Managing an Economic Crisis

President Clinton and the Mexican Peso Crisis

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The year 1994 was one of the most tumultuous in the modern history of Mexico. In a single year, two major political figures were assassinated, an uprising against the Federal government began in the state of Chiapas, and the government attempted to finance its deficit payments with various debt instruments. The political instability caused by the assassinations and the Zapatista uprising, along with continued economic uncertainty within Mexico, caused foreign investment capital to flee the country. Because of this capital flight, Mexican President Ernesto Zedillo decided on December 20, 1994 to devalue the nation's currency. Instead of helping the situation, this move actually caused more panic from foreign investors as more capital fled Mexico, leaving the government in danger of defaulting on its debt payments. NAFTA and other economic agreements had created a world in which the Mexican and American economies were more intertwined than ever. Therefore, Mexico's inability to pay its debts, the increasing political instability, and the downward spiral in the country's economy left many in the United States concerned about a potential adverse effect on a (still recovering) American economy.

As the crisis unfolded, President Bill Clinton and his administration kept a close eye on the economic difficulties in Mexico. On January 11, 1995, at a press conference with the Japanese Prime Minister, President Clinton made his first official statements on the subject; assuring reporters that he was watching the financial situation in Mexico carefully and that he had spoken with President Zedillo and the Congressional leadership to plan near-term actions. A week later, on January 18, after consulting and receiving bipartisan support from congressional leaders, the president announced a series of loan guarantees for the Mexican government and requested Congressional approval. On January 31, in response to Congressional inaction and a worsening of the peso crisis, Clinton announced that he was using his executive authority to provide the Mexican government with billions of dollars in loan guarantees, along with funds from the International Monetary Fund and other developed nations that would allow Mexico to make its debt payments and secure its ailing economy. Clinton was widely cheered by the international community for his swift action and successful handling of the crisis.[2] Over the next two months, the president continued to discuss the Mexican crisis, providing updates of the situation, holding it out as exemplar of quick action by the American government, and using it as a starting point for discussions on international economic regulatory reform.

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In this article, we examine Clinton's rhetorical management of the peso crisis. The president's rhetoric provided a means for the American and international community to understand the ongoing turmoil within the Mexican economy and its potential adverse effects on the United States

and the global economic system. Understanding how Clinton handled the peso crisis is useful for pursuing two larger goals. First, this essay develops an extended theoretical understanding of presidential economic crisis rhetoric; and second, analyzing President Clinton's Mexican peso crisis rhetoric provides insight into his rhetorical leadership as the U.S. navigated the beginnings of the era of globalization. Globalization became the dominant paradigm in international affairs in the 1990s and continues to dominate discussion of the international economy. The Mexican peso crisis was the first economic crisis in the age of globalization. Little scholarship exists on the peso crisis and globalization remains the dominant paradigm in international economic affairs. Understanding how President Clinton rhetorically navigated this crisis adds an important layer to his foreign policy legacy; concomitantly, supplying useful insights into how future presidents may deal with global economic crises to come, including the current dire economic circumstances that the United States and the world faces. Accordingly, the goal of this article is to outline how Clinton constructed and navigated the Mexican peso crisis, while also offering insight as to how his handling of the matter differs from traditional conceptions of presidential crisis rhetoric.

To that end, we begin by providing a brief overview of the presidential crisis rhetoric literature that serves as our critical point of departure. In the second section, we examine the Clinton administration's discourse on the Mexican peso crisis by focusing on the administration's public statements over a two-month period from January 1995 to March 1995, focusing primarily on the month of January, the primary period of the crisis. Finally, we draw implications and suggest further directions from this analysis.

Presidential Crisis Rhetoric

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Presidential crisis rhetoric has been a fruitful line of scholarly research for the past thirty-five years.[3] True presidential crises, with few exceptions, are rhetorical constructs. Crises do not become crises until the president speaks on critical aspects of the situation.[4] A crisis, as Edelman observed, connotes a development that is unique and threatening.[5] To define something as a crisis suggests that the particular situation is fundamentally different from routine political and social issues. In a crisis, there is an element of danger facing the United States and its interests. The president is the most important political actor within the American system and has more information on situations than any other actor, therefore his rhetoric lays the groundwork for how the crisis will be perceived, debated, and

judged. This is particularly true in international affairs where the global environment is a morass of institutions, nation-states, peoples, cultures, individual leaders, and situations. As foreign policy chief, the president is a key source of guidance and information for the American people.[6] Presidential rhetoric is the source of that guidance. Political language is, as Edelman noted, political reality.[7] The president's language on international affairs serves to educate audiences about the reality of the global environment and define shared understanding, particularly during a crisis situation.[8]

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Scholars have dedicated much time to discerning the common rhetorical elements amongst crises.[9] Our critical analysis will demonstrate that the Clinton's administration's peso rhetoric differed from traditional scholarship on crisis discourse. We find that the president employed three rhetorical strategies when explaining the crisis to the American and global community. Specifically, the president defined the nature of the crisis in vivid terms; he magnified the crisis in ways to demonstrate how it would directly impact the American economy; finally, he promoted prompt and decisive solutions to stop the spread of contagion to the U.S. and other Latin American markets. In the following pages, we outline the features of the administration's discourse and discuss conclusions based on these findings.

President Clinton's Rhetorical Navigation of the Mexican Peso Crisis

The Mexican peso crisis began in the middle of December 1994, posing considerable danger to the Mexican, American, and global economies. It came about because, prior to leaving office in late 1994, outgoing Mexican President Carlos Salinas de Gortiari ran up a large yearly budget deficit. President Salinas tried to finance the resulting deficit with a short-term debt bond, called a tesobono.[10] The value of those bonds was directly pegged to the American dollar. A purchaser of a tesobono could redeem the bond for a fixed-exchange rate in American dollars. The Zapatista uprising in Chiapas and the assassination of two prominent government officials, including leading presidential candidate, Luis Donaldo Colosio, made international investors extremely nervous. Those investors began to turn in their tesobonos for American dollars. This trend peaked in late 1994, just as the new Mexican President, Ernesto Zedillo, was sworn into office. The Mexican government did not have sufficent American dollars in their reserves to pay investors so the only way that it could continue

to pay tesobono redemptions was by devaluing their currency.[11] Consequently, in mid-December 1994, President Zedillo ordered the currency to be devalued. The devaluing of the currency signaled to foreign investors that Mexico was financially unstable. Instead of helping Mexico with its debt burden, the move accelerated the amount of foreign capital leaving the country and furthered the downward spiral of confidence in the Mexican economy.[12] In the late 1980s and early 1990s, the United States had become increasingly integrated and interconnected with the Mexican economy so the crisis of confidence directly threatened the well-being of the American economy. Furthermore, there was the potential that other foreign investors would view developing nations as a risky investment, potentially causing capital flight and harming other nations in Latin America and around the world.

Defining the Nature of the Crisis

The first notable characteristic of Clinton's Mexican peso crisis rhetoric was his definition of the situation. On January 11, 1995 President Clinton made his first public statements on the crisis. He defined the nature of Mexico's economic difficulty as a "short-term liquidity crisis."[13] The president explained how this "short-term" crisis came about:

> *Mexico relied too heavily upon short-term loans to pay for the huge upsurge in imports from the United States and from other countries. A large amount of those debts came due at a time when because of the nature of the debts, it caused a serious cash flow problem for Mexico, much like a family that expects to pay for a new home with the proceeds from the sale of its old house only to have the sale fall through.*[14]

Indeed, defining the crisis as merely "short-term" became an indelible part of the president's framing of the crisis. The phrase "short-term" suggested that Mexico's financial troubles were merely a rough-patch in their overall economic landscape and that they would soon emerge if they could receive a little help from their friends, namely the United States.

Clinton carefully constructed family analogy as he defined the situation. For Clinton, Mexico's crisis was simply a matter of timing--bad timing. In the president's analogy, the family could not "pay for a new home" because the sale of their existing house fell through, not because there was anything wrong with their financial foundation. On the contrary, Clinton's framework and the home sale analogy implied the family finances were fundamentally sound. The family still had the capital in their old home, but needed limited short-term help until they could find a new buyer for their old house. Similarly, Mexico could not finance its debt because tesobono redemptions had reached an all time peak at a time when the nation did not have the currency reserves in place to pay investors. Mexico merely had a cash flow problem; the economic foundation of

Mexico was solid. As President Clinton put it, Mexico has "stable political leadership, a good economic direction, commitment to the right kind of future," and showed "real discipline" with the devaluation of the peso and getting the budget deficit under control.[15] Overall, the Mexican economy was "fundamentally sound."[16] Clinton's use of phrases such as "stable leadership," "economic direction," and "commitment to the right kind of future" suggested Mexico was a good long-term investment; it just needed a little assistance to get itself back on track.

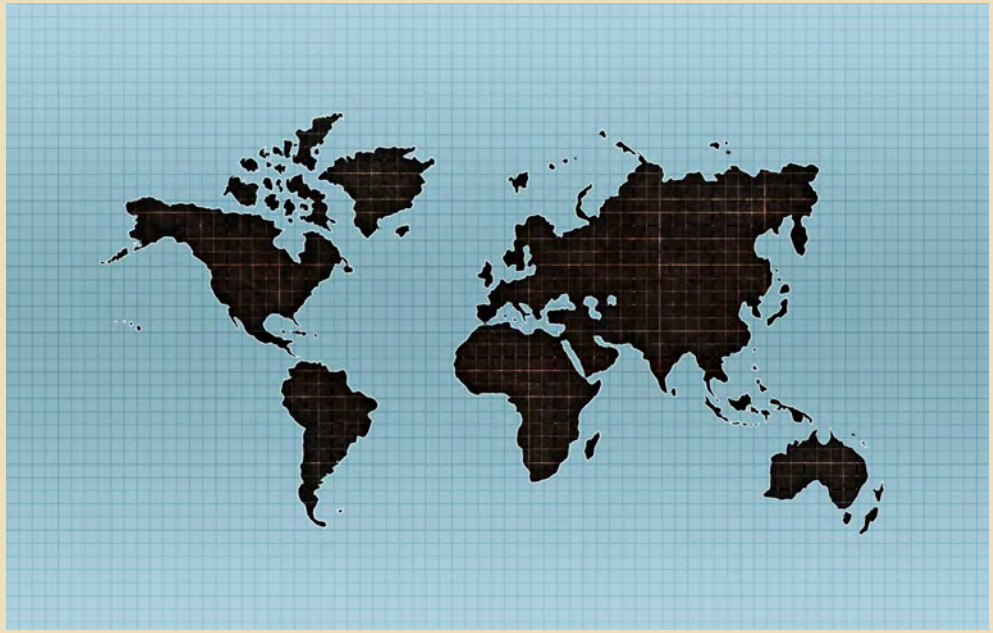
Magnifying the Crisis: A "Very Serious Situation"

A second characteristic of Clinton's peso crisis discourse was mangification. Magnification entails the president emphasizing that "the issue is an urgent matter of great public support that poses a threat to the country as a whole."[17] Despite the president's characterization that the peso crisis was "short-term," his administration emphasized that left unchecked the situation could have devastating consequences for the United States and the global economy. For example, senior Clinton administration officials describing Mexico's economic circumstances noted that "neither of us have seen anything that is quite like this."[18] The Mexican peso crisis was "a very serious situation" that could have "catalytic impacts" on numerous nations and states.[19]

Specifically, the administration highlighted three "catalytic" impacts that were linked to each other in a larger domino-like chain of logic. Aside from severely harming the Mexican economy, Clinton argued that the peso crisis could have dire economic outcome for the American economy. He noted, "Mexico is our third largest trading partner. And already the goods and services we sell there support 700,000 jobs . . .the kind of high-paying jobs that give people their shot at the American dream."[20] A few sentences later, Clinton added that "we share a 2,000-mile boundary with Mexico and a common concern to stem the flow of illegal immigrants to America."[21] According to Clinton's logic, the peso crisis imperiled American jobs due to the potential loss of trade and threatened an influx of illegal immigrants. Consequently, Americans would have less opportunity to pursue and achieve the "American dream," a guiding and collective material myth sought by many Americans. Mark Moore and J.G. Ragsdale chronicled how Clinton used this myth to win the passage of NAFTA in 1993.[22] More broadly, the president tied the ability to achieve the American dream directly to the administration's promotion of free trade.[23] The financial difficulties in Mexico jeopardized the ability of thousands of Americans to achieve the American dream. The president's words conjured up direct, personal consequences that tied America's response to the Mexican crisis to the economy at home.

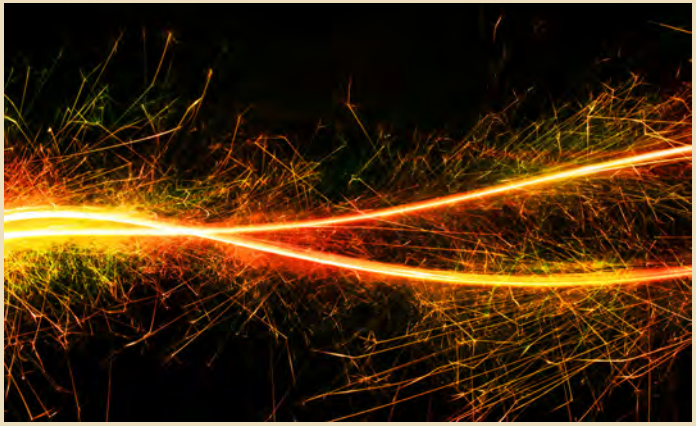
Not only did the Mexican peso crisis threaten the American economy, but a second "catalytic"

impact was the potential spillover effect it could have on other developing regions. Clinton argued throughout the crisis that Mexico was a "bellwether" and a "model for developing countries from Latin American to Asia that are contemplating the transition to free markets and democracy."[24] Yet, the Mexican peso crisis endangered this "transition." The president used a sickness metaphor to describe its destructive impact. As he put it, "if we fail to act, the crisis of confidence in Mexico's economy could spread to other emerging countries in Latin America and in Asia, the kinds of markets that buy our goods and services today and that will buy more of them in the future."[25] In effect, the president told Americans that if the Mexican economy failed, then other emerging economies were in danger of catching Mexico's disease. This disease would lessen the ability of other nations to buy American goods and services, thereby spreading to the U.S. body politic, endangering American jobs and the American dream.



The foregoing catalytic impacts in the United States and across the world directly tie in to the definitive "catalytic" impact of the Mexican peso crisis: the risk to President Clinton's vision for American foreign policy and the global economy. The president maintained America's "vision must be to create a global economy of democracies with free market, not government-run, economies."[26] However his "vision," as he noted:

> *cannot be free from difficulties . . . We know that, given the volatility of the economic situation in the globe now, there can be no developments that for the movement are beyond the control of any of our trading partners, themselves developing nations, which could threaten this vision and threaten the interests of the American people. Mexico's present financial difficulty is a very good case in point.*[27]



For Clinton, the "volatility" of Mexico's financial situation was not an unexpected occurrence for a developing nation in its move toward greater democracy and free markets. The key was to contain the volatility so that it does not get "beyond the control of any of our trading partners," otherwise it would jeopardize the president's vision of democracies with free market economies and, by implication, America's interests. By linking the Mexican peso crisis to the overall progress of American foreign policy, the president's rhetoric suggested it was imperative the United States intercede to help control the situation.

Promoting a Solution

The final characteristic of Clinton's peso crisis rhetoric was his proposal of a solution. Almost immediately, President Clinton began promoting means to stem the liquidity crisis. For example, on January 11, within hours of his first statements on Mexico's financial problems, the president announced that "if appropriate, I am prepared to authorize the extension of the maturity of our existing credit facility and to increase those commitments to assist Mexico in meeting its short-term financial obligations."[28] The next day, Clinton administration officials clarified that this "existing credit facility" would include a "loan-guarantee program of some sort."[29] Specifically, this program consisted of a credit line from the United States worth upwards of forty billion dollars. The president assured the American public that this amount would suffice to get Mexico from "short term liabilities to a long-term debt structure."[30] America's credit line would be akin to a bridge Mexico could use to cross shark-infested ocean of international finance.

To promote his solution to Congress, the American public, and the world, the president used three rhetorical maneuvers. First, he touted bipartisanship in developing a solution to the Mexican peso crisis. According to Clinton, "the leadership in Congress from both sides of the aisle and the Chairman of the Federal Reserve Board developed this plan with us."[31] The president's invocation of support from Congressional leaders on "both sides of the aisle" sent a clear message to the members of Congress, the American people, and the international community that America's leaders were putting acrimony aside to act for the greater good. Considering that the Republicans basic platform of the era, the Contract with America, was diametrically opposed to President Clinton's policies, the president's citation of support from Republican and Democratic Party leaders was extremely powerful. This power was augmented by Clinton's invocation of Federal Reserve Board Chariman Alan Greenspan, widely considered a financial genius. The claim of support gave his loan guarantee plan instant credibility.

In addition, Clinton cited the benefits his solution would bring. As the president stated:

"by helping to put Mexico back on track, this package will support American exports, secure our jobs, help us better protect our borders, and to safeguard democracy and stability in our hemisphere."[32] *The loan guarantees would stabilize the Mexican economy, save American jobs, and keep his foreign policy vision in tact.*

Finally, the president anticipated opposition from pundits, politicians, and perhaps some in the American public. Accordingly, the president and senior administration officials used proleptical argumentation to answer those claims. Prolepsis is a rhetorical tactic where speakers anticipate and answer the objections of their opponents before the argument is put forth.[33] Clinton made three proleptic arguments. The most common one was clarifying the nature of the loan guarantees. Predicting that opponents would try to frame the loan guarantees as foreign aid or some other form of free money, the Clinton administration insisted throughout its crisis promotion these monies were "not a grant, it is not foreign aid; it is a loan guarantee."[34] The actual monies Mexico would receive would come from "private sector loans,"[35] not the U.S. government. America's role in assisting Mexico with its financial troubles was, according to Clinton, "the equivalent of cosigning a note, a note that Mexico can use to borrow money on its own account. And because the guarantees are clearly not entirely risk-free to the United States, Mexico will make an advanced payment to us, like an insurance premium."[36] Additionally, the president announced these guarantees would be "backed by Mexico's oil revenues."[37] Since, as framed by the president, the nature of these monies was not "foreign aid," the actual loans would be from the "private sector" not the American government and Mexico would provide an upfront payment to secure the guarantees, there would be less risk to the American taxpayer.

Additionally, Clinton anticipated his opponents might argue that the health of the Mexican economy would impede its ability to pay back the loans. However, as enumerated earlier, the president constantly held Mexico out as a "model" and a "bellwether" for developing nations. Its democracy was sound, its economy strong, and its direction was the correct one. Its problems emanated from a short-term cash crunch in which it needed assistance. Mexico, the president was clearly asserting, was a good investment for the United States and the world. To further support that underlying argument, Clinton pointed out that "the U.S has extended loans and loan guarantees many, many times, before to many countries. In fact, we've had a loan mechanism with Mexico since 1941. And Mexico has always made good on its obligations."[38] In accordance with Mexico's historical record, Clinton suggested that the loan guarantees would be paid back in due course.

Clinton directed his third and final proleptic argument toward America's isolationists. He observed:

> *I know some say we should not get involved. They say America has enough trouble at home to worry about what's going on somewhere else. There are others who may not want to get involved in too much detail to go beyond what the present situation demands or what is appropriate. But we must see this for what it is. This is not simply a financial problem for Mexico; this is an American challenge. Mexico is our third largest trading partner already. The livelihoods of thousands and thousands of our workers depend upon continued strong export growth to Mexico. That's why we must reach out and not retreat.*[39]

For Clinton, there was no other alternative but to help Mexico. The American and Mexican economies were too intertwined and interconnected to ignore the crisis. If Mexico spiraled even further downward, it could as we noted earlier, have catalytic impacts for Mexico, the United States, and other developing economies. Accordingly, the United States must move forward with its solution.

When taken together, Clinton's invocation of bipartisanship, the cited benefits anticipated from the bailout, and the three proleptic arguments, rhetorically functioned to circumscribe the argumentative grounds that his opponents could use in attacking his solution. His rhetoric would force his opponents to demonstrate how the loan guarantees were foreign aid, how Mexico was a bad investment, and why the United States should stay out of the affairs of other nations. Through his rhetorical maneuvering, the president carved out a discursive space where he could implement his solution without great political consequence, even without the support of Congress. In short, the president's crisis promotion provided the opportunity for its eventual success.

Reaction to Clinton's Crisis Rhetoric

Some in Congress, primarily Republicans who had just swept into power from the 1994 elections, criticized the president's decision to bypass Congress and act on his own accord. For example, Texas Senator Phil Gramm stated, "we're seeing a real failure of presidential leadership and I think a lot of Americans are going to lose their jobs as a result."[40] Georgia Representative Robert Barr argued that Clinton's action amounted to "circumventing Congress, which I resent."[41] Mississippi Representative Roger Wicker maintained that opposition to Clinton's peso crisis plan was almost unanimous.[42]

Despite this opposition, Clinton's bold initiative did receive praise domestically (particularly in Congress) and internationally. The St. Petersburg Times argued that President Clinton "acted decisively" and "acted in the best interest of the United States."[43] Speaker of the House Newt Gingrich assailed his freshman Republican colleagues for not supporting Clinton's initiative. The speaker was unapologetic in his support for the president's policy, calling it the "right thing to do."[44] He praised the president's "decisiveness"[45] and called his actions "courageous."[46] Senate Majority Leader Bob Dole asserted almost everyone in the Senate was "on board" with Clinton's decision.[47] Congressional leaders further supported the president's action by issuing a joint statement with Clinton, explaining that Democratic and Republican Congressional leaders were all in agreement with the president's decision.[48] Furthermore, Connecticut Democratic Senator Christopher Dodd remarked the president's policy "is not popular" but "it happens to be right."[49] Utah Republican Senator Robert Bennett confirmed Dole's statement that most Senators were on board. He asserted Clinton's plan "enjoys greater

support" than before and that Senate Republicans would largely back the president's actions.[50]

Internationally, Clinton won widespread praise for his decision. The Guardian of London maintained the president acted to "stave off global crisis."[51] The International Herald Tribune asserted President Clinton "made the right call on Tuesday to rescue the Mexican economy himself."[52] The Financial Post of Toronto, Canada argued President Clinton rose above the squabbling in Congress and "did the right thing" with respect to Mexico.[53] Mexican President Ernesto Zedillo was upbeat about Clinton's decision, stating that Mexico's liquidity crisis was now "fully overcome" because of the president's loan guarantees.[54]Across Europe, central banks applauded the president's action.[55] At a meeting of the G-7 nations on February 5, 1995, Canadian Finance Minister Paul Martin declared "the support is unequivocal for the Mexican package."[56]

Ultimately, Clinton's decisive move to solve the peso crisis proved to be the correct one. Within a year, Mexico's economy stabilized and began to grow again. It started to make payments on the loan guarantees in late 1995 and paid off the loans to the United States in January 1997, three years ahead of schedule.[57] Mexico's final repayment led the New York Times editorial page to declare "powerful politicians criticized the bailout. To everyone's benefit, Mr. Clinton did not retreat."[58] The Washington Post stated that the opponents of Clinton's loan guarantee program:

> *were wrong. The bailout in the event helped Mexico, and it helped save thousands of U.S. jobs, too . . . the United States was right to lead, and it was right to take a risk. The U.S. economy can't prosper if the global economy sinks. In that equation, few countries matter more than Mexico and its almost 100 million inhabitants.*[59]

Simply put, Clinton's rhetorical promotion and decisive management of the crisis proved to be successful.

Conclusion

This article has analyzed President Clinton's Mexican peso crisis rhetoric as an example of how presidents manage foreign economic crises. This study reveals three rhetorical characteristics of foreign economic crisis rhetoric: defining the situation, magnifying the negative impacts of the crisis, and advocating solutions while circumscribing the argumentative grounds of one's opponents. This

research points to implications for the study and composition of presidential crisis rhetoric.

Implications for Crisis Rhetoric

Our analysis, coupled with the previous research on economic crisis rhetoric, suggests delineations need to be made in understanding different types of crisis rhetoric. In some respects, crisis rhetoric has been treated as monolithic. There has been no real differentiation between different types of crises whether they are economic or otherwise. Our research suggests there are major differences in how presidents rhetorically construct crises. One area where that is made clear is in victimage discourse. Earlier, we noted that victimage has been cited as a consistent characteristic of presidential crisis rhetoric. However, there is no victimage apparent within President Clinton's rhetoric on the peso crisis. The president certainly described catastrophic impacts that would befall the Mexican, American, and global economies if the United States did not act, but he did not construct a specific enemy. Bostdorff and O'Rourke reported a similar finding in their discussion of domestic crisis rhetoric.[60] Based upon these findings, we propose scholars parse out the diverse understandings of different crises. Rhetorical scholars have a substantial understanding of crises involving military intervention, but much more work is needed in discerning how presidents manage economic crises at the domestic and international levels because each area has a different dynamic. We suggest the strategies embedded in this study—defining the situation, magnification, and advocating solutions—can serve as a sub-genre of presidential crisis rhetoric as it relates to economic situations. Whether or not other crises have similar strategies to them will require further study by scholars.

Implications for International Crisis Rhetoric

This study can be viewed as a model of how political leaders handle foreign economic crises. President Clinton defined the crisis in clear terms, discussed potential impact on the United States and global economy, and articulated and promoted solutions to the problem early on. Contrast this situation with how Europe's political leaders have rhetorically managed the economic crisis in Greece. In early 2010, it was clear Greece was in grave danger of national default because of its high debt levels. Greece arrived at this economic disaster for a number of

reasons, and its economic woes posed a direct threat to other European nations. Greece is a part of the European Union and the 16 nation Eurozone; if Greece defaults on its debts, it will harm the strength of the Euro and the countries that use it (e.g. Germany, France, Italy, the Netherlands, and others). Just as Mexico's crisis could have spread to other nations, endangering the United States and other Latin American countries, the Greek economic crisis has the same potential for all Europeans.

However, Europe's leaders have rhetorically managed this crisis in different ways. From the very beginning, Eurozone leaders, particularly German Chancellor Angela Merkel, have been slow to manage the Greek economic crisis and provide true rhetorical and political leadership. For example, in February 2010, European Union leaders held a summit in Brussels to discuss the Greek crisis. Instead of clearly defining the situation for their publics, discussing the potential for its catalytic impacts or even discussing a solution to the problem, Europe's leaders issued a vague statement saying they would "take determined and co-ordinated action, if needed to safeguard the financial stablity in the euro area as a whole."[61] Since then European leaders have tried to show Greece some rhetorical "tough love," insisting that it solve its own economic problems. Unfortunately, that rhetorical tough talk only exacerbated the situation. The Greek debt crisis has become a contagion for other European economies. Greek's bond rating has been reduced to junk status, which immediately spread to Spain and Portugal (two other nations with high levels of debts and deficits) were their ratings were also downgraded. The Greek crisis has led pundits to compare the Greek debt crisis to the panic that ensued after investment bank Lehman Brothers collapsed in September 2008, which sent global stock markets into a tail spin.[62]

On May 2, 2010, German Chancellor Merkel and other Eurozone leaders, in conjunction with the International Monetary Fund, finally approved a loan package for Greece, but their handling of the crisis has received immense criticism. Johns Hopkins University Professor Mitchell Orenstein argued that European officials had been "dragging their feet" for months on this issue.[63] He further added that "the broader incapacity of euro area institutions is what's really on display here."[64] Former German foreign minister Joschka Fischer opined "why the fire department has been scratching its head for weeks instead of operating the pumps, I don't understand."[65] Italian Foreign Minister Franco Frattini was particularly critical of Germany, stating the "the later you intervene, the worse it gets."[66] He also noted that the cost of Greek's bailout had doubled from 50 billion euro to 110 billion in just 10 days. That initial solution did not solve the Greek contagion and European leaders, particularly French President Nicholas Sarkozy and Chancellor Merkel, have spent the last year and a half trying to stave off economic disaster. Because of their mismanagement of the crisis, which includes their rhetorical management, it could mean the disaster spread to other nations and could possibly bring down the entire Eurozone with it. Clinton's

rhetoric can serve as a model for political leaders across the world.

That is not to say that political leaders in the Eurozone have not faced different exigencies and audiences than Clinton did. One could certainly make the case that Clinton had a much smaller crisis to deal with and he did not have to deal with the complexities of the European system. However, the constant criticism from many analyzing the Greek debt crisis is that European leaders have not gotten ahead of the crisis. They have not properly managed it fiscally and rhetorically. Based on the research presented here, it is possible, perhaps even probable, that if Europe's leaders had been out front with their communication concerning the crisis, the gravity of the situation, and explaining their solutions to various publics that the Greek crisis might have ended, costing European countries billions less in Euros and reducing hardship for many across Greece and the Eurozone. If nothing else, Merkel and Sarkozy's rhetorical leadership on the crisis provides lessons as what not to do in managing this crisis. President Clinton's Mexican peso crisis rhetoric may serve as a blueprint for other political leaders, if nothing else to avoid the pitfalls of European leaders.

American presidents will almost certainly have to deal with various international crises in an age of globalization. While this has been a preliminary investigation, President Clinton's handling of the Mexican peso crisis may hold the blueprint for how they deal with these situations in the future. Only with more careful analyses can we flesh out the finer points of how America's leaders deal with international economic crises and crises in general.

Endnotes

[1]Portions of this project come from the second author's summer research grant. The authors would like to thank Bridgewater State University's Adrian Tinsley Program for undergraduate research for funding parts of this research. Portions of this research have been presented at the 2010 National Conference on Undergraduate Research and the 2010 Eastern Communication Association Conference, Baltimore, MD.

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[7] Edelman, *Constructing the Political Spectacle*, 23-44.

[8] Edwards, *Navigating the Post Cold War World: President Clinton's Foreign Policy Rhetoric (Lanham, MD: Lexington Books)*, 7-12.

[9] A number of different scholars have examined the generic characteristics of presidential crisis rhetoric. See Cherwitz and Zagacki, "Consummatory Versus Justificatory Crisis Rhetoric;" Dow, "The Function of Epidecitic and Deliberative Strategies in Presidential Crisis Rhetoric;" Bostdorff, *The Presidency and the Rhetoric of Foreign Crisis*, 12; Ben Porath, "The Rhetoric of Atrocities," 182.; Windt,

"The Presidency and Speeces on International Crisis," 6-14. Bostdorff conducted one of the most extensive literature reviews of crisis rhetoric and found that most presidential crisis speeches contain three elements: First, presidents define the United States as a passive nation interested in maintaining world peace and assisting other nations rise to their true potential. However, America stands ready to become an active, retaliatory party when nation-states attack the United States or its allies. Second, presidents elevate crises into tests of national will—a chance for the nation to provide its toughness. The third element and the most common theme amongst in the studies she reviewed, was the emphasis on antithetical appeals. She noted that much of the presidential crisis rhetoric scholarship confirms that rhetors engage "in victimage through scapegoating. That is commanders-in-chief describe an enemy responsible for the crisis and rally the nation to unite against that enemy.

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[13] William Jefferson Clinton, "The President's News Conference with PrimeMinister Tomiichi Murayama of Japan," *The American Presidency Project*, January 11, 1995, http://www.pesidency.ucsb.edu/ws/index/php?pid=55157, paragraph 30.

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[15] Clinton, "The President's News Conference," paragraph 31.

[16]William Jefferson Clinton, "Background Briefing with Senior Administration Officials," *The American Presidency Project*, January 12, 1995, http://www.presidency.ucsb.edu/ws/print.php?pid=59417, paragraph 6; Clinton, Remarks on Loan Guarantees," paragraph 8; "Clinton, "The President's Radio Address," paragraph 8.

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[19]Clinton, "Background Briefing," paragraph 2.

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[23]Edwards, *Navigating the Post Cold War World*, 128-132.

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[25] Clinton, "Remarks on Loan Guarantees," paragraph 10.

[26]Clinton, "Background Briefing," paragraph 14; William Jefferson Clinton, "Remarksto the National Governor's Association," The

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