

Now the IMF is stronger and ready to act. We must make certain that when it acts, it acts to promote global growth and to limit the reach of financial crisis. In turn, this will foster a stronger economy here at home and help our own workers, farmers, and ranchers. It is an insurance policy for our own economy.

By funding the IMF and keeping our economy sound and strong, the United States is doing its part in the world economy. But the world's other leading economies must also do theirs. Europe must continue to promote growth and keep its markets open. And Japan, the world's second largest economy and by far the largest in Asia, faces the most important task of all. I welcome the substantial assistance in Japan's legislation to repair its troubled banking system. Now it's critical to avoid further delay by moving quickly and using that money most effectively.

The United States values our strong relationship with Japan, our political, our security, and our economic partnership. But now the health of Asia's economy and, indeed, the world, depends upon Japan. That is why it must spur economic growth, open and deregulate its economy, and take these immediate steps to strengthen its financial system.

Working with our international partners, we must take further action to promote global growth and to strengthen the world financial system. It is particularly important to find new ways to keep this crisis from spreading. We stand ready to help countries that develop policies to keep their economy strong, and we must continue our work to modernize international financial institutions to meet the challenges of this changing world economy.

When he led the effort to create the International Monetary Fund, President Franklin Roosevelt said that it "spelled the difference between a world caught again in the maelstrom of panic and economic warfare, or a world in which nations strive for a better life through mutual trust, cooperation, and assistance." This week we have strengthened the IMF's ability to make that difference. When America acts and America leads, we can build a stronger, more prosperous economy, not only for our own people but also for the entire world.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

Statement on Signing the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999

October 17, 1998

I have today signed H.R. 3616, the "Strom Thurmond National Defense Authorization Act for Fiscal Year 1999." This Act authorizes Fiscal Year 1999 appropriations for military activities of the Department of Defense, military construction, and defense activities of the Department of Energy. Naming this Act in honor of Senator Thurmond is a well-deserved and appropriate tribute. Senator Thurmond served for 36 years in the U.S. Army Reserve. During his more than 40 years of Senate service, his primary legislative focus has been the national defense of this country and the well-being of our service members and veterans.

This Act provides for a strong national defense and supports our commitment to a better quality of life for our military personnel and

their families. Although I have reservations about some of the provisions of the Act, it authorizes funds for many defense readiness and modernization priorities. By providing the necessary support for our forces, it will ensure continued U.S. global leadership. I am especially pleased that the Act authorizes \$1.9 billion in emergency funding for peacekeeping operations in Bosnia. Moreover, the conferees' revisions to the Act satisfactorily addressed several objectionable provisions that were included in earlier versions.

The Act supports my Administration's views on gender-integrated training by leaving intact our current system of gender-integrated flights, squadrons, and companies in basic training. The Act's provisions on gender-separate housing at

basic training are fully consistent with Secretary of Defense Cohen's recent directives.

The Act contains a prudent and balanced approach on antipersonnel landmine issues. The 1-year moratorium on U.S. military use of such mines is repealed, providing the legislative relief that I had requested. Also, as requested, funds are authorized for research and development on alternatives to antipersonnel landmines and technologies to improve humanitarian demining efforts.

I am pleased with the Congress' continuing support for the important national security activities of the Department of Energy, including the Stockpile Stewardship Program, a program I directed the Department to develop 5 years ago. The success of this program is key to Senate ratification of the Comprehensive Test Ban Treaty, a building block for U.S. national security in the 21st century.

I also commend the Congress for authorizing virtually the entire amount requested for Cooperative Threat Reduction to assist in the elimination of weapons of mass destruction and prevention of their proliferation.

Finally, I am pleased the Act fully funds my request for the development of a national missile defense system.

Notwithstanding the important steps that we have taken to protect military readiness, we need to do more on this critical issue, as I stated in my September 22, 1998, letter to the congressional leadership. In this regard, I have instructed the Office of Management and Budget and the National Security Council to work with the Department of Defense to formulate a multi-year plan, which will detail the resources needed to preserve military readiness, support our troops, and modernize the equipment needed for the next century. I hope the Congress will support my efforts to implement better management practices, cut wasteful overhead, and reduce unnecessary base infrastructure and support services.

Although I believe that the majority of the provisions included in H.R. 3616 are beneficial and support our national defense program, a small number remain problematic. I am disappointed that funds were added to several unrequested research and development and procurement programs at the expense of more constructive programs. I am also dismayed that the Congress failed to enact cost-saving measures, such as additional base realignments and clo-

sures. This will upset the balanced financial plan in the Quadrennial Defense Review and delay our efforts to reduce costs by restructuring our defense establishment.

I am strongly opposed to a provision that, effective March 1999, will transfer the jurisdiction over satellite exports from the Department of Commerce to the Department of State. This change is not necessary to ensure effective control of U.S. exports of satellites and could hamper the U.S. satellite industry. The Congress repeatedly supported the transfer of satellite licensing jurisdiction to the Department of Commerce long before I ordered the transfer in 1996. I strongly urge the Congress to demonstrate its support for a strong domestic satellite industry by passing remedial legislation to halt this transfer of jurisdiction prior to its effective date.

In the meantime, I will take action to minimize the potential damage to U.S. interests that could arise from the Act's export control related requirements. I will direct the appropriate agencies to implement these provisions, subject to appropriate law and regulation, in a manner that supports legitimate commercial communications satellite exports while ensuring that the extensive safeguards needed to protect our national security remain in effect. I will also direct all concerned agencies, subject to appropriate law, regulation, and U.S. national security interests, to employ, to the extent appropriate, time-lines and transparent licensing practices for satellites and related items described in section 1513(a) of the Act in a manner consistent with current dual-use export license processing.

I note that H.R. 3616 also requires that I make certain certifications to the Congress in advance of any export of missile technology or equipment to the People's Republic of China (PRC). Specifically, I must certify that such exports will not be detrimental to the U.S. space launch industry and will not measurably improve the PRC's missile or space launch capabilities. In making this certification, I will be guided by the conference report that notes that "this certification is not, and is not intended to be, a prohibition on the export of U.S. satellites to be launched by the PRC, but is intended to ensure that U.S. national security would not be jeopardized by any such export." I agree with this objective. Further, I take note of the bill's legislative history with respect to the export

of U.S.-made items in connection with emergency repair or replacement for commercial aircraft, and I will exercise the certification authority consistent with that view.

I am disappointed that the Congress, in a well-meaning effort to further protect nuclear weapons information, has included an overly broad provision that impedes my Administration's work to declassify historically valuable records. I am committed to submitting the plan required under this Act within 90 days. In the meantime, I will interpret this provision in a manner that will assure the maximum continuity of agency efforts, as directed by my Executive Order 12958, to declassify historically valuable records.

I am also concerned that several provisions of the Act could be interpreted to intrude unconstitutionally on the President's authority to conduct foreign affairs and to direct the military as Commander in Chief. These provisions could be read to regulate negotiations with foreign governments, direct how military operations are to be carried out, or require the disclosure of national security information. I will interpret these provisions in light of my constitutional responsibilities.

Finally, I strongly object to a provision that will impede the ability of the Department of Defense to assist small and disadvantaged businesses in obtaining contracts. My Administration

recently announced new procurement policies to increase contracting opportunities for such businesses. This action was taken in order to help remedy discrimination and comply with constitutional requirements. It is unfortunate that this Act will undermine the effectiveness of our efforts and create difficulties in implementing these important policies in future years. My Administration will seek remedial legislation.

There are costs associated with this Act in FY 2002 that are not fully offset under Administration budget scoring. Under the Budget Enforcement Act, a sequester of mandatory programs will be required in the future if savings to offset the costs of this Act are not enacted. My Administration will work with the Congress to offset these costs to avoid a potential sequester.

Notwithstanding the concerns noted above, I believe that the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, as a whole, is beneficial to the national defense and will help us achieve our objectives in this important area.

WILLIAM J. CLINTON

The White House,
October 17, 1998.

NOTE: H.R. 3616, approved October 17, was assigned Public Law No. 105-261.

Statement on Signing the Department of Defense Appropriations Act, 1999 *October 17, 1998*

Today I have signed into law H.R. 4103, the "Department of Defense Appropriations Act, 1999."

Our military readiness must remain our top national security priority. This Act fully funds many of the Department's critical readiness programs and supports our commitments to a better quality of life for our military personnel and their families. I anticipate that the Congress shortly will act to include the emergency funds necessary for our ongoing participation in peacekeeping operations in Bosnia in a supplemental funding bill. I strongly urge them to do so. In addition, as I have said before, I believe we should examine near-term and long-term op-

tions to secure additional funds to address critical readiness shortfalls.

While the Act funds a number of modernization priorities, I have expressed my strong concerns that this legislation contains excessive funding for projects that are not currently needed for our Nation's defense at the expense of higher priority programs.

I am concerned about section 8115 of the Act, which forbids the obligation or expenditure of appropriated funds under this Act for any additional deployment of U.S. Armed Forces to the Federal Republic of Yugoslavia (Serbia and Montenegro), Albania, or Macedonia until after