

When severe instability sets in and threatens to spread, there is a vital role also, I believe, for international support to restore confidence, to provide breathing room. When countries are willing to help themselves, I think the United States ought to be a good neighbor and do its part to support that kind of endeavor.

Now, why should struggling Americans, Americans that are out here in New York City working hard to make ends meet, want their Government to support efforts to restore growth in distant lands? I'll say again, because we have 4 percent of the population and 20 percent of the income, we've got to have those folks as customers if we're going to keep growing our income and if we ever hope to extend opportunity to people in places within our borders that have not yet participated in the economic recovery. In other words, there is this web of mutuality, and it actually pays dividends to be a good neighbor. That's why we've taken a leadership role in addressing the current turbulence in Asia and in strengthening the institutions of the international financial system.

But the third point I want to make, and the third part of our economic strategy, is that we have done as much as we could, but we have to do more to invest in our own people, to give them the tools they need to succeed, and to widen the circle of opportunity. We've put in place the most significant investments in education in a generation: 200,000 more children in Head Start; tens of thousands of volunteers in our schools teaching our elementary kids to read well, so that they don't go through school not being able to learn; hooking up classrooms and libraries to the Internet; lifting academic standards; opening the doors of college to everybody who will work for it, with the HOPE scholarship and other initiatives. We've extended health care to 5 million more kids, helped young people to buy their first homes, done more to enable small business people and employees to save for their own pensions.

All that is working. That's why we've got over 13 million new jobs, the lowest unemployment rate in 24 years. For the first time in the history of this country, over 64 percent of the adults are working. For the first time in the history of this country, over two-thirds of the American people are in their own homes.

But it is not enough. You and I know there are still people and places in this city and in this country that have simply not been touched

by all this whirlwind of economic activity. And it is holding America back.

Every time the Federal Reserve Board meets, there is all this breathless anticipation: Will they have to raise interest rates, because the unemployment rate is the lowest in 24 years? How can we put off inflation and continue to grow? Well, the answer is twofold. One is, technology and open markets are good depressants against the traditional forces of inflation. But the other is, if you're moving into an area that hasn't enjoyed growth, you can have growth without inflation because you're writing on a clean slate. And if it's good argument for America to sell more and invest more around the world, it's good argument for America to sell more and invest more down the street.

If it is true—a number of members of the New York delegation have been very good in trying to help me pass the Caribbean Basin Initiative, because we want to be good neighbors. There are a lot of people from the Caribbean here in New York City. And one of the unintended consequences of our trade agreement with Canada and Mexico is that Mexico seemed to get a comparative benefit over the Caribbean countries, which we never intended to happen.

I keep telling people—they say, “Oh, we can't afford to do this in the Caribbean.” We're going to invest in the Caribbean one way or the other. We'll either pass the Caribbean Basin Initiative and we'll help to trade with them and help to grow their economy, or we'll invest in them indirectly. Americans will buy drugs from the South American narcotraffickers, and then the narcotraffickers will take our money and they will put it in the Caribbean so they will have a place to stop on their way to America. [Laughter] We will do this one way or the other. I don't know about you, but I prefer the direct way. I think the old-fashioned way is better. [Laughter]

You know, I talked to a guy the other day from Central America—we were talking about one of the countries down there, and he said, “It's unbelievable, the narcotrafficker is down there building schools in nation X”—I don't want to embarrass them. I said, “They're not building those schools, we are.” [Laughter] America consumes almost half the world's drugs. We give those guys the money; they make the investment; they get the credit. No politician would ever do that—[laughter]—elect your opponent by giving him the money, and let him