU and the other sponsors of the event. Again, let me thank all of you who participated. And I want to thank Hillary and Sid Blumenthal and the others who conceived of this, and Mr. Blair's folks in Great Britain who worked so closely with us on this.

I would like to close with—ask for just a brief reprise of two things we talked about. One is, can this whole third way approach be applied successfully to long-term problems that have big consequences before they have them, i.e., in American terms, Social Security, Medicare, climate change. Two is, can we not only develop a global consciousness and global policies within our respective country but actually band together to deal with this present global financial challenge in a way that gives us a trading system, a labor rights system, an environmental system, and a financial system that, in effect, recreates what works on the national level globally, that in effect takes these great 50-year-old institutions and does whatever has to be done to make sure that they see us through for the next 50 years.

Will the ideas that we've developed and the approach that we have developed work in those two great areas of challenge? Because if they do work in those two great areas of challenge, then I think that the 21st century is in very good hands.

Thank you very much.

NOTE: The President spoke at 4:42 p.m. in Greenberg Lounge at the New York University School of Law. In his remarks, he referred to Ronald Dworkin, professor, New York University School of Law; and James D. Wolfensohn, president, World Bank. The transcript made available by the Office of the Press Secretary also included the opening remarks of Prime Minister Blair.

Statement on the Death of Florence Griffith-Joyner

September 21, 1998

Hillary and I are shocked and saddened by the sudden death of Florence Griffith-Joyner. America—and the world—has lost one of our greatest Olympians. Ten years ago, in a blazing 10.49 seconds, Flo-Jo sprinted to Olympic gold and earned the right to be called the “World's Fastest Woman.” We were dazzled by her speed, humbled by her talent, and captivated by her style. Though she rose to the pinnacle of the world of sports, she never forgot where she came from, devoting time and resources to helping children—especially those growing up in our most disadvantaged neighborhoods—make the most of their own talents. I was very proud to have her serve as cochair of the President's Council on Physical Fitness and Sports. Our thoughts and prayers go to her husband, Al, her daughter, Mary, and her entire family.

Remarks During Discussions With Prime Minister Keizo Obuchi of Japan and an Exchange With Reporters in New York City

September 22, 1998

President Clinton. Let me say that I'm very sorry that the weather didn't permit us to go up to Tarrytown today, but I'm pleased to welcome Prime Minister Obuchi and his entire team here. I have also invited the Prime Minister to come back for an official visit early next year so that we can work very closely together on the challenges we face. The United States has no more important relationship in the world than our relationship with Japan, for common security concerns, to advance democracy and peace, and in our common economic endeavors.

So we just had a good hour-long meeting, and we're going to have a couple of other sessions today, and then early next year we'll have another meeting.

Prime Minister Obuchi. I am very pleased to have this opportunity of having