

**Memorandum on Funding for
International Financial Institutions
and Other International
Organizations and Programs**

January 28, 1999

Presidential Determination No. 99-11

Memorandum for the Secretary of State

Subject: Presidential Determination Pursuant to Section 523 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277)

Pursuant to section 523 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277), I hereby certify that withholding from international financial institutions and other international organizations and programs funds appropriated or otherwise made available pursuant to that Act is contrary to the national interest.

You are authorized and directed to publish this determination in the *Federal Register*.

William J. Clinton

NOTE: This message was released by the Office of the Press Secretary on January 29.

**Remarks to the United States
Conference of Mayors**

January 29, 1999

Thank you very much for the wonderful welcome. I want to say I'm just as glad to see you as you apparently are to be here. [Laughter] Just looking at you reminds me of why we do what we do. And I thank you so much for your work.

I'd like to thank Secretary Cuomo for his fine remarks, and Secretary Herman, who will have remarks in a moment; and Mayor Corradini for your leadership.

Because this is my only opportunity, I believe, today to see the press and to speak with them and with the American people, I

hope you will forgive me because I need to make a couple of remarks about some developments in Kosovo at the beginning.

Kosovo

You remember that 2 weeks ago there was a massacre in the village of Racak. After that, we insisted that the Serbian authorities stop their repression and meet their commitments. Today Secretary Albright forged an agreement with our Contact Group allies, France, Germany, Great Britain, Italy, and Russia, on a common diplomatic strategy to achieve compliance with the rules of the international community. With our allies in NATO, we stand ready to back that strategy with the threat of force.

Our goal is not merely to respond to the recent atrocities in Kosovo but to help resolve the conflict so that the violence can end for good. The Contact Group has now approved the terms of an interim agreement that would do just that, by protecting the rights of all the people of Kosovo and giving them the self-government they clearly deserve.

Both sides now have an opportunity to stop a war that neither side can win and to start building a better future for all the people by peaceful means. To that end, the international community has sent a clear message to the authorities in Belgrade: The time for denial and delay is past. NATO is united and ready to act if you don't.

I want to thank, again, Mayor Corradini, Mayor Webb, Mayor Coles for greeting me. Like Deedee, I want to say how much I appreciate the work that Mickey Ibarra and Lynn Cutler do to bring the mayors and the White House together to give us, I think, a virtually unprecedented working relationship. And I intend to keep it going.

Domestic Agenda

I want to thank all the members of the Cabinet and the administration who are here. There is a stunning array—the whole Government is here on the front row. I hope there is no emergency in any department today while we are all here. [Laughter] I feel rather badly about this; they've probably heard this speech a hundred times before. But I thank them. I think their presence here

is evidence of the seriousness with which we take our responsibilities to work with you.

I also want to thank Mayor Corradini for her leadership on the census. I know we may have some questions about that later, but just let me say the Supreme Court struck down the use of sampling for congressional apportionment among the States. It reaffirmed our use of these scientific methods for other purposes. We remain committed to making the 2000 census both accurate and fair, and we are working very hard, as—Secretary Daley is working very hard to try to determine how we can best do that and have the most useful and accurate census we can.

You know, one of the reasons I ran for President 7 years ago is to do something about the then condition of our cities. I also was encouraged by what I saw as I visited cities in 1991 and 1992, and I saw, even with the country in pretty bad shape, there were places where people were actually solving problems, where hope had returned because change was occurring. And I believed then, as I said in my first inaugural, that there is nothing wrong with this country that can't be fixed by what is right with our country. I have always believed that, and you have proved that that is right.

Now, since 1993 we have worked together, as I have said thousands of times, to create an America in which there is opportunity for all of our citizens, responsibility from all our citizens, and a community that includes all our citizens. No group of Americans is more committed to that than our mayors.

We've had a strategy for the new economy: to balance the budget, to invest in our people, to sell more of our goods and services around the world. We balanced the budget for the first time in nearly 30 years and still almost doubled our investment in education and training. The strategy has helped to steer our Nation through some tough global currents. And as you know, our economy is doing very well.

This morning we received more good news about the American economy. I can now report that in the fourth quarter of 1998, our economy grew at 5.6 percent. For the entire year, the growth rate was 3.9 percent, giving us the longest peacetime expansion in the

history of the United States with the lowest peacetime unemployment rate since 1957.

I remember after I was elected, we were sitting around the table at the Governor's Mansion in Little Rock arguing about our economic strategy. And I had all these folks come in from around the country, and they said, "Now, Mr. President, you just cannot grow the economy at more than 2½ percent for more than a year or two without having uncontrollable inflation." And I said, "Well, I'm not an economist, but I know what technology is doing, and I don't believe that." And at least for 6 years, it hasn't been so. The American people have proved that through productivity and hard work, we can grow the economy, reduce unemployment, and if we do the right things, by the way, we can also improve the environment, not destroy it.

So this is an encouraging thing. Today we're releasing an interim state of the cities report that tells the story of economic growth in the cities. Unemployment in our central cities has fallen by 40 percent since 1992; 4 of our largest 10 cities have cut their unemployment rates in half. We have the highest real wage growth in two decades; the lowest African-American and Hispanic unemployment rates since such things were first measured in 1972; average family income up by \$3,500; the lowest crime rate in, now, about 26 years, and a drop in our cities that averages 27 percent.

All of you in this room should be proud of what you have done, and I'm proud of what we've been able to do together. But I would like to reiterate today, in terms specific to the cities and our urban agenda, the general point that I made at the State of the Union Address. The present prosperity is an opportunity and a responsibility to make sure that opportunity and prosperity reaches every person in every corner of this country, into every neighborhood in every city of this country.

If we cannot do this now, with what some people believe is the strongest overall economy in our history, believe me, we will never get around to doing the job. And so I think we should all be very up front and say: This is a dynamic economy; you don't ever stand

still in it; if you don't keep going in one direction, before you know it you'll be going in the other. And so what is our clear responsibility is also in the self-interest of all our citizens.

And I hope you can talk to people about that in all your communities. This is not a time to say, isn't this wonderful, and let's take another vacation. This is a time to say all these things that I bet you everybody in this room has talked about and worried about, wrung your hands about, probably for decades before you ever showed up in city government. It's finally a time that we can deal with these challenges. And that's what I have tried to construct a budget to help you do.

Secretary Cuomo sort of brushed by the remarkable role that HUD has played in the last 6 years, not only in helping you to grow the American dream in our cities but also to reinvent the Department of Housing and Urban Development, to make it smaller and able to invest more and have a bigger impact out there where people live.

David Osborne, the intellectual godfather of this whole REGO movement, said that HUD is a model of reinvention in the nineties. The balanced budget that I will submit to Congress will increase the overall HUD budget by \$2½ billion, to \$28 billion. It will support HUD's community empowerment fund: 100,000 new vouchers to make housing more affordable; dozens of other innovative steps. I want you to support this in the Congress. We have to have votes from Members on both sides of the aisle in both Houses to pass the HUD budget.

But if we're going to reach every person in every corner of every city, we have to do more, and Mayor Corradini mentioned some of the things, but I'd like to run over them with you.

First, we have to create more economic opportunity. The best poverty program, the best anticrime program, the best urban program is still a job for every person who will work. We've created now 31 empowerment zones to bring the spark of private enterprise to inner cities. The Vice President announced the 20 newest zones earlier this month. I will ask Congress to fully fund this round to help support another 90,000 jobs.

We created a network of community development financial institutions, and we now propose increasing the investment in that. We strengthened and streamlined the Community Reinvestment Act, encouraging banks—just since we've been here—to make over \$1 trillion in financial commitments. Since the CRA became law in 1975, 95 percent of all the commitments made under it have been made since 1993.

And I hope you noticed that during this period our banks have not gone broke. [Laughter] I bet the town banker is doing pretty well where you live in a big city or a small town. And yet, unbelievably enough, when we are proving it is working, the Community Reinvestment Act is under fire again.

Again, this ought not be a political deal. Every American has an interest in seeing that every economic opportunity in every community is seized. And if it is a good investment, it's a good investment. The banks are not going broke; they're doing well. The Community Reinvestment Act is a good thing. I hope you will help us protect it and support it. Now, even so, capital still bypasses a lot of areas where it's most needed.

I said in the State of the Union, I'd like to say again, today the largest pool of ready untapped investment opportunity and new customers is not overseas; it's in our backyard, in Harlem or Watts or Appalachia, even our Native American reservations. According to a recent Harvard Business School study, underdeveloped communities in America still control more than \$85 billion a year in purchasing power. That's more than the entire retail market of Mexico, our second largest trading partner.

So I have proposed an initiative to bring jobs and opportunity to the new markets here at home. We should write into law a new markets tax credit: \$1 billion of tax credits over 5 years, worth 25 percent of the amount of equity placed in investment funds, community development banks, and other investment vehicles targeted for these untapped markets.

We should create "American Private Investment Companies," modeled on the Overseas Private Investment Corporation, that would provide for guarantees of a portion of

private equity investment of up to \$1½ billion a year over the next 5 years. We should create new market venture capital firms to bring capital and technical assistance to small businesses in distressed areas.

Thousands—literally thousands and thousands of opportunities of entrepreneurs in this country just need a little capital and a little guidance to expand their businesses and to create new jobs. All told, this new markets initiative will bring \$15 billion in new private sector investment, our most significant opportunity in years to break the cycle of poverty and joblessness in the neighborhoods where unemployment is still too high, and that 5.6 percent does not mean anything. I ask you to help me make sure it means something from now on to every American in every community.

We have to do more. I announced in the State of the Union that welfare is at its lowest level in three decades. Caseloads have been cut nearly in half. That's the good news. The bad news is that the remaining number of people on welfare who are able-bodied and who are required under the law to seek work will very often be harder to place, at least in terms of either their educational level, their skills level, or their difficulty in getting transportation to work, or perhaps they have more children, and therefore it's more difficult to support child care.

And yet we have seen evidence—I think either Secretary Shalala or Janet Yellen in one of the weekly economic reports quoted a report to me recently which said that we had some evidence now that even hard-to-place—people that you would type as hard-to-place welfare recipients—are actually being placed, being trained, and doing quite well, thank you, where the unemployment rate is low and the markets are so tight that employers had to be out and train them and provide the kinds of tools necessary to give them a chance to go to work.

So again I say, I think it is very important that no public official get up here and disempower hundreds of thousands of Americans by saying, "Well, now we have creamed everybody off the top, and these other folks, we'll just have to give up on them." If we had time, I'd have my mayor here, my new

mayor, come up here and tell you his life story. Thank God nobody gave up on him.

So I ask you to help me pass this provision of my budget, which would help us to give another 200,000 people the dignity of work, and reinforce the new markets initiative by making sure people are actually able to work if we can get the investment opportunities to them.

We have to do more to clean up abandoned industrial sites and redevelop them. My balanced budget proposes an abandoned buildings initiative that will help you accelerate your efforts to clean up brownfields and deal with sites with old and unused buildings and turn them into places of opportunity.

Now, every one of these initiatives will require Democrats and Republicans to work together to get through Congress. And every one requires Congress to act; I do not write the checks in America. [*Laughter*] So I need your help, across party lines. These things should be American initiatives. They relate to human potential and private initiative and private sector investment.

Second, we have to do more to keep our cities safer. I thank the mayor for what she said about your position on drug testing. I don't think people ought to be paroled in the first place unless they've been tested, and they're drug-free. And I believe when they're on parole, if they had a drug problem in the first place, they should be tested and should have to stay drug-free to stay out of prison, because I think it will keep your cities safer.

You look at the numbers that the Attorney General gives me all the time, just look at the Federal prison system and the way that it's grown and the number of people there who are there because of drug-related offenses, and the numbers are bigger and the percentages are worse in State facilities. And I despaired for a long time—I ran a big prison system when I was a Governor for 12 years, and I dramatically increased the size of it. And every year I got sicker and sicker to see great world-class facilities being built according to Federal court guidelines for my prisoners, while my kids were going to school in second-class facilities, many of which were too old even to be hooked up to the Internet.

But the point I want to make is this: I don't favor putting people in inhumane conditions,

but I think we're wasting our time if we think we can keep jailing our way out of this situation in the same old way. That's the point I'm trying to make. And we'll have more to say about that later. But let's begin with first things first, with this drug testing initiative.

Secondly, with, I think, the superb partnership between the Justice Department and the local communities, we're going to achieve our goal this year of those 100,000 community police, under budget and ahead of schedule. I wish I had a list of everything everybody who ever voted against that bill in 1994 said. "Oh, this will never work." "Oh, what will happen?" "Oh, the mayors will hate you for doing this." "Oh, how can you do this?" I wish I had a list of all that stuff. [Laughter] The people that were opposed to that, they practically swole up and died when it was passed. You would have thought it was the worst thing that ever happened. [Laughter]

And I am so grateful to you for what you have done with the police program. We worked with you all the way, you and your law enforcement officials. I'm going to give a 21st century crime bill to Congress that will focus on, now, how we can make our communities even safer.

It's fine to say that crime is at a 30-year low. If you're a victim, it's still too high. And no one really believes that the United States, compared to other countries, is a safe country yet. We still have more to do. And no one seriously believes that we can really get private investment into all those places that have been left behind until we get the crime rate down. So part of it involves the drug strategy. Part of it involves, I believe, more police resources deployed in the toughest areas. And the budget we have will help our communities to hire or redeploy somewhere between 30,000 and 50,000 police.

And we had the 100,000 number down quite good, we thought, and we were being conservative, and now we know we're going to get there ahead of schedule and under budget. The reason I give you this rather flexible number—and I said up to 50,000 in the State of the Union—is, obviously, it depends upon where those toughest neighborhoods are, and what the cost per police will be in the neighborhoods where they're de-

ployed. Obviously, you know from the other program, we'll do our best to create the largest number of police possible as quickly as possible to do this.

We also want to enlist probation and parole officers, school officials, faith-based organizations in active attempts to prevent crime in the first place. We want to give your police more high-tech tools to fight crime, from digital mug shots to crime-mapping computers in squad cars. For years, we have seen—you can see in any movie, drug dealers using pagers, scam artists using the Internet, gangs with high-tech weapons. I think the police ought to have access to the same technology that their adversaries do.

I also thank you for what you're doing to take guns out of the hands of criminals, and I ask you not to relent. There is still almost—and it's still bewildering to me, but there is almost a culture war still going on out their over all these issues. I ask for your support as we seek to restore the 5-day waiting period for buying a handgun, to extend the Brady bill to violent juveniles, to pass legislation to require child safety trigger locks. These are three things we can do to save lives. No one is trying to stop anybody from their legitimate right to hunt or have weapons, but we need to pass these bills. And I ask for your support.

The third thing we need to do is keep working on these schools. Now, as all of you know, we not only have the most diverse student population in history, with one in five of our children with—I'll say it again—one in five of our children in school from immigrant families. We have 53 million kids in school, the largest number ever. Secretary Riley loves to say that number and then to look at me and say, "Well, you baby boomers are not the largest generation." [Laughter] And I think that's good because when all those kids get out of school, there will be more of them than us and they'll be able to support me in my old age better. [Laughter] I hope. [Laughter]

Now, there are a lot of good things going on in our schools. I've been in the schools in some of the communities here present. Test scores are up across the Nation. But I'll just—I'll give you one—I don't want to bore you with statistics, because I could talk about

education all day long, but I just want you to think about one thing. What does it say to you that on these international tests, comparing the performance of our children in math and science, our kids—a representative sample of our kids, by race, by income, by region—a representative sample rank at the top of the world on the fourth grade test, drop to the middle in the eighth grade, and are near the bottom in the twelfth grade?

These children are not dumb. The system is failing them, not the other way around. And I think it's important for us to recognize that. Although you've got all of these dedicated teachers out there, you've got schools where everyone is succeeding, where they're all doing well on these exams, where they're all going to college.

Dick Riley and I have been working for more than 20 years together on education now, and I always told him—I always considered—to me the most frustrating thing to me about working in education is that every single problem has been solved by somebody somewhere. And we have simply got to do a better job of replicating success.

We need to finish the job of hiring 100,000 teachers to have class size smaller in the early grades, or we'll start losing the ground we've gained, with all these kids coming into school and all the teachers retiring. So we made a big downpayment on 100,000 teachers last year. We need to continue that. We ought to pass the bill that would enable you to build or modernize 5,000 schools. That's very important.

Again, I say we should—we have to reauthorize the Elementary and Secondary Education Act this year. And I'm going to propose a dramatic change, and it will be very controversial, maybe right across the political spectrum, because I think that we now know what works; we know that there are great schools in every State in this country; we know—I've been in city after city, including this one, where I have been blown away by the performance of some schools, even as I get dismayed by the overall numbers. It is time the United States Government started investing in what is working and stopped investing in what is not.

I am quite sure I'll hear the same thing I heard when we passed the crime bill: You

know, you're trying to decide what they do at the local level. That is not true. The crime bill, as all of you know, was, in effect, written by your local police chiefs and prosecutors and mayors. They came to us, and they said, this is what works. And Senator Biden and others put together a bill that reflected what you were telling us.

There is nothing in this "Educational Accountability Act" that we have not been told at high decibel levels by local educational leaders over and over and over again. And I ask you, if you know—and every one of you know this is true—if you know that every problem in American education has been solved by somebody somewhere, and you know there are certain common elements to the solution, just as there have to be—and you when you run your cities—a tailor-made construction of it, depending on the facts—but if you know there are common elements, how in the world can you keep giving people a check whether those elements are there or not? If you know that we're not spending as much money as we should in education, how in the world can you justify not spending the money we are spending as well as possible?

This is very serious. Now, you can help us to pass this. But I think it is absolutely imperative that we say: no social promotion; quick action to turn around failing schools; qualified teachers; report cards on schools; discipline codes; don't say that kids are failures; fix the system. That's why—Deedee mentioned this—we want to triple the funds that you get for the after-school programs, more investment for the summer school programs.

We know these things work. We know they work. We know they work in the poorest neighborhoods. We know they work in circumstances where people say that you can never turn these schools around. We know they work. We have no conceivable excuse for continuing to invest in what doesn't work and for not investing in what does. I implore you to help me pass a different way of sending Federal funds to invest in our children's future that will work.

I also ask you to help me pass the rest of the budget so we can hook up every classroom and library to the Internet. We're going

to start getting the e-rate that we fought so hard for, so our classrooms, even in the poor neighborhoods, and libraries can afford to hook up to the Internet; to support the America Reads program—we now have 1,000 colleges with young people out in our grade schools helping kids learn to read; to support our Gear Up program—we've got mentors now going into middle schools not only to tutor and mentor our children but to get them to start thinking about going to college and to start telling them when they're in middle school, "Look, here's what the law is. Here's what aid you can get. Here's what the scholarships are. Here's what the Pell grants are. You've got to start thinking about going to college."

I see Mayor Rendell back there; this whole thing was the brainchild of Congressman Chaka Fattah from Philadelphia. And he and I were together with Chaka and a bunch of young kids from the inner city not very long ago, just sitting around drinking a Coke with them. Every single one of these kids wanted to go to college, every one of them, and intended to go and believe they could go. And we need to do that everywhere in America.

Fourth, I'd like to talk just briefly about the preservation challenge you all face. I talked about this at some length in the State of the Union, but we're losing 7,000 acres of green space and farmland every single day. So I have proposed this billion-dollar livability agenda to help you save open space, ease traffic congestion, grow in ways that enhance the quality of lives of your citizens, including the Better America bonds. Carol Browner was telling me yesterday, you kind of like those Better America bonds—it's a tax cut to leverage \$9½ billion in private investment to clean up brownfields, to have clean air, and to do some other things that I think you know will be very important. So I hope you'll help us to pass it.

I hope you'll support our billion-dollar lands legacy initiative, to preserve places of natural beauty all across this country from the most remote wilderness to the nearest city park.

Now, if we can continue in this direction, in expanding economic opportunity and improving education and fighting crime, in making our communities more livable, we

can do better. Even though times are good, we can do better. We can do much better. And we can reach all those neighborhoods and all those people to whom these statistics don't mean a thing because they haven't felt them. And it's in everyone else's interest because that's how we'll keep the overall American economy growing.

Let me just say, parenthetically, I hope you will all support my proposal to set aside the surplus till we fix Social Security and Medicare at the same time, not all of it but most of it—and to do something that we never think about in America, which is paying down some of the debt. The reason I want to do that, especially now, is, you know about all this turmoil overseas; you know how a lot of countries are being punished for having big deficits; you know what will happen if we have to have—either they start having terrible inflation problems or have to have astronomical interest rates. They won't be able to buy as many of our products, and we'll have to develop more within our country.

If we fix Social Security and Medicare and do it by actually saving money until we need it, so while we're saving it, we're paying down the debt, that will keep our interest rates low, and it will free up money that people in the private sector would otherwise spend buying Government debt, to invest in your cities and in your neighborhoods.

So this is a very important part of this whole economic strategy. If the world economy resumes growing, we'll grow even faster. If the world economy—and about half the world is in a recession now—if the world economy stays in trouble, we have to find ways to keep growing, and one of the ways we can do it is to free up more private sector money for private sector investment to create jobs. So I hope you will support that as well. It will have a direct impact on your economic well-being, as well as, obviously, it is of concern because you want your seniors to do well and to be—this generation of seniors is fine, but you want them to do well in the future also.

Let me just make one last point. I know the First Lady is coming over here to talk later today about the millennium. We established this White House Millennium Council

as an inspiration for communities and individuals. We've done a lot of things here. We've helped to save the Star-Spangled Banner and Thomas Edison's home and other things around the country. We've had these White House Millennium Evenings; they've been utterly fascinating. The famous physicist, Stephen Hawking, came over from England and talked to us about the nature of time and black holes in the universe, and all these things we'd find out in the 21st century that I could barely understand. It was fascinating.

We had, early this week, we had two historians of religion come and talk about what the millennium meant to people, from a philosophical and religious sense a thousand years ago, and what it might mean today. Wynton Marsalis came and conducted a seminar on the history of jazz, and how it embodied this last century and what it might mean for the next century. These things have been fascinating. But the millennium will never have its full meaning to us unless it is played out in every single community.

Now, I know most of you are planning to do something, but I would urge you to plan more than a celebration on New Year's Eve. You will all be invited by her to receive national designation as millennium communities by launching projects to save your history, honor your arts and humanities, prepare your children for the new century. I hope you will do that.

Often, when a century turns, it marks a turning point in how people see themselves in the world. Maybe all we do is catch up to what's already going on, but it gives us a chance to sort of stop and think and try to see patterns in our existence. If you look at the turn of the last century, we now see that it was a time of enormous creation and identification by cities: the world's first Columbian Exposition in Chicago; the unification of the five boroughs of New York; the rebuilding of San Francisco after the earthquake. In the early years of the 20th century, America really became a melting pot.

I heard a fascinating story with a friend of mine the other day. Both his sets of grandparents were Italian immigrants, and his grandfather died right after he came over here, leaving his grandmother homeless with

five children, including his mother, the youngest of the children. And we were talking about this incredible dilemma his mother faced because there were homes for orphans, but no places for five kids with a single mother, and how, at the last moment, when they were destitute, she was rescued by this community church in Philadelphia. It was a very moving story.

But we now have this in our consciousness, and we know that the 20th century, basically, was the urbanizing, the industrializing of America, a new wave of immigrants coming in, and how we had to meet those challenges. And this time gives us a time to think again. We can create the community of our dreams in this country at the turn of this century. And the magnitude of the moment is heightened by the fact that it is also the turn of a millennium.

But we must not see our present prosperity from the perspective of self-satisfaction. We should say, thank goodness we happen to be in positions of responsibility, when we have an opportunity the people who came before us never had.

Do you know how many people were mayors of your cities or who held the office of President, in this century, who would have given anything—anything—to have had the chance to do what is right before our eyes? I think we ought to do it.

Thank you very much.

NOTE. The President spoke at 9:50 a.m. in the East Room at the White House. In his remarks, he referred to Mayor Deedee Corradini of Salt Lake City, UT; Mayor Wellington Webb of Denver, CO; Mayor Brent Coles of Boise, ID; Mayor Edward Rendell of Philadelphia, PA; and author and public management consultant David Osborne.

Statement on the Transportation Department's Disadvantaged Business Enterprise Program

January 29, 1999

For 6 years, our administration has worked hard to give more Americans the tools to make the most of their lives. Today I am pleased to announce that the Department of