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lution will not add a penny to the Federal deficit. So, as we continue putting our fiscal house in order, this legislation will ensure that home ownership becomes the order of the day for more and more Americans.

William J. Clinton

The White House.

NOTE: H.R. 4566, approved July 5, was assigned Public Law No. 103-275.

Statement on Relocating Radio Free Europe and Radio Liberty Headquarters
July 5, 1994

The Radios made a significant contribution to the victory of freedom during the cold war. All friends of liberty appreciate the strong support of the German Government and in particular the Bavarian officials over the last four decades. With this move, the Radios begin a new chapter in the continuing struggle to consolidate democracy throughout the former Communist bloc. I am grateful to President Havel and the Czech Government for its generous offer and look forward to working with it to ensure the Radios' important work continues.

NOTE: This statement was part of a statement by the Press Secretary on the decision to accept the offer of the Czech Government to make the former Parliament building in Prague available to Radio Free Europe and Radio Liberty.

Exchange With Reporters During Discussions With Baltic Leaders in Riga, Latvia
July 6, 1994

Russian Withdrawals

Q. Mr. President, did you make any progress in your conversation with Mr. Yeltsin?

The President. I think we're making good progress. I think we're making good progress toward completing the troop withdrawals on schedule, working out some of the remaining controversies over the rights of Latvian minorities. I feel good about it.

We talked about that here, as well as about our economic cooperation. And this agreement is, I think, just the beginning of what will be a long and very deep relationship between these two countries and with the United States and the Baltics generally.

Q. Did Yeltsin give you a firm commitment on August 31 withdrawal?

The President. Well, he certainly clearly wants to complete the troop withdrawal, and he's worked very hard. You know, this has been a priority issue between the two of us, and I think that it will proceed apace. I feel good about where we are right now.

NOTE: The exchange began at 11:30 a.m. in the White Room at Riga Castle. A tape was not available for verification of the content of this exchange.

The President's News Conference With Baltic Leaders in Riga
July 6, 1994

President Clinton. Good afternoon, ladies and gentlemen. Last year I had the pleasure of meeting these three Presidents, President Ulmanis, President Mirti, and President Brazauskas; during the opening of the U.N. General Assembly. It is a great honor for me to see them again here as the first American President to set foot on free Baltic soil. On Monday, my country celebrated the birth of democracy in America 218 years ago. Today, on behalf of all Americans, I salute the Baltic countries for another birth of democracy. And I salute the Baltic people for the courage, the perseverance, and the discipline that made independence possible.

We have just had a very productive session. We noted the considerable progress made since we met last year and focused on the goals we all share: to expand democracy, security, and the broad integration of the Baltic countries with the West.

Much of our discussion focused on the hope for an historic withdrawal of the last Russian troops from Latvia and Estonia by August 31st. I congratulate President Ulmanis on the withdrawal agreement he and President Yeltsin signed in Moscow. The United States is prepared to double the level
of assistance it is providing, up to $4 million, to help Latvia to take down the unfinished radar structure at Skrunda.

President Mechi and I discussed the status of the Russian-Estonian talks on the withdrawal agreement. I believe the remaining differences between the two nations are narrow and can be resolved with flexibility on both sides. I told President Mechi of my intentions to discuss this subject with President Yeltsin at Naples.

To help reach this milestone the United States has, more than doubled the housing vouchers we will provide to qualified Russian officers who want to resettle from Latvia and Estonia into Russia. The United States is also providing a $2 million package of assistance as part of the international effort to restore the environment at the former nuclear training site at Paldiski, Estonia.

We also discussed the issue of ethnic minorities. I believe all three Presidents share my view on this matter. A tolerant and inclusive approach is needed to integrate these groups into the political and social lives of all the countries. The progress made so far on troop withdrawals provides hope that the new, democratic Russia, unlike the Soviet Union, can work with the Baltic countries for peace in the region.

The three Presidents and I discussed progress in developing active bilateral and multilateral defense relationships. I’m pleased that Estonia, Latvia, and Lithuania were among the first states to join the PartnershipFor Peace with NATO. In recognition of their role I have asked the Congress in the budget for 1995 for $10 million for the Baltic peacekeeping battalion and other peacekeeping troops in Central and Eastern Europe.

We also covered the remarkable progress the Baltic nations have made in reforming their economies. Supporting the economic reintegration of Estonia, Latvia, and Lithuania with the West is a top priority of the United States. The hardships of transition are real, but the prospect of better times is visible. The trade and investment prospects are excellent. Just yesterday in Washington, the Overseas Private Investment Corporation signed an agreement with US West Tele-

phone Corporation to ensure a $200 million telecommunications deal with Lithuania.

Today we’re announcing the American membership of the board of directors of the Baltic American Enterprise Fund, headed by Ambassador Rozanne Ridgway. Over the next several years, this fund will provide $50 million to develop businesses in the Baltic States.

From our own history, Americans know that winning the fight for independence is followed by even more arduous and difficult struggles for economic stability and national security. The people of Estonia, Latvia, and Lithuania have hard work ahead. But our meeting today convinces me that that work can and will be done successfully.

President Ulmanis. Mr. Presidents, dear audience, everybody who hears me today, I would like to welcome our guests to Latvia, President of the U.S.A. and the Presidents of Lithuania and Estonia.

I think that this is a historic event. It’s one more step in the direction of consolidation of Baltic independence. In this connection, I want to announce that the three Presidents of the three Baltic States have just signed a common statement in which the course of events of today have been reflected, and the main problematic issues have been mentioned that either promote or interfere with the consolidation of Baltic independence and economic growth.

I fully agree to President Clinton about the viewpoints and measures and suggestions on which we have achieved mutual agreement. And I would like to lend emphasis on several issues that we discussed in greater details.

The three Presidents of the three Baltic States consider the main issue being the security issue of the Baltic region. The security—and the main issue here is the further cooperation within the project of Partnership For Peace, promotion of activity within this project not only on our side but also on behalf of the U.S.A. and other countries as well as finding the demands that the members of the Partnership For Peace should meet.

We also talked about the duties and responsibilities of the member states of this project. Today we can point out that we have talked about the issues that support partner-
ship should become only one stage in the course of consolidation of peace and security in the region. And the ultimate aim would be the guarantee of national security and joining the security structures.

We also touched the issues of economic growth. It's of course clear that we all want and we are all convinced that Russia will withdraw its army on the 31st of August, and we see no reasons why it shouldn't be completed.

The next issue we addressed was economic issues—economic problems in the Baltic States, and the main issue was the development of energy resources so that the Baltic States could irreversibly become independent. So economic independence is essential for national independence. We talked of gas and electricity and other energy sources. We touched also social issues, educational issues. We talked about how to stimulate the youth from the Baltic States to gain education not only in the Baltic States but so that they can access educational assistance in other countries. We also think that the number of students now studying in the U.S.A. is much too little.

We also addressed the issue of the criminal situation and inner security of the Baltic States. And all the four Presidents supported the importance of this issue, and I understood that the President of the U.S.A. gave us all the grounds to think that the U.S.A. will participate in these processes also with practical assistance and also by sharing their know-how.

Speaking about security, we touched upon the issue of the army, about armament and about further possibilities to create normal mobile defense structures that could guarantee the security of the Baltic States.

Maybe one of the central issues today was the relationship with Russia. We touched upon the issues about the withdrawal of the Russian troops, about the monitor system with regard to Skrunda radar station, about the prospects of the situation in Kaliningrad region, and so on and so forth. It's clear that, speaking about the relationship with Russia, all the four Presidents came to a common agreement that this relationship should be normal, interstate relationship where the interests and rights of all countries should be respected.

I want to express once again my respect and gratitude to the U.S. President who found it possible to visit the Baltic States and talk to the three Presidents of the Baltic States and gave his viewpoint with regard to the further development of the Baltic States.

Thank you.

Now, I would like to ask you to ask questions.

**President Boris Yeltsin of Russia**

Q. Does your phone call to Mr. Yeltsin on the eve of your visit to Riga have certain concerns about the possible Russian reaction to this visit?

**President Clinton.** First of all, I called President Yeltsin to tell him where I was going on this trip and to talk about my firm conviction that we must continue with the schedule on Russian troop withdrawal. And that is something I've worked on since I first became President. I've worked very hard on it, and the United States has tried to support an orderly withdrawal in many ways, including funds for housing for Russian troops that are going back home to Russia as well as for dealing with specific issues like this Skrunda radar facility. So I wanted to just get an update from him about where he thought things were and tell him what I was going to do.

He raised the issue, which he always does, about being concerned about the condition—the living conditions and political rights of Russian people who stay in the Baltic States and become part of the minority population of the new democracies here. And I reaffirmed the position that I always have taken, which is the position of the United States within the United States, which is that in democracies, minorities have to have certain rights to participate and are entitled to fair treatment and that was the position of the United States; but that I though the troop withdrawal should continue on schedule. It was a very straightforward conversation, as all of our conversations are.

**Securing Baltic Independence**

Q. Mr. Clinton, you and your Baltic colleagues hope that things are going to go right in Russia. But supposing they don't? Suppos-
President Clinton. Well, sir, the whole purpose of the Partnership For Peace was to move toward that sort of security. Everybody who signed up for the Partnership For Peace had to, as a condition of its participation, recognize the territorial integrity and the independence of all the participating countries, and we now have 21 nations doing that.

I think it is obvious from all of the actions the United States has taken on security, on political matters, on economic matters, that we are trying to do everything we can to secure the independence of the Baltics. I also think it is obvious that we should deal with the world as it is and deal with people based on what they say and do. And I think that's where we are now.

I don't think you should predict the worst in any country. And I can only report to you that we are laying the foundations that I think are most likely to guarantee the long-term security and independence of these nations.

Role of the Baltic States

Q. Mr. President, what is the role of the Baltic States in this post-Communist situation in Europe, and what is the main motivation of your arrival to Latvia today?

President Clinton. Well, the role of the Baltic States in the post-Communist world is, first and foremost, to provide a free and good existence for the citizens of the nations to people who live in Estonia, Lithuania, and Latvia. But I think that the role of the Baltic States is greater than that. First, the Baltic States have agreed to participate in the Partnership For Peace. Secondly, the Baltic States have achieved a degree of economic stability and success that is much admired throughout Europe and indeed throughout the world, different in different countries; perhaps there's a higher growth rate in one country, a lower inflation rate in another country, but certainly, more success than

Russian Withdrawals

Q. Mr. President: President Yeltsin's wish to tie troop withdrawal from Baltic with the situation of Russian minorities in these countries—I mean, Latvia and Estonia. Thank you.

President Clinton. We believe the two subjects should not be linked and that the withdrawal should continue, but we do support, appropriate protections and rights for Russian minorities.

Q. Did you get assurance from the Baltic Presidents that Russian minorities would be treated properly and they would be non-discriminatory? Apparently, they don't feel that way now.

President Clinton. I thought that their statements to me over lunch were quite forthcoming about that. I felt good about it. I believe—let me say—let's look at this in the context of where we are. There is an agreement with Latvia for withdrawal of Russian troops by August 31st. The troop withdrawals would be completed in Lithuania. There are remaining differences to be resolved between Estonia and Russia. President Mieri and I discussed that in some detail today, and I think the differences are narrow and will be bridged in the appropriate timeframe. And I'm going to do what I can to be helpful in that regard.

Haiti

Q. We have had a—policy that was announced in Haiti before you left. Right now you are talking about opening new safe havens. It seems sort of confusing to understand why this is going to somehow speed the leaving of the military dictators, what one has to do with the other. Do you have confidence at this point that your policy is really going to lead to the departure of these people?

President Clinton. I think the answer to that is yes, I believe it will. But in May when I announced the original policy of ending direct return, I said we would seek participation as we needed it from other countries, and that's what we're doing. And I think that it's an appropriate thing to do. But I also think the sanctions are having an impact.

Role of the Baltic States

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mainly other countries have had in converting from a Communist economy to a market economy. I think that's also very important.

I came here today because the Baltics are important to the United States. We have one million Americans who have roots in these three nations. We have always recognized these three nations as independent nations. We never recognized the loss of freedom and independence in the Baltics. And we have supported and admired the remarkable transformation in these nations in the last few years.

So I came here to try to build on the successes of the goal of the cold war, to enhance our security ties, to enhance our political cooperation, to enhance your economic development and our economic partnership because those things are important to the United States and important to the rest of the world.

**Russian Withdrawals**

Q. Mr. President—inaudible—President Yeltsin—withdrawal in Estonia? And are you taking anything to Naples that you can tell President Yeltsin?

**President Clinton.** I'm going to Naples, and I'm going to discuss with President Yeltsin the conversation I had with President Meri. And I will continue to do what I have done on this for a year and a half now, to push in a deliberate and firm way and to offer all the incentives we can offer to continue the troop withdrawals.

It's been one of the great successes of the cold-war era, a success not just for these countries but a success for Russia as well, in making clear its intentions and making possible its participation in the world in a broader way. But I think it would be wrong to characterize our role as brokers. These are two independent nations. They have to reach agreement between themselves, and I'm confident that they will. If we can assist in that, we're going to do everything we can to assist. But they will have to make the decisions, and I think they will.

Q. Can we get President Meri's reaction? President Meri?

**President Clinton.** Please! [Laughter] Do you need English?

**President Meri.** No, I need your question. [Laughter]

Q. Are you as confident as President Clinton in the future of the United States in the Baltics? The dependent state?

**President Meri.** Well, let's see, it's clear why August 31st is so important. Not only for Estonia, not only for Latvia but also, and in the first place, for Russia. You see, it is a highly symbolic date, meaning that the last day of World War II will be dismantled in Europe. That Europe will enter a new era where we will be in a position to build a security system which will be open, a free market system which will be open. And first of all, of course, a democratic society. That is the meaning of August 31st. It will be a first day of a new Europe. And if not, it will be just an example that we have some problems still to solve. And those are by no means Baltic problems. They are European problems, which means they are global problems.

Thank you.

**Remarks to the People in Riga**

**July 6, 1994**

Today we celebrate a moment of renewal. Today we remember your courage. Today we rejoice, for one force rules in Estonia, Latvia, and Lithuania, and that force is freedom. Thank you. President Ulmanis, for your gracious words and your warm welcome to this beautiful capital. And my thanks, also, to President Meri and President Brazauskas for your contribution to this historic event. To the people of these three lands, to those gathered in this square, to those listening or watching from afar, to all who have kept the faith, I am deeply honored to stand before you, the first President of the United States to set foot on free Baltic soil.

Today we remember, we remember an August day just 5 years ago when the peoples of your nation joined hands in common cause from Tallinn to Vilnius. A million strong, you reached across the boundaries of fear. And here in this square, sheltered by the Free-
I come from a nation of people drawn from all around the world: a nation of many, many peoples who once were bitter enemies, but who now live together as friends. In your homeland, as in America, there will always live among you people of different backgrounds. Today I appeal to you to summon what my Nation's greatest healer, Abraham Lincoln, called "the better angels of our nature," to never deny to others the justice and equality you fought so hard for and earned for yourselves. For freedom without tolerance is freedom unfulfilled.

The shining figure of liberty stands guard here today, and the spirit of your peoples fills the air and brings joy to our hearts. We hear the songs of freedom that have echoed across the centuries. We see the flames that lit your way to independence. We feel the courage that will keep the chain of freedom alive.

May the memories of this day linger. May the spirit of the Baltic souls soar. May the strong sense of freedom never fade. So, in the name of the free people of the United States of America, I say to the free people of the Baltic nations: Let freedom ring. 


NOTE: The President spoke at approximately 2:45 p.m. in Freedom Square. A tape was not available for verification of the content of these remarks.

Remarks Following Discussions With President Lech Walesa and an Exchange With Reporters in Warsaw, Poland
July 6, 1994

President Clinton. Thank you very much, Mr. President. Let me say again how delighted I am to be here with my party and with my family in Poland.

We had, from my point of view, a very satisfactory discussion about what we could do together to strengthen Poland in terms of its economic future and its political and security future and about what we could do to continue to integrate the democracies, the new democracies in Central and Eastern Europe into a broader Europe. I think they feel a great solidarity with the people of Poland.
in their common efforts to now make freedom work.

President Walesa opened his remarks with a statement that I think may be well-known in Poland but perhaps not so much in the United States. He said Poland’s future needed more American generals, starting with General Motors and General Electric. [Laughter] And we talked about what we could do to continue the process of economic reform—after all, Poland had a 4 percent growth rate last year, a very impressive rate of growth—but also to spread the benefits of that reform to the people who are still unemployed and who are having a hard time, not only to ease the pain of this economic transition for them but to raise a better promise for the future.

We also talked about the security future of Poland. And let me just say that the most important thing for the present is that we are having the first Partnership For Peace military exercises in Poland in September. The United States and our NATO allies are very excited about that and deeply impressed that Poland led the way to 21 nations joining the Partnership For Peace. That is the beginning of a process that will not only eventually lead to an expansion of NATO but much more importantly gives us a chance to have a secure and unified Europe in which, for the first time, all nation states really do respect the territorial integrity of one another. And both these developments, the economic developments and the security developments, are due in no small part to the steadfast and courageous leadership that President Walesa has displayed for so many years.

I thank him for that, and I thank him for the opportunity to make these few remarks.

President Walesa, I wish to thank President Clinton for coming to our country. I wish to thank him for the initiatives which we welcome with great satisfaction.

America, as I said at the beginning of my remarks, always held a certain promise for Poland and other countries of the region, but this hope was in a different context. Today, the hope consists in the generals I mentioned, if we could get the American generals, the generals I meant, General Motors and General Electric. Certain proposals have been set to encourage the generals to come our way, to make full use of the potential that we have. I think after supper we’ll find solutions to all the problems.

NATO Membership and Assistance to Poland

Q: Two questions to President Clinton. Mr. President, after Poland has become the most active partner for peace, it’s time to start working out some concrete timetable of the Polish NATO journey. Do you agree with the idea? And the second question is we can observe—inadmissible—that to refer to the Central and Eastern European countries started to go more and more slowly. Does the United States plan to provide some economical, financial support to stop this negative tendency—inadmissible—to accelerate once again?

Thank you.

President Clinton. First of all, with regard to your first question, I have always stated my support for the idea that NATO will expand. But NATO is a partnership of many nations. I asked the NATO partnership to embrace, first, the Partnership For Peace, so that we would have a way of reaching out to all the nonmember democracies in Europe. I did that as a first step toward expansion of NATO but also because, in my mind, I wanted to see whether there was a real feeling that Europe could be united and that these countries could each pledge to respect one another’s borders.

I must tell you that I was surprised that 21 nations, including Sweden and Finland, two formerly neutral countries, asked to be a part of it. So it is taking on a life of its own which should not be underestimated. And now what we have to do is to get the NATO partners together and to discuss what the next steps should be. Since that has not been done, I can’t really say more about it, because it is a joint decision which has to be made, except to say that I believe that NATO will be expanded, and I believe everyone is impressed by the leadership which Poland has shown.

The answer to your second question is yes, the United States should and will do more to help sustain the process of reform here in Poland and elsewhere, and to help to ease the transition for the people who have still
not found jobs and who still have problems with their incomes.

As President Walesa said in our meeting, many people in Poland who are unemployed are unemployed not because there is overproduction in Poland but because the transition from a Communist-controlled economy to a free market economy has not been completed where they live. We have some experience in dealing with those problems, even though they are problems everywhere, including the United States. And I think we must do more to help, and we will.

**Russia**

Q. Mr. President, I'm wondering—a question for both of you, sir. I'm wondering about President Walesa's lingering concerns about Russia, and I'm wondering what you have told him to ease those concerns.

**President Clinton.** Only he can answer the first part of the question. But I will say that from my point of view, we are in better shape now than we were a few months ago. Russia has agreed to join the Partnership For Peace and, therefore, to accept the integrity of its neighbor's borders; the prospect of joint exercises here in Poland and in other countries, and the premise that NATO will expand. At the same time, Russia has brought its deficit down, its inflation rate down, and continues to privatize its economy.

So, in an uncertain world, I think we are doing about as well as we can in moving things in the right direction. And I feel that we are moving in the direction that will maximize the chances of reform and democracy staying alive in all these countries.

**President Walesa.** Mr. President, my apprehensions amount to 40 percent and my hopes amount to the other 60. If the United States continues to extend its assurances of stability and security in this region of the world, the proportions will change. As for today, we should say, that the United States did provide the proper assurances, and the proportion of hopes keeps expanding all the time. Russia, a democratic state, is a free-market economy, is a partner for everyone.

**Remarks at a Dinner Hosted by President Walesa in Warsaw**

**July 6, 1994**

President and Mrs. Walesa, ladies and gentlemen, it is a tremendous honor for me and for our party of Americans and for my family to be here with you in Poland. In this short time, we have felt already your hospitality and friendship. And we see that, just as you rebuilt this wonderful city after World War II, you are now rebuilding this magnificent country after communism. You have enshrined freedom and democracy, and after a difficult beginning, you have achieved a high rate of economic growth. These are tributes to both your people and your leaders.

Mr. President, your personal struggle ever since the events in Gdansk more than a decade ago have inspired people everywhere in the world. In a very real sense, Poland is the birthplace of the new Europe. And in so many ways, you are the father of that wonderful child.

You and many other of your countrymen and women have proved that individual acts of courage can change the world. And in a time when ordinary people all over the world feel helpless in the face of forces shaping and changing their lives, you have proved that ordinary working people can transform their own lives.

Poland has the moral support of all the American people but of two groups, especially; first, the millions of Polish-Americans who share your heritage and the love of your soil and your history and, second, the members of the American labor movement who have supported your struggle from the beginning. And I might say, we are especially glad tonight to have the leader of our labor movement who has been your supporter from the beginning, Mr. Lane Kirkland, with us. Welcome, sir.

As you said, Mr. President, it is now for us to build on what has been done. In Poland, that means a stronger economy and greater security and more concern for those who have been left behind. We know the path of reform is difficult, and special steps must be taken to help those who have not yet seen its benefits. Beyond Poland, it means building a truly united Europe, a Europe united...
economically and in its common support for democracy and freedom and territorial integrity.

These things are important to the United States for many reasons. We are on our own journey of renewal at home: But we know that in the end, our success depends upon your success. We seek to be free in a world more free: We know to be prosperous, the world must be more prosperous. We know to be secure, those who believe in the things that we believe in must also be secure.

So tonight, I urge the people of Poland to take pride in your achievements and not to lose hope. The road to the future is not smooth, but you have known difficulties in the past far greater. The United States will stand with you. Our partnership will grow, and Poland will triumph.

And so I raise my glass: Mr. President, in a toast to you and Mrs. Walesa and to the people of Poland.

NOTE. The President spoke at 9:14 p.m. at the Presidential Palace. A tape was not available for verification of the content of these remarks.

Address to the Polish Parliament in Warsaw
July 7, 1994

Thank you very much. Mr. President, Mr. Prime Minister, Marshal Oleksy, Mr. Speakers, and representatives of the people of Poland. I am honored to stand before you today in this chamber, at the heart of Poland's democracy. I know that you have extended your session in order to hear me today, and I am very grateful for your hospitality.

We gather today to honor a friendship that is as old as my Nation. And we honor ties that grow stronger every day. We admire the contributions that Polish-Americans, millions of them, have made and are making to our Nation's strength. And we celebrate the cultural ties that bind our peoples. But at this moment of decision in history, in this time of renewal for Poland and for the United States, Poland has come to mean something even greater, for your success is crucial to democracy's future in Central and Eastern Europe, and indeed, all across the globe.

It has been said that if it were not for the people of Poland, democracy might have perished on the continent of Europe a half-century ago. For it was the Polish mathematicians from the laboratories of Poznan who broke the secrets of the Enigma Code, what Winston Churchill called the most important weapon against Hitler and his armies. It was these code-breakers who made possible the great Allied landings at Normandy when American, English, French, Canadian, and yes, Free Polish forces joined together to liberate this continent, to destroy one terrible tyranny that darkened our century.

Yet, alone among the great Allied armies who fought in Normandy, the Poles did not return to a liberated land. Your fathers instead returned to a nation that had been laid waste by its invaders. Then one would-be conqueror gave way to another, and an Iron Curtain fell across your borders, a second foreign tyranny gripped your people and your land.

It was here in Poland that all those who believe communism could not stand, first found their hopes fulfilled; here that you began to hammer on the Iron Curtain and force the first signs of rust to appear; here that brave men and women, workers and citizens, led by Solidarnosc, understood that neither consciousness nor economics can be ordered from above; here that you showed the peoples of Central and Eastern Europe that with hearts and hands alone, democracy could triumph.

But I come here today, not simply to recall the events of 30 years past or even to rejoice at those of 5 years ago, for others have done that and done it very well. Instead, I come to the heart of a new, democratic Central Europe to look ahead, to speak of how we can reverse the legacies of stagnation and oppression, of fear and division; how we can eradicate the artificial lines through Europe's heartland imposed by half a century of division, and how we can help chart a course toward an integrated Europe of sovereign free nations.

The challenges our generation faces are different from those our parents faced. They are problems that in many cases lack pressing drama. They require quiet and careful solutions. They will not yield easily. And if we
meet them well; our reward will not be stunning moments of glory but gradual and real improvement in the lives of our people.

We must find the will to unite around these opportunities of peace as previous generations have united against war's life-or-death threats and oppression's fatal grip. To the courage that enables men and women to drop behind enemy lines, face down rumbling tanks, or advance freedom's cause underground, we must add a new civil courage: the energy and optimism and patience to move forward through peaceful but hard and rapidly changing times.

Our course must be guided by three principles: supporting democracy, advancing free markets, and meeting new security challenges. Half a century after our fathers beat tyranny into submission and half a decade after the Soviet empire collapsed, the voices of violence and militant nationalism can once again be heard. Would-be dictators and fiery demagogues live among us in the East and in the West, promoting ethnic and racial hatred, promoting religious divisions and anti-Semitism and aggressive nationalism. To be sure, they are weak imitators of Hitler and Stalin, yet we dare not underestimate the danger they pose. For they feed on fear, despair, and confusion. They darken our road and challenge our achievements.

In this fight, democracy remains our indispensable ally. For democracy checks the ambitions of would-be tyrants and aggressors. It nurtures civil society and respect for human rights and the habits of simple tolerance. Its progress is slow and uneven, and as you doubtless know in this chamber, occasionally frustrating. But it cements economic reforms and security cooperation. And it offers once-captive peoples the opportunity to shape their own future.

Five years ago, your nation seized that opportunity. Discarding dictatorship and a failed command economy that was imposed upon your nation, you stepped into the unknown and started to build a free market economy. Doubters said that it couldn't be done, but the Polish people have proved those naysayers wrong. Poland's reforms are working. You are beginning to win the struggle for economic transformation. You have ended hyperinflation, stabilized your currency, privatized enterprises that drive growth, and doubled your exports. You have proved that free people need not wait for the state to tell them what to do. You have demonstrated an entrepreneurial talent that generates one of Europe's highest growth rates.

But we must be sober and honest in our judgment. When you began this process the old Communist economic system was already collapsing. You knew then your journey would be difficult at best. And although many Poles are prospering today, many others have lost their jobs through no fault of their own, and their hardships abound: In a time like this it is easy to focus on that pain, not on the promise of reform.

My message today to the people of Poland and to all the people of Central and Eastern Europe is simple and direct: Free markets and democracy remain the only proven path to prosperity and to peace. You must hold hard to those tracks. Sustain the civil courage that has brought you so far so fast, and do not give up or turn back. You will not be alone.

The United States has stood with you since you began to build the modern economy, and we stand with you now. America is the number one investor in Poland, with $1.2 billion already in place and much more on the way. The American people are proud to have supported Poland as you have put tens of thousands of your people to work, created thousands of new enterprises, and begun to free your economy from its inherited burden of debt.

Today we are announcing new initiatives that will pump hundreds of millions of dollars into the Polish economy. For example, our Government, along with some of our Nation's largest labor unions, has established a $65 million Polish Partners Fund to promote new investments in business. We are also working to quicken the speed of privatization, to assist people in finding new jobs and housing, to help protect your citizens from the economic pirates of organized crime.

Taken together, these goals—hopeful citizens, thriving entrepreneurs, new investments and expanded trade—are the future pillars of a prosperous, reformed Poland. Economic reform and democracy, though
important, however, will only flourish if the free peoples of Central and Eastern Europe are also secure.

In moving to guarantee its own security, Poland has indeed become a model for the other nations of Central and Eastern Europe. Your decisions to establish good relations with Russia, Ukraine, Germany, and Lithuania are shining examples of the potential for peace that the new Europe provides. At this moment, in fact, Poland faces what may fairly be described as its best prospects for peace and security in 350 years. And yet, as you have taught us, we must not forget the lessons of history. There appears to be no immediate or short-term threat to Polish sovereignty, but history and geography caution us not to take this moment for granted.

When my administration began, I stressed that Poland’s security and the security of all democratic nations in the region is important to the United States. In January of last year, when I visited Prague and met with the heads of the Visegrad nations, I learned a Polish phrase: Nic nie bez nas, “Nothing about us, without us.” That phrase echoes in my mind today as we solidify and search for a new security arrangement in Europe. Because the simple fact is that Poland should never again have its fate decided for it by others. No democracy in the region should ever be consigned to a gray area or a buffer zone. And no country should have the right to veto, compromise, or threaten democratic Poland’s or any other democracy’s integration into Western institutions, including those that ensure security.

I know that these are ambitious goals, but history has given us a rare opportunity: the opportunity to join together and to form a new, integrated Europe of sovereign nations, a continent where democracy and free markets know no borders, but where nations can rest easy that their own borders will always be secure. This is the vision behind the Partnership For Peace.

Twenty-one nations have now joined that Partnership since we began it, and they are already moving to fulfill the dream of a unified and peaceful Europe. They have sworn not only to pursue democracy but also to respect each other’s sovereignty and borders. They are moving along a course that is both visionary and realistic, working for the best while always preparing for the worst.

Poland, as all of you know, has taken a leading role in the Partnership For Peace, and I am proud and pleased that some 2 months from now your nation will host the first Partnership exercise on the territory of a former Warsaw Pact state. For the first time since 1945 Polish and American troops, troops that once faced each other across the Iron Curtain, will train together on the plains of Europe.

The United States recognizes that full participation in the Partnership requires resources. And I am pleased to announce today that I will ask our Congress to designate $100 million, effective in the fall of next year, to help America’s new democratic partners work with us to advance the Partnership For Peace’s goals. In response to your nation’s demonstrated commitment to security and democracy, I will ask that fully one-fourth of that money, $25 million, be directed to Poland.

But the Partnership For Peace is only a beginning. Bringing new members into NATO, as I have said many times, is no longer a question of whether, but when and how. And that expansion will not depend upon the appearance of a new threat in Europe. It will be an instrument to advance security and stability for the entire region. We are working with you in the Partnership For Peace in part because the United States believes that when NATO does expand, as it will, a democratic Poland will have placed itself among those ready and able to join. The Partnership For Peace and planning for NATO’s future mean that we will not let the Iron Curtain be replaced with a veil of indifference.

I have learned another Polish phrase which, even in my tortured accent, well describes our goal for a more secure, democratic, and prosperous Poland: Rowni z rownymi, wolni z wolnymi, “Equal among equals, free with the free.” It is time to bring that phrase to life.

Here, in the middle of the rebuilt city of Warsaw, we are reminded that the Polish people have always fought for that right. Fifty years ago this month, the Polish home army was planning the greatest urban uprising of
Remarks at the Children's Memorial in Warsaw

The President. Thank you very much, Ryszard Palclawski, Adam Bielacski, and Magda Kierszmiewska. Didn't she do a good job? Let's give her another hand. [Applause]

We are gathered at the wall of an old city to honor a people whose love of freedom is forever young. Fifty years ago a heroic chapter of history was written here, a chapter stained with the blood of war but brightened by the enduring power of the human spirit. Next month you will honor that spirit by marking the 50th anniversary of the Warsaw Uprising. And I am pleased to say that the Vice President of the United States, Al Gore, will be here with you in August, just as I am today.

The seeds of rebirth that are now flowering across this wonderful country were planted a half-century ago. When the brave Poles took up arms against Hitler's tyranny in the summer of 1944, Warsaw was on the verge of total destruction. For 63 days, Polish men, women, and children struggled against the Nazis. For 63 days they faced the tanks, machine guns, and bombers with courage and faith and solidarity. Two hundred thousand of them died. And this beloved city seemed beyond salvation.

I have seen photographs of Warsaw at the end of the war. An exquisite city that took six centuries to build was razed to the ground in 2 monstrous months. The statue of King Zigmund was toppled from its base, an elegant column, literally blown to bits. The majestic arches of St. John's Cathedral were battered until only a skeleton remained. The Old City marketplace was obliterated.

No one sacrificed more than the children. The statue behind me honors the children of the Warsaw Uprising. The terror of war took their innocence. Their childhoods were bumed in the rubble. Young girls braved sniper fire to deliver messages for the Resistance, and the Szare Szeregi, the Young Scouts, faced the frontlines of battle.

Thousands of children witnessed the unimaginable. One boy was 8 years old when the bombs began raining down. When the Nazi planes destroyed the building where he lived, his family courtyard was turned into a graveyard for his neighbors. But that little boy survived. He never forgot Warsaw, and he never gave up trying to give meaning to the tragedy. Today, that little boy is the highest ranking military officer in the United States of America, General John Shalikashvili, Chairman of the Joint Chiefs of Staff, who has dedicated his life to the fight for peace and freedom.

His life, like the lives of so many other children of Warsaw, teaches us what Poland taught the world: out of the wreckage of oppression can grow the redeeming spirit of freedom. Some of those other children, now grown, are with us today. Let us thank them all for that profound lesson. [Applause]

Sometimes in life, we do not realize the good we have done. Fifty years ago, the heroes of Warsaw seemed defeated. Fifty years later, we know the Polish spirit did not die in the ruins. Sometimes what seems to be the final chapter in history is but one sad page of an unfinished and triumphant story.

The Polish people never gave in to the shadow of despair. They found strength through the light cast for the uprising, and after the war the survivors returned to the ruins. Brick by brick, with cold and tired hands, they rebuilt this city. Day by day, they
revived a nation, even as new invaders overwhelmed the homeland they loved. For five more decades, as Poles had done for centuries in the face of attack and invasion, they held fast to their dreams; they endured the darkness of domination; they prepared and fought for a new day to come.

Just as the men, women, and children of the uprising won their fight, so you in this generation have won yours. Warsaw is not a city under siege but a city in peace. Poland is not a nation consigned to the darkness of tyranny but a nation inspiring the entire world in a season of renewal.

This moment reminds all of us that darkness could always enshroud us again, that fear and intolerance do find new lives of their own. But let us remember the words of the Polish philosopher, Joachim Lelewel, a great Polish thinker who said: "The last bastion of our nation is our people's heart, and that bastion will never be conquered."

That is the lesson of the Warsaw Uprising. That is the lesson of democracy's triumph in Poland today. And that is the lesson that we, as free peoples, Polish and American, must embrace.

Today we have no doubt that the children of the Warsaw Uprising won their larger war; for the hearts of the free can never be conquered.

Thank you very much.

NOTE: The President spoke at 3:25 p.m. In his remarks, he referred to Ryszard Pachlewski, Adam Biełaczki, and Magda Kierszniewska, children who participated in the ceremony.

Statement on the Flooding in Georgia

July 7, 1994

The people of Georgia are in our thoughts and prayers as they work to recover from this devastating storm.

NOTE: This statement was part of a White House announcement on disaster assistance to Georgia.

Letter to Congressional Leaders
Transmitting a Report on Cyprus

July 7, 1994

Dear Mr Speaker: (Dear Mr Chairman:)

In accordance with Public Law 95–384 (22 U.S.C. 2373(c)), I am submitting to you this report on progress toward a negotiated settlement of the Cyprus question. The previous report covered progress through March 1, 1994. The current report covers the remainder of March through May 20, 1994.

This has been a very active period for negotiations on the U.N. proposed package of confidence-building measures. I hope that in my next report, I will be able to state that progress has been made.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Claiborne Pell, chairman, Senate Committee on Foreign Relations. This letter was released by the Office of the Press Secretary on July 8.

The President’s News Conference
With Prime Minister Tomiichi Murayama of Japan in Naples, Italy

July 8, 1994

The President: Good afternoon. I am pleased to have had the opportunity to meet with Prime Minister Murayama for the first time. We had a warm and productive session in which we reaffirmed the strong relationship between our two countries.

We began our talks with a discussion of North Korea and the fresh opportunity to resolve the situation that our common determination and diplomacy have produced.

This is an important day. The third round of high-level talks is now beginning in Geneva. During those talks, North Korea has agreed to freeze verifiably the reprocessing and refueling elements of its nuclear program. Throughout this process, we have worked very closely with Japan and the Republic of Korea as well as with Russia and China.

I’m especially pleased by the assurances of Prime Minister Murayama this morning.
of the continuity of Japanese foreign policy and our security relationships. We agreed to continue frequent consultations on the Korean situation.

The Prime Minister also described his plans for increasing Japan’s economic growth and his policy of working toward global growth. I support the Prime Minister’s measures to spur Japan’s economic growth and to pursue strong open market efforts through GATT. I urged the Prime Minister to also pursue strongly our framework talks and our common efforts to complete the GATT this year.

We discussed this weekend’s G-7 meetings, agreed that in this meeting the G-7 leaders should turn to a long-term emphasis for laying the foundations for the global economy of the 21st century.

In closing, let me reaffirm my view that there is no more important bilateral relationship in the world than that between the United States and Japan. I believe that Prime Minister Murayama and I can build on the relationship that we began today to make real progress in all aspects of the Japanese-U.S. relationship—security, political, and economic. I look forward to the opportunity to turn today’s constructive talks into constructive action.

Mr. Prime Minister,

Prime Minister Murayama, Thank you.

For about an hour and a half I had exchange of views with the President. I very candidly explained the Japanese political situation today. For as many as four times the government changed within a year in Japan, and I believe that there are some people who take various views about the situation. I wanted the President to have a full understanding of the situation.

For 38 years one party was in power, and now we have shifted the days of coalition. And Japanese politics will be changing significantly. And after a change, we believe—in order to change the policy of Japan we also need a stable government. So the Liberal Democratic Party—the Japan new party, the Social Democratic Party of Japan—and organized into a coalition in order to try and find out the future course of Japanese politics. And in a word, as the President has just said, we shall continue with the foreign policy that our past governments have maintained. The Japan-U.S. security system will be maintained as well.

As for Japanese domestic politics, we shall actively pursue reforms. To that end, we absolutely need a stable government. That is what I explained to the President, and I believe the President understood it in full.

A continuation of Japan-U.S. relations in a favorable state will be very essential in making sure that Japan and the United States will be able to address important situations around the world properly. And we, therefore, I told the President, would like to maintain steadfastly the Japan-U.S. relations.

On the economic front, Japan will work to recover the economy on the strength of domestic demand and ensure sustainable growth of the Japanese economy. The U.S. economy is on the track toward expansion, and we also see that the Western European economies are gradually moving on to recovery.

So how are we to manage Japanese domestic policy, economic policy, bearing in mind such economic situations around the world? And I made three points that, first, all of us shall continue with a tax cut next year at the same level as this year. Now, as I mentioned, Japanese public investment is gradually improving, and personal consumption is gradually improving and fiscal—is proceeding.

In order to further give strength to the Japanese recovery we should like to further review public investment, qualitative and quantitatively. We have set on 430 trillion yen over a 10-year period. We shall review qualitative and quantitatively this amount and rethink the amount. And also, in terms of public investment and distribution of that amount, we shall shift emphasis to the consumer and try to expand the Japanese economy on the strength of expanding domestic demand. And this was kindly understood by the President.

We also discussed North Korean issue and others as well. And fortunately, thanks to the tenacious efforts by the United States, now U.S.-North Korean talks are proceeding in Geneva, and soon there will be North-South Korean summit talks as well. And we very much hope that through dialog the matters will be resolved, and we should like to do our best to that end. And Japan, U.S., and
South Korea will have to maintain close contact with each other in order to achieve that. And we have a common understanding on that point.

Inclusive of this, as well as other points, Japan and the United States, to the maximum extent possible, should maintain good relations with each other not only in the interest of our two countries but for the entire world. And this again we see eye-to-eye with each other.

Thanks to the meeting this time, I, at a personal level, as well, I believe have been able to have the President's understanding and the President's suggestions not only in word but in deed—that is show what we can. And so in good faith we'd like to continue to promote good relations between Japan and the United States.

Thank you very much.

The President. Let me say, as we begin now, by prior arrangement we're going to take a couple of questions today from the American press and the Japanese press. And then I'm going to meet with all of you again in the news window in a couple of hours. But we'll start:

Helen [Helen Thomas, United Press International]

Japan-U.S. Trade

Q. Mr. Prime Minister, you didn't mention trade in a very strong way. And there is a perception in the United States that Japan likes to sell to us but doesn't really want to buy many of our products. And you didn't talk about widening and opening your markets, which is apparently the crux of our problem. What's your answer to that?

Prime Minister Murayama. May I? Well, as I mentioned earlier, we decided on 279 deregulation items, and we shall continue to promote deregulation, for that matter. And also, we shall decisively promote market access opening, trade liberalization, so that U.S. products as well as others will flow into the Japanese market and the Japanese consumers will be able to enjoy the benefits of those products. And so we should like to promote two-way trade and not that we are disliking American products or anything.

The Yen and the Japanese Government

Q. Mr. Prime Minister, I'd like to ask two questions. First of all, the precipitous yen appreciation is shaking the Japanese industry. To what extent did you discuss that matter? And the other question, with regard to maintenance of Japan's security—your security—your Prime Minister from the Socialist Party, and I wonder, do you think that you've had the understanding of the President on your position?

Prime Minister Murayama. With regard to yen appreciation, there is macroeconomic conditions lie behind that situation, I believe. And I don't think that they'll be stipulating an exchange rate immediately. However, if countries around the world, and especially Japan and the United States should—or at least, these two countries should—take policy that is conducive to more stable exchange rates in cooperation with each other. So we hope that those responses, I'd for the matter will talk each other and work at it properly. There is a common understanding on that.

With regard to the security system, there was a clear-cut understanding when we established a coalition government, and the Social Democratic Party of Japan will adhere to that understanding. This government is not led by ideology, but rather politics today is led by pragmatic policy. That policy must keep abreast of reality, and I'm sure we would have to promote policy that will be supported by the general public as well. And I don't see any contradiction between security and our policy.

Global Economy and Trade

Q. President Clinton, I'd like to ask what your impressions were of the situation involving the yen and the dollar. And also, do you feel that Japan has made sufficient progress in the year since the last G-7 on opening its markets to the U.S.?

The President. First, with regard to the yen and the dollar, I think that the relationship of the yen to the dollar is obviously a function of the movement of world currency markets, which have something to do with macroeconomic realities and something to do with perceptions and movements in the market. I think it's important not to overreact.
The United States does not seek to grow its economy or change its trade balance through a low dollar: we do not want that. We want the dollar to be properly valued, not under-valued. We want to grow through productivity and economic strength.

But I think, on the other hand, it would be a mistake for us to change the fundamental objective that we all ought to have—the one we agreed to here at the G-7 last year, which is to pursue global growth. The United States was asked to bring its budget deficit down: we have done that in a remarkable fashion and more than anyone thought we could.

Europe was asked to lower its interest rates, and they did that for a year. Now, they’ve gone up again in the first 6 months of this year, largely because of the signs of new economic growth. Japan was asked to expand its economy through domestic stimulation, and the Prime Minister has reaffirmed his intent to pursue that course.

Now, if you look at what’s happened in the last year, we have had growth in the G-7, and we have had growth without inflation. If we continue to pursue growth without inflation and to work on generating new jobs out of that growth, then eventually the macroeconomic realities will assert themselves, and the currencies will be righted according to market conditions. I think that is what will happen. And I think it’s important that we not lose sight of the real economy in which the people of the G-7 nations and indeed the people of the world live. So that’s what I think about that.

On the second question, my candid answer would have to be no. But I think if you look at—the Prime Minister was very good—basically run through the last year of Japan’s very interesting political history with me in a way that, frankly, increased my own understanding not only of what has happened but of the nature of this present coalition government. It is frankly difficult to imagine how the hard issues that are the subject of the framework talks could have been resolved against a background of as much political change as the nation has sustained in the last year.

So I think what I’m looking forward to now is a resumption of the talks in good faith and continued progress. And I was encouraged by what the Prime Minister said about wanting more open markets, wanting more American sales.

There have been, I might add, some specifically encouraging developments. The United States was able to sell rice in Japan in substantial quantities this year. Even though the number is quite small, there’s been a substantial increase in the sale of American automobiles in Japan partly, I might add, due to the aggressive efforts of our auto companies to build cars with the driving mechanisms on the right side of the car from the point of the view of the Japanese and to do some other things that are important, so I wouldn’t say the signs are all bleak. My answer is, no, we haven’t made enough progress, but I think we may be in a position now and in a more stable position to make some progress, and that’s what I’m looking toward.

We agreed to stop at the three questions, so I will honor my agreement, and I’ll meet with the American press again later today in a few hours. Thank you.

NOTE: The President’s 61st news conference began at 12:31 p.m. at the Hotel Vesuvio. A tape was not available for verification of the content of this news conference.

The President’s News Conference in Naples
July 8, 1994

The President. Good afternoon. During this trip we are addressing three concerns that will determine whether we have a peaceful and prosperous future.

In Latvia and Poland and later in Germany, we are focusing on the aftermath of the breakup of the Soviet empire and the need to strengthen democracy and economic growth there, to work for a united Europe that can be a partner in trade and a partner for peace. Second, we are working against nuclear proliferation.

In Geneva, the third round of talks between the United States and North Korea has just begun today. Here in Naples, at my first meeting with Japan’s new Prime Min-
ister, Mr. Muravtia and I had a very good discussion about the North Korean situation and the Prime Minister praised what he called the United States' tenacious efforts and pledged his continuous support in our non-proliferation efforts.

Finally, as the world's leading economic powers gather tonight for our annual summit, we will act on the third and in some ways the most important issue of this trip: economic growth. I'm here to keep our economic recovery going home by promoting economic recovery throughout the world. More than ever, what happens in the world economy directly affects our ability to create jobs and raise living standards for our own people.

For too long, our leaders ignored the economic realities. At home, our economy drifted; the deficit exploded; the middle class suffered. Now, with the strategy for renewal, we have taken action. We are putting our economic house in order, cutting our deficit in half, and reducing the Federal work force to its smallest level in 30 years. We're expanding exports by tearing down trade barriers and preparing our workers and our children through better education and job training for the jobs of the 21st century.

The economy has responded. I'm pleased to report today that in the last year and a half our economy has created over 3.8 million jobs, 380,000 in the last month alone, and the highest number of manufacturing jobs in the last 4 years. Ninety-two percent of those new jobs are in the private sector; and last year more new businesses were incorporated than in any single year since the end of World War II. Our economy is coming back on its soundest footing in decades, with more jobs and low inflation. In fact, we're leading the world.

America has 40 percent of the G-7's gross domestic product but produced 75 percent of the growth and about 100 percent of the new jobs over the last year. Growing our economy and shrinking our budget deficit from the biggest among these nations to one of the smallest gives us the authority to speak and the credibility to be heard on the matters of discussion here.

Our partners are making progress, too. The growth strategy we urged the world to adopt at the G-7 meeting in Tokyo last year is working. The economy is recovering worldwide. We produced a landmark GATT trade agreement, and Russia's economy is making progress as well, with lower inflation, a reduced deficit, and more and more people working in the private sector.

Now in our meetings this year, on behalf of all the American people, I'm urging the G-7 leaders to keep the world recovery on track. This weekend we will take steps on four fronts: First and foremost, we will continue to work to spur growth and create jobs. One of the most important ways to do that is for all of us to actually enact the Uruguay round of the GATT agreement this year. Passing it this year, immediately, will provide a shot in the arm for the world economy.

We must maintain this momentum toward a more open world economy. I'll urge my G-7 colleagues to review and analyze the remaining trade and investment barriers and to report back to us in Halifax next year. But these meetings will go beyond the traditional concerns of G-7 summits to the traditional concerns of working people and their families. We will address the education, the training, the job skills of our working people, building on the jobs conference in Detroit earlier this year. This will be an historic first for the G-7.

Second, we'll begin to build the telecommunications infrastructure of the new information-based global economy, without which we can't take full advantage of our efforts to tear down trade barriers.

Third, we'll focus on the explosive mix of overpopulation and environmental degradation that could overwhelm all of our own economic efforts.

Finally, we'll continue to help the economies of Central and Eastern Europe through long-term reforms, trade, and investment. As a priority we plan to offer our support and advice to the Ukrainian Government on economic reform and on nuclear safety. And President Yeltsin will join in our political discussions for the first time this year as a full and equal participant.

We know these issues will not be resolved overnight. But I have no doubt that for every American and for people all over the world,
we must work together to build these foundations of the future.

Now, before I close and take questions, let me say a brief word about the people back home in America who are battling the fires and the floods. This a time of particular difficulty for many of them. We've lost many lives in the fire fighting in the West and Colorado, and we have problems in other States there. And of course, we've had the terrible floods in Georgia, the problems spreading to Alabama and Florida. My thoughts and prayers are with the people back home who are battling these fires and floods and especially with the families of those who have lost their lives in the disaster.

I have spoken with the Governors of Colorado and Georgia, and I have instructed all the Federal Departments who can help to make their most aggressive efforts to do so. I am convinced that at this time we are doing everything we can, but the situation remains difficult on both fronts.

Haiti

Q: Mr. President, more than 16,000 Haitians have fled in boats in recent weeks, giving rise to talk that it's going to require a military invasion to depose the military leaders of Haiti. Do you think that's increasingly likely, and what is in the U.S. national interest of such a move?

The President: Well, let's divide the two things if we can. First of all, as Amnesty International has recently reported, the human rights violations in Haiti are on the increase; the use of murder, rape, and kidnapping as a means of maintaining political control has intensified; we have seen the gripping pictures of more people lying dead in the streets.

I think, overwhelmingly, the reason for the increased exodus, people looking for safety, is the violation of human rights by military dictators who overturned a legitimate election and who broke their own word to leave. And I don't think we should lose sight of that.

In the face of these continuing human rights violations and their intensification, the United States determined that its policy of direct return should be changed. I did not believe that policy was sustainable, given what we knew about what was happening in the human rights area and the fact that the government had blocked all reasonable attempts by citizens to restore economic growth and political democracy.

Now, we have interest in what happens in Haiti. There are a million Haitian-Americans. There are thousands of American citizens trying to survive and live and work in Haiti. We have an interest in promoting democracy in the area. Cuba and Haiti are the only two countries in the entire hemisphere now that are not ruled by democratic governments. We have an interest in seeing that the United Nations and its work is upheld, and there was an agreement--the Governors Island Agreement--signed in the United States in which the rulers, the military leaders committed to leave. So we have very clear and significant interest in addition to the massive outflow of people seeking refugee status in our country, which is a significant problem.

But I want to divide what is happening there with the refugees from the question of how best to deal with it. We are working on very tough enforcement of the sanctions, and we have not ruled other options out.

Decline of the Dollar

Q: Mr. President, regarding all the progress that's been made over this past year on the economic front, many people are confused though because the dollar has dropped to almost a record low, especially in connection with the yen. How do you explain this tremendous loss of faith in the dollar when you point to these economic achievements over the past year?

The President: Well, first of all, I think it's important that you pointed out that the dollar has dropped to an historic low against the yen only. It's also dropped some against the mark, but well within historic variations. And that's partly because the economy is picking up in Europe as well, something that we really want to happen, and we hope that it will continue to pick up.

I think that the main reason is a macro-economic reason, the persistent existence of the trade debt surplus that Japan has with the United States and the fact that over the past year the Japanese economy has been flat except for a good first quarter, so that there's not been the capacity to reduce the trade...
deficit through buying more American products. And Japan, as the Prime Minister said today, has had a number of changes of government so that there has not been the political capacity to reach agreements which would permit the trade deficit to narrow. And as a result of that, the currency values have changed to try to reflect that reality.

I still believe that the best thing we can do is to keep focusing on the fundamentals. If America is leading the world out of a global recession, we should be very concerned about the value of our dollar, and we should tell the world that we do not wish to have a low dollar so that we can have more American goods bought and so that we won't buy more foreign goods. We do not wish to seek prosperity through devaluation of our currency, but we do wish to continue our own growth and to promote growth in Europe and Japan. As Japan grows and engages us on the framework talks and continues to open its own economy, as those three things happen, you will see the value of the dollar rebound because the trade situation will right itself.

We ought to follow the economic fundamentals in the real economy, and that's what I'm trying to do.

Haiti

Q. Mr. President, in the past when Presidents have ticked off, as you did just moments ago, American interests in a place where there's trouble, it has often been the precursor of at least serious consideration of military action. Would it be fair to say, sir, that you at least are seriously considering that? And could you give us some of the upside and downside of a possible action of that kind?

The President. It would be fair to say that my position has not changed since I first commented on that a few months ago. I do not believe that we should rule out any option. I believe we should continue to pursue the aggressive use of sanctions. I believe we should continue to call on the leaders of Haiti to leave now. They promised to leave. They continue to violate the international community's sense of decency and to violate human rights, and they're in there illegally, and they ought to go.

Bosnia

Q. The contact group has presented a take-it-or-leave-it plan for the parties, a plan that basically parties ethnic cleansing in several areas. Could you explain how your thinking shifted on this, how you came to believe that stopping the war was more important than taking the moral high ground on this issue?

The President. First of all, the contact group has worked with all the parties there. We were successful, as you know, in helping to get the Croats and the Bosnians back into a federation where they were working together. This contact group proposal would restore to that federation something over 20 percent of the land in Bosnia and would provide still for a loose federation involving all three major ethnic groups.

It seems to me that that is a fair and reasonable way to proceed and that the people who have followed this most closely believe that this is the most just result that can be obtained while bringing an end to the conflict.

The United States has spent about a billion dollars a year there, has done its best to contain the conflict. We have our troops in Macedonia; we have used our air power through NATO; we have supported the creation of the safe zones; and we have supported the contact group's efforts as a way of recognizing what can most nearly be done to reconcile these interests with the termination of the war.

I think it's fair to say that the contact group believes that this is the fairest proposal that can be achieved to all the parties concerned and still bring a fairly rapid end to the bloodshed, which is something that's in the human rights interest to all the people involved.

Haiti and Ukraine

Q. Can you tell the Congressional Black Caucus in good conscience that Haiti is a regional issue that doesn't have a role here, but yet Ukraine is a place which deserves possibly billions of dollars in international aid and will be one of the focuses here?

The President. Well, first, let me say that both France and Canada, two other members of the G-7, have served as friends of Haiti. There are a lot of Haitians in Canada, and
France has historically had an interest in it. So I think we will be discussing it.

Secondly, we have intensified our humanitarian assistance to Haitians, both to feed more Haitians and to provide more medical assistance there, so as to offset the impact of the embargo. So I do think it's an important thing.

But the difference is that Ukraine is part of our historic mission to try to unify Europe around democracy and market reforms and a new sense of common respect for national borders and common commitment to mutual security. There are 60 million people who live there, and their fate and what happens to them is of immediate and pressing concern to the rest of Central and Eastern Europe as well as to Western Europe.

I might say that when I was in both Latvia and Poland the first subject which came up after the interest of the countries that I was visiting, on their initiative, was the future of Ukraine. I think it is very important, and I don't think one should be used to denigrate the other.

Andrea [Andrea Mitchell, NBC News]

Panama

Q. We've spent our lives, American lives, and many dollars to restore democracy to Panama. Can you explain to the American people how an ally such as Panama could now be refusing to help us out of this crisis? And does the increasing flow of refugees, if it continues, make it more likely that you will have to resort to some military option because we have no place to put these unfortunate people?

The President. I believe we will be able to develop a network to deal with them. The Panamanians will have to explain their own actions and their retraction of their former position. That is not for me to do. But I will say this: I appreciate what Granada, Antigua, Dominica have done in agreeing in principle to help us with this. And Mr. Gray is working hard with them and with others to develop a network which will permit us to deal with those who are seeking safety. And I think we will be able to do that.

Q. How do you feel about what Panama has done?

The President. Well, I'm disappointed. But my concern right now is to build a network of friends in the hemisphere who agree that the Haitians are entitled to consideration here and who want to help us do it. And, I'm grateful for the three nations who do want to help us do it.

The Economy

Q. Mr. President, a strong unemployment report today in the States has given rise to concerns that the economy might actually be overheating. Do you think that the Fed should raise interest rates again to counteract that possibility?

The President. I don't think I should depart from my past policy of not commenting on the Fed's actions. But let me say, the evidence, if you read it, is encouraging on the inflation front. While 380,000 new jobs came into the economy in the last month—and we're now up to 3.8 million in the first 17 months of our administration—the wage levels did not go up a great deal. The working hours did not increase a great deal. It appears that, among other things, you've got a lot of young people coming in for summer jobs and more robustly than normal, and you also have some employers switching from using more overtime to actually hiring more workers as they have greater confidence that we're going to have a sustained recovery.

I don't think we should do anything to undermine the recovery when we have still Americans who need jobs, we have still Americans who are working part-time who wish to work full-time, we have parts of America that have not felt the recovery, and we have no evidence of inflation.

The real key is, is the economy generating real genuine substantiated fears of inflation? The answer to that is, no. If you look at the wage levels and the other indicators, we're having a growth with low inflation, really for the first time in 30 years an investment-led growth. We're leading our partners in the rate of investment, in the rate of productivity growth, in the rate of export increase. And I think we ought to keep it on that track. I don't think we should reverse course.
Russia

Q. Mr. President, what are you going to tell President Yeltsin when you see him about the extent of the U.S. ability to help him when in Russia right now there is great concern that the U.S. has reached, essentially, the extent of its ability to help, and it isn't felt to be very much?

The President. I think we've done quite a lot. But let me say, we just had a new energy deal signed there as a result of the work of the Gore-Chernomyrdin Commission, which is a multibillion-dollar energy deal. I think that Russia always felt that most of our help to them would come through private investment in their country, not through tax dollars.

Given the commitment we have made to reduce the deficit in this country and the fact that I've presented a budget that eliminated over 100 Government programs and cut 200 others, we've been. I think, quite generous in our governmental assistance to Russia. But what we really want to do is to help them to grow, their economy through the private sector and to make Russia more attractive for private American business and individuals to invest and to help them grow in that way.

And I think the work that we're doing with them on energy and on privatization and, frankly, on housing for the soldiers that are coming home; a lot of these things will help to generate more private sector development over the long run. And that is a long-term commitment of the United States that we're not going to weaken on.

Decline of the Dollar

Q. You're putting economic growth at the top of your list of priorities. Does that account for the fact that you do not want any sudden action at this G-7 summit with regard to the dollar, that you feel that if there were international concerted intervention currency markets or a common strategy to raise or lower interest rates to stabilize currencies, that that, in fact, would hurt the recovery and the growth that you're talking about?

The President. Well, first, let me answer the first question. We have participated twice recently in interventions, and what we see is that sometimes they work for a little bit and sometimes they can make a real difference. But over the long run, the economic fundamentals will have to work themselves out. And I think that the best thing to do to stabilize the dollar and the other currencies because, as you know, in the last few years we've had some terrible problems with other currencies which massive interventions have not reversed—the best way to do that is to send a signal to the markets that we are working on the economic fundamentals that we are trying to build the economy, not just the economy of the United States but the economy of Europe, the economy of Canada, the economy of Japan and the global economy, that we're seriously working on Central and Eastern Europe and Russia.

These things, it seems to me, together offer the promise of strengthening the dollar over the long run in a realistic way but also strengthening other currencies as well. Keep in mind what I wanted the United States to do when we drove the deficit down and we got our interest rates down for a time—very low, and they're still modest by historic standards, recent historic standards—was to be able not only to generate more jobs here in the United States, or back in the United States, but to also spark growth in Europe, Japan, and elsewhere. So what I want our trading partners to consider, and some of them have already mentioned to me is, we don't want to adopt a strategy in the short run that is just a short-run strategy and could choke off growth in the other G-7 countries and in other parts of the world.

I very much want a reasonably priced dollar. I'm not for a weak dollar. We have not done this intentionally. No one has tried to talk down the dollar. But I think it's important not to overreact to these movements. We need to work on the economic fundamentals. Markets that involve some amount of speculation and calculation and calculation about the future need to, as far as possible, reflect long-term fundamentals. And that's one of the things I was encouraged about in my conversation with the Japanese Prime Minister today, when he reaffirmed his commitment to economic growth in his country, because that will help a lot.
Russia

Q: There are elements in Russia who are not happy with the current borders, and they could come to power in our lifetime. When you say that there is no gray area in Europe, are you saying that the tripwire for war for the United States is now the eastern border of Latvia, Poland, and other former Soviet satellites?

The President: I do not believe that we should be discussing the matter in those terms when Russia has recently signed an agreement to joint the Partnership For Peace, which means that it has recognized the integrity of the borders of its neighbors, and when it has already signed an agreement to withdraw troops from Latvia by August 31st, has already withdrawn troops from Lithuania, and when we’re on the verge of getting an agreement for withdrawal from Estonia.

It seems to me what we ought to be doing is making it clear that we support the integrity and the independence of these countries and that we have embraced them in the Partnership For Peace but that we are working toward a positive outcome. And I don’t believe that it furthers the debate to conjure up a future that we hope we can avoid and that we believe we can avoid.

Economic Summit

Q: Some State Governors think that this extravaganza of the G7 is too expensive and doesn’t really produce much. Now that you’re President, do you think that the personal contact is worth it, and does lead to things that affect working people?

The President: Absolutely. But let me answer you with two points. First of all, last year, we, the leaders of the G7, agreed that the conference had become too shunted, too formal, too bureaucratic, and in a sense, too expensive. We decided to pare it back some and make it more informal. So we begin tonight with a leaders-only dinner, with no set agenda, that is not dictated by staff work and driven toward a final statement that often has been the lowest common denominator. And throughout this meeting we will have more flexibility, more informality, and I think it will work very well.

The former Prime Minister of Italy, Mr. Ciampi, very much wanted this kind of meet-

ing, and when Prime Minister Berlusconi took office he was eager to embrace this as more consistent with his own background in business. So I think you will see that this will be the beginning of something that will become a lean and more efficient operation.

Now, secondly, does it affect Americans back home or Italians back home or Germans back home? I believe it does. If you look at what we did last year, we made a commitment; first, that we would try to finish the GATT round; we did that; second, that we would do everything we could to try help integrate Russia and the other former Soviet republics into the mainstream of the world economy, and we are making progress on that. That has made a significant difference. And just since then, we have started working on things that, world leaders never talked about with each other before, like education and training systems and how to have adaptable work forces. All these things have a direct bearing on the livelihoods of our people back home. So I think this is a very important and valuable forum. And I hope we will continue it but continue to make it as lean and efficient and as economical as possible.

Haiti

Q: President Endara complained about miscommunication. Is there any validity to that complaint, and is there not a risk that the reversal in Panama will lead peoples of the other countries you’re dealing with to decide they don’t want to participate, either—to put more pressure on their governments?

The President: Again, I can’t comment on that. All I know is what was said to me and what was clear. But the other countries have been quite steadfast, and I think that, again, right now what we have to focus on is building a network of support for the Haitians who are entitled to protection. And that’s what we’re doing, and I think we’ll be able to do it.

Algeria

Q: Mr. President, eight Italians have been brutally murdered in Algeria yesterday. The situation seems to be growing politically and towards instability over there. What is the position of your government toward the gov-
ernment of Algeria and towards the situation over there and towards this atmosphere?

The President: Well, we're very concerned about the developments in Algeria. When I was in France recently, the discussion of Algeria occupied a fair amount of my time with Prime Minister Balladur and with President Mitterrand. And I'm actually looking forward to having the opportunity to discuss this matter with the other G-7 leaders.

What we have hoped to do is to support the government of Algeria in its attempts to restrain terrorism and destructive and illegal conduct and still hope to help it and to find a way of accommodating legitimate forces of dissent so that a democracy, or at least a functioning government, could occur that would reduce the amount of violence and destruction there. It's a very troubling thing, particularly given Algeria's history and strategic location and its enormous potential for good in that part of the world. And I look forward to discussing it more.

Haitian Refugees

Q. Mr. President, back in 1980, as Governor, I think you learned firsthand that the refugee problem can be especially politically volatile. Does that help you appreciate a little more President Endara's decision? And how does your personal experience weigh into your deliberation now, especially given the political situation in places like Florida?

The President: Well, there were two problems with the 1980 situation in our State, which I'm very mindful of, which do not apply in this case. If you will remember, a lot of the people who were released from Cuba in 1980 had either serious mental health problems or criminal backgrounds.

And the two problems that existed there that the United States does not face now with the Haitians in any kind of general terms were that the refugees that were brought to my State, number one, weren't screened in advance, which is something that had been done with the Vietnamese refugees, for example, when we took large numbers there in our State with no problems and with open arms.

And number two, the military authorities who were charged with maintaining order denied that they had the capacity to maintain order. So one of the things that I have done is to reassure all the leaders of the countries with whom I have talked that if they were willing to help us with the safe havens or with processing centers, depending on which country we were talking about, that they would bear no cost and that they would not have to worry about the security problems. Those are the two things that, I think, that are legitimate concerns.

Now, in Florida the main problem there is the cost problem. And since I have been President, I have worked very, very hard to increase the allocation of Federal assistance to States that have disproportionate refugee or illegal alien burdens. That's not only Florida but also California, Texas, New York, New Jersey—they are the major ones, and some other States. And we've increased that aggregate assistance by, oh, about a third; by several billion dollars since I have been in office.

Q. You said that, first of all, you referred to the lifting of the policy of direct return. Can you explain why you think it's appropriate, given the human rights deterioration that you cited in Haiti, to force people between choosing the right to political asylum in the United States and leaving Haiti? And second of all, you say your position has not changed on whether military invasion is an option, but has the deterioration and conditions in Haiti made that option more likely to pursue?

The President: I think the conduct of the military leaders will have more than anything else to do with what options are considered when. And their conduct has not been good.

Now, secondly—but let me answer the first question. What we owe the people of Haiti is safety. There is no internationally-recognized human right to go to a particular place and to have a particular response. We have increased our processing in-country. We still know that's the safest and best way to get out. And we know that people are able to get to those processing centers. We've increased our processing in-country, and as the human rights situation has deteriorated, the percentage of people in-country qualifying for refugee status has increased as based on the objective conditions in the country.
So we are still doing what we said we would do, and we are going forward. There is a limit to how much the United States or anybody else can do given the facts that now exist. We are spending a lot of money to manage this problem. We asked some of our neighbors in the hemisphere—as I said last May when I announced this policy, we asked some of our neighbors in the hemisphere to help us when we needed it, and some of them are doing so, and we are very, very grateful to them for doing that.

Thank you.

NOTE: The President’s 63d news conference began at 5:30 p.m. at the Zi Teresa Restaurant.

Statement on Flooding in Alabama and Georgia and Fires in Colorado
July 8, 1994

My thoughts and prayers are with the people back home who are battling these fires and floods and especially with the families of those who have lost their lives in the disaster. I have directed all the Federal departments who can help to make their most aggressive efforts to do so.

NOTE: This statement was part of a White House announcement on disaster assistance to Alabama.

Digest of Other White House Announcements

The following list includes the President’s public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

July 1
The President announced his intention to nominate Roger C. Viadero as Inspector General of the Department of Agriculture.

The President announced his intention to nominate Peter J. Osetek as Commissioner of the Office of Navajo and Hopi Indian Relocation.

The President announced his intention to appoint Don Christiansen as a member of the Utah Reclamation Mitigation and Conservation Commission.

The President declared a major disaster exists in the State of North Dakota and ordered Federal aid to supplement State and local recovery efforts in areas struck by severe storms, flooding, and ground saturation due to high water tables beginning March 5.

July 4
In the morning, the President had a telephone conversation with President Václav Havel of the Czech Republic.

In the evening, the President and Hillary and Chelsea Clinton returned to Washing
ton, DC, from a weekend stay at Camp David, Md.

July 5
In the morning, the President had a telephone conversation with President Boris Yeltsin of Russia.

The President also had telephone conversations with President Guillermo Endara of Panama, Prime Minister Eugenia Charles of Dominica, and Prime Minister Lester Bird of Antigua and Barbuda. He also met with Ray Mabus, U.S. Ambassador-designate to Saudi Arabia.

In the evening, the President and Hillary and Chelsea Clinton traveled to Riga, Latvia.

The President announced his intention to appoint John A. Calhoun, Nancy G. Guerra, and Rose W. Washington as members of the Coordinating Council on Juvenile Justice and Delinquency Prevention.

The White House announced the President invited President-elect Ernesto Pérez Balladares of Panama to meet with him on July 20.

July 6
Following a morning arrival ceremony at Riga International Airport, the President went to Riga Castle where he attended a working luncheon with President Guntis Ulmanis of Latvia, President Algirdas Brazauskas of Lithuania, and President Lennart Meri of Estonia in the White Room.
Week Ending Friday, July 15, 1994

Statement on the Resignation of
National AIDS Policy Coordinator
Kristine Gebbie
July 8, 1994

Kristine Gebbie, the first National AIDS Policy Coordinator, served ably and with dedication as a member of our administration. With her help, the Federal Government finally began exercising real leadership in response to this terrible epidemic. Working together, we boosted funding for the Ryan White Care Act, increased resources for prevention and research, sped the research and approval process for new drugs; and required every Federal employee to receive comprehensive workplace education. While more needs to be done—and more will be done—to fight AIDS, Kristine Gebbie's service as the Nation's first AIDS Policy Coordinator gave this vitally important battle a lift when one was desperately needed and long overdue.

NOTE: A statement by Kristine Gebbie was made available by the Office of the Press Secretary. This item was not received in time for publication in the appropriate issue.

The President's Radio Address
July 9, 1994

Good morning. I'm speaking to you from the seaside city of Naples, Italy, where the leaders of the Group of 7 major industrial countries have gathered for our annual meeting.

What my trip to Naples this week, as well as to Latvia, Poland, and Germany, is all about is dealing with three concerns that, for better or worse, will determine whether we have a peaceful and prosperous future.

In Eastern Europe, we addressed concerns raised by the breakup of the Soviet empire and the need to continue to strengthen democracy and economic growth there, to work until we have a united Europe, a strong trading partner, and a partner for peace.

In negotiations with North Korea that began yesterday in Geneva and in my first meeting here with Japan's new Prime Minister, we are addressing another challenge: the threat posed by nuclear proliferation and the need to limit the spread of weapons of mass destruction.

Now, this weekend, I'm meeting with other world leaders to act on what is in many ways the most important purpose of the trip. I'm here to keep our economic recovery going, by promoting economic growth throughout the world. What happens here affects every American. More than ever, what happens in the international economy has a direct impact on our jobs, our incomes, and our prospects.

This morning, I want to talk with you about the economy, what we've done, how well it's worked, and how America is in a position to lead the world.

This is a time of rapid, often remarkable change. Especially when it comes to the emergence of a truly global marketplace that has opened enormous opportunities. But for a decade, in the face of this change, our leaders mismanaged the economy, walked away from a lot of our challenges, let the deficit explode, and didn't produce enough jobs. And of course, America's middle class fell behind.

Now after years of drift, we're pursuing an aggressive strategy for renewal. We began by putting our own economic house in order. We enacted the biggest deficit cut in our history including $255 billion in specific spending cuts. Our deficit is now going down for 3 years in a row for the first time since Harry Truman was President.

We're expanding exports through trade agreements that tear down foreign barriers to our products and services. And we're creating a world-class education and job training system so that every American has the ability
and confidence to compete. From the first day of preschool to the first day on the job to the last day before retirement, you should know that whatever the world brings, you and your children will be prepared.

Our strategy is working. Our economy is coming back. Just yesterday we received some very good news. Since I took office, our economy has produced over 3.8 million jobs, 94 percent of them in the private sector. Just last month, the economy brought us 380,000 new jobs. Unemployment has fallen by more than 1.5 percentage points since I took office and inflation is the lowest in two decades. We have to do more, but this is a very good start.

This news is especially significant as I meet with our trading partners this weekend. America's economic growth is helping to pull the rest of the world out of recession. Our workers and businesses, while accounting for about 40 percent of the overall income of the G-7 countries, produced three-quarters of the growth in the G-7 nations last year and nearly 100 percent of the new jobs. We have the authority to speak and the credibility to be heard.

In Naples, I'm urging our partners to do everything we can to keep the growth going and the new jobs coming. I want these countries and our Congress to ratify the GATT world trade agreement and to do it this year. Ratifying GATT will mean some half a million jobs and billions of dollars in exports for the United States. And because these meetings should be about more than high finance, I also want us to begin to focus hard on the training, education, and skills of our working people and what they'll need to compete and win and to bring us prosperity in the 21st century.

Before coming to Naples, I visited Latvia and Poland, countries that are breathing the fresh air of freedom. I wish every American could have been with me as 40,000 people filled Freedom Square in Riga, Latvia, waving American flags and looking to us with hope and admiration. We should see ourselves as they see us, a nation of doers, of optimists, a nation with a future, leading the world to a future of peace and prosperity.

Visiting Eastern Europe reminds us of the remarkable changes that we must deal with every day. The global economy has the power to remake our lives for the better, if we make those changes work for our people. If we move forward with our successful strategy for economic growth, we'll do just that.

Thanks for listening.

NOTE: The address was recorded at 4:02 p.m. on July 8 in the Hotel Vesuvio for broadcast at 10:06 a.m. on July 9.

Exchange With Reporters on North Korea in Naples, Italy

July 9, 1994

The President: Good morning.

Q. Where do we go from here on North Korea?

The President. Let me say, first of all, I have extended sincere condolences to the people of North Korea on behalf of the people of the United States after the death of Kim Il-song, and I have expressed my deep appreciation to him for his leadership in enabling our two countries to resume our talks. We hope the talks will resume as appropriate. We believe it is in the interest of both countries to continue.

Obviously, the people there are preoccupied with their surprise and their grief at this moment. But we have no reason to believe that they will not continue at this time.

Q. Do you have any sign of any foul play?

The President. No. All we know is what was reported. And it was reported that he died of a heart ailment, and that's all we know. We believe, as I said—first of all, we believe that Kim Il-song's leadership in starting these talks again was a very good thing, and we believe it remains in the interest of both countries to continue them, and we hope they will as appropriate.

NOTE: The exchange began at approximately 9:15 a.m. at the Hotel Vesuvio. A tape was not available for verification of the content of this exchange.
Statement on the Death of President Kim Il-song of North Korea
July 9, 1994

On behalf of the people of the United States, I extend sincere condolences to the people of North Korea on the death of President Kim Il-song. We appreciate his leadership in resuming the talks between our Governments. We hope they will continue as appropriate.

The President’s News Conference in Naples
July 9, 1994

The President. Thank you very much. First, I would like to thank Prime Minister Berlusconi for his able leadership of this meeting over the last day and an evening and to say that Secretary Christopher and Secretary Bentsen will also be here to answer your questions in a few moments.

I’d like to read a brief statement, and then I’ll take questions.

This G-7 meeting opened in an atmosphere of much greater optimism than the meeting we held last year. Last year the G-7 had a record of meeting but not accomplishing very much, and the meeting occurred against the background of a global economic slowdown, recession in the United States, Europe, and in Japan.

We made a commitment last year to pursue a coordinated strategy of global growth, to try to get an agreement on the GATT, and to begin to help Russia in a constructive and cooperative way. We have done all those things; and most importantly, our growth strategy has worked. In the United States, the jobs are up, growth is up, Europe and Canada are beginning to recover, Japan has committed itself to policies that will enable it to contribute to the global economic recovery. We have much to build on, and there was a real sense of confidence at this year’s meetings.

Before the summit began, I outlined four principal goals on which progress was made, in fact, at this meeting. First, I said we would continue our focus on growth and to be more specific about what we would do in a cooperative way. It is significant that the leading industrial nations gathered here today jointly pledged that we would actually ratify the GATT agreement this year and that the new World Trade Organization would be up and running by January 1st.

Immediate enactment of the GATT agreement would be a vital shot in the arm for the world economy. It means more trade, more jobs, higher incomes for all our countries. Indeed, we have set aside any new trade efforts to focus on this paramount goal. The Congress, I hope, will take note of the world community’s unanimity on this issue and will ratify the GATT in the United States this year.

I am particularly pleased that for the first time the G-7 committed to work cooperatively on the issues of lifetime learning, job training, and skills that are so central to what we are trying to accomplish in the United States. Before we held the Detroit jobs conference, a lot of our colleagues were actually reluctant to engage in the kind of conversation that dominated the dinner table last night and to begin to work together on what we can do to prepare our people for the 21st century.

Second, we’re taking steps to build a new infrastructure for the information economy. The G-7 nations will convene a conference on telecommunications issues to lay plans for a global information superhighway. I’ll be asking Commerce Secretary Ron Brown to head our delegation.

Third, we are deepening our commitment to the economies and transition from communism to free markets. In particular, we agreed that the international community, led by the IMF and the World Bank, will provide more than $4 billion in financial assistance to Ukraine as that nation carries out a fundamental economic reform program. And we pledged a total of $300 million, actually a little more, to pay for the initial stages of shutting down and cleaning up the nuclear reactor at Chernobyl and to enhance reactor safety there. If this plan is successful, that facility will be closed forever.

Fourth, we continued our commitment to the environment and to sustainable development. This is an important issue not only in the developing world but also among the G-
7 nations themselves, important not only as an opportunity and an obligation to clean up the environment but also as a source of new jobs for our people. We’re putting our words to the test by agreeing to report back next year on our respective successes in living up to the clean air agreements and the treaties we have signed.

Last year in Tokyo, at the first G-7 summit I attended, I became convinced that these meetings would be more effective in the long term if they were less formal and more open to genuine discussion. To a greater degree than has been the case in the past, the leaders in Naples had the opportunity to take a long-term look at the issues we face together, to focus on tomorrow’s opportunities as well as today’s problems.

Starting last night, we had an excellent discussion about this moment of historic, economic, political, and social change. As an old world gives way to the new, it is up to the leading economic powers to renew and to revitalize our common efforts and the institutions through which we make them, including the G-7, so that the world economy works for the people we represent.

To that end, the communiqué commits us to focus on two questions in Halifax next year. First, we will ask how we can assure that the global economy of the 21st century provides the jobs, the growth, and the expanded trade necessary to meet these challenges and how we can adapt existing institutions and build new ones to ensure the prosperity of our people.

Second, we will ask what framework of institutions will be required to provide a high quality of life for our people. Second, we will ask what framework of institutions will be required to meet these challenges and how we can adapt existing institutions and build new ones to ensure the prosperity of our people.

Third, we will ask how we can ensure that the global economy of the 21st century provides the jobs, the growth, and the expanded trade necessary to provide a high quality of life for our people. Second, we will ask what framework of institutions will be required to meet these challenges and how we can adapt existing institutions and build new ones to ensure the prosperity of our people.

Finally, just let me say, I was struck by the degree to which the vision and the goals of the United States are shared by our partners. We all recognize that jobs and wages at home must be paramount, that we are tied to each other in fundamental ways in our ability to achieve our national goals, that our nations will only thrive if we have an environment of open and continually expanding trade, and that for advanced nations especially, the skills, the education, and the training of our workers is the key to our future prosperity.

Now, in addition to that, there was a new emphasis this year on the idea that long-term prosperity requires us to lead the world in developing a concept of sustainable development. That will help not only the economies in transition from communism to free markets but also developing nations with their problems of population, environmental destruction, violence, and other problems.

This kind of comprehensive approach and the extent to which we have agreed across our national lines, it seems to me, gives us a real chance to keep going now after two summits in which there were specific forward-looking achievements into the future, to make sure that the G-7 is always a place where we’re pushing forward, not just looking backward or talking about things that happened in a reactive way.

So we have some good aims for next year and beyond. We had a good summit this year. And most importantly, the world is well-underway to a significant economic recovery. And I think we all understand that we have to continue to work together if we’re going to keep that recovery going.

North Korea

Q. Mr. President, do you know anything about Kim Il-song’s son? And do you think you can continue to do business with North Korea in view of the developments? Have you learned anything today that might enhance your knowledge of this?

The President. Well, I can tell you what we’ve learned today. We have learned today that, apparently, the North Koreans desire to continue on with the summit with South Korea and that, while they did ask that we suspend our talks with them, they asked that our representatives stay in Geneva. And we agreed to do that. So we believe that they will stay with their policy and stay with their course, that this reflects the feelings of the leadership in North Korea and not simply the feelings of Kim Il-song.

Now, I’m only telling you what I know today, and all I know today is that they said they wanted us to suspend the talks. We understood that, but they asked that we remain in Geneva. And they communiqued to the South Koreans that they wish the summit to go forward. So I think that is a piece of good
news. And that is the only news I have about it.

Q. And Kim Il-song’s son?

The President. I don’t know how to answer that. I know some things, obviously, about him. But I haven’t met him. And one of the things that we’re trying to do in North Korea, that I’ve tried to do from the beginning, is to open the prospect of a continuing and a personal dialog. I don’t think we want to be isolated from each other. And as I said, the preliminary indications in what must be a very difficult time for them and a sad time have been encouraging.

Q. You say the North Koreans have suggested they’re ready to start this dialog with the South Koreans and have this summit. Does that mean North Korea would be represented at the summit by Kim Jong Il, the son, the heir apparent? And following up on that, if you—do you think it would be appropriate at this moment for you to reach out and to meet with Kim Jong Il and start some sort of new relationship between the United States and North Korea?

The President. First, let me reiterate: I can only tell you what I know. It is our understanding that the North Koreans have communicated their desire to continue with the summit, and they did ask our people to remain in Geneva. I do not know anything else, and I do not think I can really say anything else today. But I think you have to view those two signs as hopeful.

The biggest problem we’ve had in the past, I think, is that, the sense of isolation and misunderstanding which can develop. So I am hoping that we’ll be able to continue to talk, but I know only what I said. I can’t comment on anything else yet.

Q. Mr. President, as a gesture of this new openness and willingness to work, are you going to offer to send an official U.S. delegation to the funeral, and have you got any idea of who would be in such a delegation?

The President. It is my understanding that they want to have a funeral that has no foreign visitors and that is a personal thing for North Koreans only. That is our understanding.

Q. Would you send a delegation if one were welcome?

The President. If they were inviting foreign dignitaries to the funeral or receiving them, I would certainly send someone there.

Q. Mr. President, the German official said that this was discussed by the leaders this morning. Can you share with us what some of your colleagues at the G-7 felt about the nonproliferation issue and how this might affect it, and what steps U.S. summit leaders might be taking to make sure that you remain on track on nuclear nonproliferation?

The President. We didn’t really discuss it in that level of detail. What they wanted to know from me was what happens now. So I can only tell them what I’ve already told you. And one or two said that what I have reported to you was consistent with what they understood to be the facts. And that’s about all we could say at this time. We don’t have any more information; when I have some more I’ll be glad to give it to you.

Q. You made a decision already, sir, today, your military made a decision, which we were told was approved by you, not to increase our state of alert.

The President. We did do that; absolutely, we did.

South Korea

Q. Can you tell us what our situation is in South Korea where we have 38,000 men?

The President. General Luck, General Shalikashvili, and the Secretary of Defense all recommended, based on General Luck’s personal on-site observations, that we continue as usual in Korea and that there was no evident, alarming change in development and that we should, therefore, proceed as we ordinarily would on any other day. And that was a decision made that I approved, based on General Luck’s recommendation and the strong recommendation of General Shalikashvili and the Secretary of Defense.

Economic Summit

Q. Mr. President, last year you had what everybody seemed to think was a pretty successful summit in Japan. This year, you’ve had to abandon your trade proposal, and your comments yesterday about the dollar caused great fluctuation or drop in the currency markets. How do you judge this summit as
compared to that, summit in terms of your personal—

The President. I feel good about it for two or three reasons that I might—that are very important to me over the long run, especially. One is the leading statement in this summit is a reaffirmation of what we did at the Detroit jobs conference and a commitment that is without precedent among the industrial nations that we will work collaboratively on these people-oriented issues, the investment in our work force.

We had an amazing conversation last night that I’ve never heard among world leaders before where the leaders of these various countries were trying to analyze whether there was a traceable relationship in their unemployment rate to their investment policies and what the differences were. This is unprecedented—countries are not used to doing this.

Now, in the United States American Governors do this all the time. I think it’s what they do, when they meet. But among the nations of the world, this sort of thing had never happened before. And I wanted to make sure that we have good strong language about that. I felt good about it.

The second thing that I felt very strongly about was that we ought to be as forthcoming and explicit as possible in our discussion of Ukraine. After what happened in Russia last year, I don’t think there is any question that the strong, explicit, and forthcoming statement by the G-7 leaders and the subsequent endeavors to make those commitments real in Russia helped to keep reform moving and made a contribution to what you see now in Russia, which is even though the economy is still troubled, you see inflation down, you see a deficit that is smaller as a percentage of their income than many European countries had, you see over half the people working in the private sector.

So I felt very good about that, because there were some here who thought we should not be so explicit about what we were going to do for fear that we might not be able to do it if a reform program did not take place. Well, everybody understands that. We can’t just throw money at a problem, we have to have a reform program.

The third thing that happened here, actually happened here, but that I think is very important, and that is commitment to discuss in Halifax what we want the world to look like 20 years from now and what kinds of institutional changes we’re going to have to make to get it there. And let me explain why this is important, if I might, just very briefly, because I didn’t—I came here with this in my mind, but I had no earthly idea that we could reach even a limited agreement among ourselves. And it turned out all of them were worried about it, too.

But let me try to just quickly distill the significance of that. That’s the commitment and that’s the commitment to what we’re going to discuss in Halifax about the institutions. All of you from home at least have heard me say a dozen times that at the end of World War I, America made the wrong choice. After the war, we became isolated. We withdrew. Other countries withdrew. The Depression came. We wound up with World War II. At the end of World War II, we made the right choice. We got together, we created all these institutions. At the end of the cold war, everybody has made the right choice in general. I mean, you can see that in what we’ve done with NAFTA, with China, with you name it, trying to reach out and work together.

But there are a relatively small number of new institutions. The European Union, basically it came into effect finally in 1992. It’s essentially a post-cold-war institution, and it’s reaching out to the East. The World Trade Organization is a new institution. The Partnership for Peace is a new alliance tied to NATO. Otherwise, we are still working with the institutions that we settled on at the end of World War II.

Are they adequate for the problems we face today and tomorrow? And if not, how do we need to change them? This is a very practical thing. You see it heard when we—see the first example of it here when tomorrow Russia comes here as our partner in a G-8 for political purposes. But that’s just one example of a whole slew of questions that have to be asked and answered if we’re going to get from where we are to where we want to be 20 years from now. So I would say all those things make a lot a sense to me.
In terms of the trade issue, every member of the G-7 except one affirmatively said they agreed with my trade proposal. One country said that this could complicate—if we raise another trade issue now, that approval of GATT in his country was not a foregone conclusion and approval of GATT in one or two other European countries was not a foregone conclusion and we shouldn't do anything that would impair the near certainty that we can drive through GATT approval in all the major countries this year. I clearly agree with that. That has got to be our number one goal. So I still feel very good about this G-7 summit.

Japanese-U.S. Trade

Q. Mr. President, a year ago, we began the framework talks with Japan. It's a year later, four Japanese governments later, nothing's happened on that track at all.

On another track, we've twice threatened trade sanctions, once on textiles with China; we've got immediate results, once on cellular phones with Japan; we've got immediate results.

Is there a lesson there? Is it time for us to start acting on our interests and not waiting for Japan to finally get a government that can deal with us in a serious way?

The President. Well, I think the answer is, yes, we should begin acting in our interest on specific issues. But we should also continue to pursue the framework talks, because they embrace large structural issues which will enable us to have a more normal trading relationship with Japan. And I think, in fairness to our people and to theirs, it is difficult to face those very tough structural issues with the kind of political changes that have occurred there.

If I might, though, we have had a lot of progress in Japan. You mentioned the cellular phone issue. We've also had a contracting issue, a public contracting issue. We're also selling rice in Japan for the first time—the people, the rice farmers in northern California think that there's a new day in relationships with Japan.

So we're making some headway here, and I think now if what we heard from the new Japanese Prime Minister and his team was an indication that they're going to pursue an aggressive growth strategy, so they'll be able to buy more of their own products and other products and they are determined to stay in this thing for the long run and they want to reengage, then I think we may be able to make some progress in the framework talks, but I agree that we also have to pursue specific issues.

Press Secretary Myers. Last question.

The President. I'll take two. And I'll take one from you, but let him go first.

North Korea

Q. We now have a country with a succession problem, a succession question, and a military where we're not really sure who controls it and maybe who controls nuclear weapons. Recently, your administration has made statements like it's more important that they not develop further nuclear weapons and maybe not as important that we deal with their current nuclear capability if they have one.

You've said you're committed to a nuclear-free Peninsula, but can you tell the American people what your state of knowledge is about what nuclear weapons the North Koreans might have and how committed you are, what steps you will take, besides going to negotiations of trying to make certain that any nuclear weapons are eliminated?

The President. Well, I think it only—let me just go back to what I said. I think it only stands to reason that we would all be more concerned about the prospect of any country producing large numbers of nuclear weapons in the future which might be transferred to other countries. That's just a practical statement of fact.

However, North Korea is a member of the NPT and has made commitments to a non-nuclear Peninsula, and because of its membership there and because of its commitments, we still care very much about what's happened since 1989. And what we hoped to do is to resolve these questions in these talks. And we think we can safely proceed with these talks with absolutely no downside to our allies in South Korea, to our friends in Japan, to the Chinese, to the Russians, to any others in the neighborhood, and to ourselves, as long as North Korea maintains its commitment to freeze the important elements of its nuclear program, the reprocess-
Terrorism in Algeria

Q. Mr. President, could you explain to us your reluctance to clearly condemn Islamic terrorism in Algeria, and is it a part of the global strategy vis-a-vis the Arab world?

The President. First of all, I don't think we've been reluctant at all to condemn Islamic terrorism in Algeria or anywhere else. We deplore it, and we condemn it.

What we have sought to do in Algeria is to support a process which would enable the government to successfully govern, and to limit terrorism while recognizing any other legitimate concerns of opposition in the country. That is our position. We do not condone terrorism, we condemn it, and we will continue to do so.

Thank you very much.

NOTE: The President's 63d news conference began at 6:20 p.m. in the Palazzo Reale. In his remarks, the President referred to Gen. Gary E. Luck, senior U.S. commander in South Korea. A tape was not available for verification of the content of this news conference.

The President's News Conference
With President Boris Yeltsin of Russia in Naples
July 10, 1994

President Clinton. Good afternoon. As you know, this was a very important day in which President Yeltsin joined us as a full partner in the G-8 for political discussions. And we followed that meeting with a bilateral meeting, continuing our good personal relationship, which made some significant progress.

I'd like to make a few comments on the G-8 and on our bilateral meeting and then have President Yeltsin make any statement he'd like to make. And of course, we'll take some questions.

First of all, today's statement, read by Chairman Berlusconi on behalf of all eight of us makes it clear that we share fundamental foreign policy goals: support for democracy, free markets, building new security relationships. On these matters, we spoke as one. If you read each of the items in that statement, I think it is remarkable that these eight countries have together agreed on these things.

In the wake of the death of Kim Il-sung, we also expressed our strong commitment to continuing talks with North Korea and our support for the holding of the summit which had previously been scheduled between leaders of North and South Korea. We also strongly agreed on the importance of pushing ahead with a resolution of the crisis in Bosnia.

Finally, the United States and Russia joined all of the nations in expressing regret over the death of the Italian sailors at the hands of terrorists in Algeria and reaffirmed our opposition to terrorism anywhere, anytime.

With regard to my meeting with President Yeltsin, let me just mention one or two issues. First of all, there has been a promising development in the Baltics. After my very good discussion with the President of Estonia, Mr. Meri, I passed on his ideas to President Yeltsin today in effort to break the impasse between the two nations over troop withdrawals.

I believe the differences between the two countries have been narrowed and that an agreement can be reached in the near future so that troops would be able to withdraw by the end of August. But now that is a matter to be resolved between President Yeltsin and President Meri, which President Yeltsin has promised to give his attention and for which I am very grateful.

When the Russian troops withdraw from the Baltics and Germany, it will end the bitter legacy of the Second World War. I want
to say publicly here that none of this could have been accomplished without the emergence of a democratic Russia and its democratic President. And I thank President Yeltsin for that.

We talked about Ukraine. its importance to Russia, to the United States, to the future. And we agreed on continuing to work on the issues that we all care about, including economic reform and continuing to implement the agreement on denuclearization which has so far been implemented quite faithfully. We talked about our security relationship, and I must say again how pleased I am that Russia has joined the Partnership For Peace.

And finally, I'd like to congratulate President Yeltsin on the remarkable, steadfast and success of his economic reform efforts. Inflation is down. The Russian deficit is now a smaller percentage of annual income than that of some other European countries. Over half the workers are now in the private sector. There's a lot to be done, and the rest of us have our responsibilities, as well. And we talked a little bit about that and what the United States could do to increase trade and investment.

Looking ahead, I have invited President Yeltsin to come to Washington to hold a summit with me and to have a state visit on September 27th and 28th, and he has accepted. I'm confident that would give us a chance to continue the progress we are making and the friendship we are developing.

Mr. President,

President Yeltsin. Thank you, Mr. President Bill Clinton, for the kind words that you said toward Russia and its President.

I of course am very satisfied by the summit, the political 8, which has taken place today. I think that this of course is just a beginning. But as I said, the Russian Bear is not going to try to break his way through an open door, and we are not going to force ourselves into the full G-8 until it is deserved. When our economic system, our economic situation, will become coordinated with the economic systems of the other seven countries, then it will be natural and then Russia will enter as a full-fledged member of the 8 then.

Nonetheless, I am grateful to the chairman, Prime Minister of Italy, Mr. Berlusconi, and to all the heads of the states of the seven, for the attention which they showed towards Russia, the welcome, including yesterday's statement by the chairman and today's statement on political issues.

Together, today, we held a discussion on political, international issues around the world, and we found common understanding, which says a lot about the fact that we can find this mutual understanding and in realistic terms cooperate and help in the strengthening of peace on this planet.

I believe that this meeting and—yesterday's, I mean—and today's is yet another large step towards the security of Europe, for a much more economically stable situation, and an order that, really, the world can live in peace and in friendship. And we should all help in this endeavor, and I think this meeting is yet another large step to full security of peace on Earth.

In developing my thoughts, I wanted to add that this meeting was a meeting, bilateral meeting, that we had with the President of the United States, Bill Clinton. But our meetings are always held in a very dynamic and interesting way; we get very specific. We don't have a lot of philosophizing there now. Say if it's 1:15 p.m., 1:20 p.m., we get in and start discussing about 30, 35 different issues, at least; on one side, on the other side. And we find—of necessity, we sit down and we find some kind of compromise solution to find an answer.

And I have to say, yet again, this time we were able to summarize after the last summit meeting, where Bill came to Russia, we were able to summarize all the things that happened. Many, many things took place, very positive things, and we expressed satisfaction to the fact of our relationship is developing and growing, our partnership, our friendship, our cooperation.

At the same time, of course, as people who are sincere, both of us could not but touch upon some of the issues which, unfortunately, are yet unresolved, which still we could not have found answers to up until now. This has to do with certain discrimination toward Russia in trade, for example.

This time at the 8, Russia did not ask for money. It said—I said—let's all together take certain measures and steps and decisions in
your individual countries, included among them the United States of America, so that Russia on an equal basis, equal basis, could trade with everybody. We're not asking for any preferential conditions, we're not asking for any special circumstances for us alone. No. We're saving let's give us equal rights, get rid finally, once and for all, of this red jacket. Take that red jacket from the President of Russia, which I don't wear now for 3 years; I've taken that red, besmirched jacket off of myself. You understand what I'm talking about, right? You understand.

You earned the right of asking the first question. [Laughter]

**Russian Troop Withdrawal**

Q. I said: you're not going to like my first question. Will you have all the Russian troops out of the Baltics by August 31?

President Yeltsin. No. 1—nice question. I like the question, because I can say no. [Laughter] We took out of Lithuania—we removed 31st of August—without drumbeat, we're going to take under his arms and take that last soldier from Latvia. Now Estonia, somewhat more difficult relationship since there in Estonia, there are very crude violations of human rights, vis-a-vis Russian-speaking population, especially toward military pensioners.

Bill Clinton, when he was there in Riga and he met with a large group of people, about 40,000 people, and the heads of three Baltic States, he expressed his point of view that you have to maintain and protect human rights. And I think that after his saying so, the President of Estonia will begin to listen. I promised Bill that I personally will meet with him, with the President of Estonia. We're going to discuss these issues, and after, we're going to try to find a solution to this question.

**Russian Trade Limitations**

Q. Boris Nikolaeveich, you said that at the 7, now 7—where you're not with the political 8—but with the 7, you talked about removing discriminatory measures. Do you feel that this is a task that is a timely task, vis-a-vis relations with the United States? In other words, Russian high technology had access to the marketplace included among the United States market.

President Yeltsin. I have to say that we signed with the European Union at Corfu, we signed an agreement in Greece where all the discriminatory measures are removed from Russia. Now, as far as other countries are concerned, some of those provisions remain.

Now, let's talk about COCOM, export of high technologies, et cetera, except for weapons. Today Mr. President of the United States at the 8, and then later when we talked together, he stated that when I come to the United States with an official visit on the 27th and 28th of September, he's going to make an official statement that these limitations are being removed altogether.

But in the new post-COCOM organization, our specialists are going to participate in the development of lists of all those materials and technologies which are not going to be allowed for export in the whole world, and that will also have to do with Russia. In other words, we're going to be on an equal footing. President Clinton. Just a minute, I'd like to just clarify and support what President Yeltsin said on that and make a couple of points.

First of all, the United States is committed to joint economic activities that advance Russia's interests. The most significant one that's been ratified recently is the overwhelming support in the United States Congress for the space station program, which now is a partnership between Russia, Europe, Japan, and Canada.

Secondly, what happened when the COCOM was even out of existence is a lot of the countries' individual laws were still in existence. So we need a new order to replace COCOM. And what I said was, as he said, was we want Russia to be a part of that, so that there will be no discrimination in trade between Russia and other countries, except insofar as we all accept restraints that tend to limit the proliferation of weapons of mass destruction.

The third thing I want to say is, I was glad to see Europe sign that agreement with Russia at Corfu. But if you look at the facts of who's done what kind of business, I think
you'll see that the Americans stand up very well against the Europeans on that.

**Bosnia**

**Q.** President Yeltsin, the Americans are looking to Russia for help on persuading the Serbs to agree to the new map for Bosnia. Will you provide the help? I know, of course, Russia joined in the statement, but how aggressive will you be about that? And I'm going to throw in a quick second question. What is the state of Russian trade with terrorist-supporting countries? The communiqué today, of course, took a strong stand against terrorism.

**President Yeltsin.** As far as the map is concerned, the Bosnian map, Croatia, and between Serbs and the Muslims, 51 to 49, the contact group has developed these proposals. The ministers of foreign affairs, including Minister Kozhiev of Russia, have agreed with this proposal, and that's why we are going to act, and I personally, very decisively, as much character as we have in our bodies.

Now, as far as trade is concerned from the countries where terrorism stems from, we're going to attempt to limit—we're moving in the direction of limiting trade with those terrorist countries.

**Russian Participation in G-7**

**Q.** What do you feel is the principal difference between the Tokyo summit last time and this one? And how do you feel the next meeting of the G-7, or maybe we can call it the G-8, from the Naples session—how is the next one going to differ?

**President Yeltsin.** Well, I will say that this one differs significantly from the Munich and the Tokyo summit very significantly. Russia, for all practical purposes, has been accepted into the world community. It has been recognized as a democratic state. For us, this is the most important.

Of course, it hurts a little bit that that amount of money which we're calling support back in Tokyo and we weren't even able to get half of it—but in the final analysis, I said that today the most important thing is not to ask money, but that we be accepted and recognized as equal. And then we, together, are going to go out and earn.

Now, as far as from the perspective of the Halifax meeting next year—I received an invitation today from Prime Minister of Canada and he said that from the point of view of the S. this is going to be a much more official and stronger, more cohesive meeting.

**Press Secretary Myer.** Last question.

**Haiti**

**Q.** Did you discuss at all with the other leaders of the G the possibility that the United States might take military action in Haiti at some point? And do you still maintain that you would discuss such action with the United States Congress, or can you foresee a situation, sir, in which you would judge American lives to be in danger and therefore feel that you could move immediately?

**President Clinton.** The answer to your question is that I did not discuss that with the G. The thing that I appreciated was that they were all very vigorous in saving that the military leaders should keep their commitment and should leave and that we should restore democracy to Haiti and that they supported that. That was the full extent of the conversation.

**NOTE:** The President's 64th news conference began at 3:40 p.m. in the Palazzo Reale. President Yeltsin spoke in Russian, and his remarks were translated by an interpreter. A tape was not available for verification of the content of this news conference.

**The President's News Conference With Chancellor Helmut Kohl in Bonn, Germany**

**July 11, 1994**

**Chancellor Kohl.** President Bill, ladies and gentlemen, it's the very great pleasure for me to be able to welcome you, Mr. President, here to Germany, here in the Chancellery of the Federal Building of Germany. I salute the President of the United States, the country to which the Germans owe so much after the war, more than any other country in the world. American soldiers brought freedom to Germany. American soldiers were those who brought us freedom; and the United States of America helped us in those difficult times. And Bill as a rep-
representative of a generation that experienced that. I was 15, 16 years old then—those who, until the monetary reform here in Germany, had firsthand experience of hunger and starvation, had experience of the kind of rubble in which our cities had fallen and the destruction that had been wrought through the war.

As someone of that generation, I say to you how much that means, friendship and partnership with the United States, to us here in Germany. And we have not forgotten the millions of American soldiers who, over a period of more than 40 years, defended freedom and peace and security for us here in Germany, who were here, far from their homes, together with their relatives, with their family members.

And we have certainly not forgotten—certainly, I have not forgotten—that all American Presidents, ever since Harry S Truman, the unforgettable Harry S Truman, and George Marshall always were ready to help us in difficult times. And all Presidents of the United States, from Harry S Truman onward, all the way to George Bush, and to you, to you, Bill, and to your term in office, all of you have helped us along the way.

I will never forget the German unity in those dramatic days and months, 1989, 1990, and the years after that, that this would not have been brought about without the assistance and help of our American friends. And in this dramatic moment of change in the world, where I feel it is changing for the better, it is of tremendous importance that we should continue this good cooperation.

Tomorrow you will go to Berlin. And that is something for which I am highly grateful, because for us Berlin is the symbol of the free world. And without your assistance throughout the years—the airlift is just one case in point—people would not have been able to live freely in peace and freedom in Berlin.

For the future, we want to adhere to the clear maxim of Konrad Adenauer, who said again and again that German security, German future rests on two pillars: the unification of Europe and transatlantic partnership and friendship. And this basic tenet of our foreign policy will not change, which is why I am grateful that the President of the United States; once again; on the 9th of January of this year in Brussels, made it very clear in his speech that the presence of American soldiers here in Germany and in the whole of Europe will be maintained.

I think we have launched a lot of common initiatives. I would like to mention here the exchange programs of young students, the contribution that was made to the German American Academic Council, that apart from military security issues and economic issues, cultural relations are very important, too, and they also strengthen our relationship.

We have just talked about how the ancestry of so many Americans—so many Americans know about their roots that they have here in Germany. And what we have built up over these years, decades, centuries, is something that we want to continue.

You see these old trees, very old trees, that were planted by generations that were before us. And we are happy to see them grow, because others have been so farsighted to plant them. And if we bring together young Americans and young Germans, it's as if you've planted the seedlings for a new forest. And this is something we want to do together.

We talked about many topical issues of day-to-day politics yesterday and today, yesterday in Naples. We will continue our talks here today. Once again, a very warm welcome to you here in Bonn and later on in Berlin. And what is important and what still stands is what we said after our first meeting: Watching a German-American friendship a German-American partnership is one of the basic prerequisites for upholding peace and freedom of our country, and I'm truly grateful for this.

Thank you.

The President. Thank you very much. I was very grateful to have the opportunity to visit here in Bonn for the first time and to be the first American President to come here, since the fall of the Wall and the unification of Germany. I also want to say, I appreciate very much having the opportunity to see Chancellor Kohl again and to build on the work that we have just done at the G-7 Summit at Naples.

The relationship between Germany and America in the last several decades has been truly unique in history. And the Chancellor
and I both hold our offices at a moment of historic opportunity. The walls between nations are coming down; bridges between nations are coming up. The integration of Europe: strongly supported by the United States, is well underway.

We know from our experience how half of Europe was integrated through NATO and other institutions that built stability after World War II. We marvel at the leadership of Chancellor Kohl and his fellow Germans who came from West and East and who have now made their nation whole, who are working so hard to revive the economy, not only of Europe but of the entire globe.

At the heart of our discussion today was what we have to do to integrate Europe's other half, the new independent nations of Central and Eastern Europe: Poland, the Baltic countries, Russia, Ukraine, Hungary, the Czech Republic, Slovak Republic, the others. We noted how American and Russian forces will soon leave places in Germany where they have been since 1945. We discussed how important it is to expand joint military exercises with our allies through the Partnership For Peace. But we also recognize that trade, as much as troops, will increasingly define the ties that bind nations in the 21st century.

We discussed how new institutions and relationships must be built on even broader stability in the wake of the aftermath of the cold war. We discussed how new institutions and relationships must build even stronger stability after the cold war, institutions such as the European Union whose presidency Germany has recently assumed, the World Trade Organization, and of course, the Partnership For Peace.

As we build on the work we did in Naples and look to next year in Halifax, the economic, cultural, and security bonds between Germany and the United States will grow stronger. The Chancellor and I will continue to do everything we can to make the microphones work—[laughter]—and to integrate the newly independent countries of Europe into shared security with their neighbors, helping them to reform their economies, attract new investment, claim their place at the table with free and friendly nations of like mind.

Let me say, again, how much I personally appreciate the working relationship I have enjoyed with Chancellor Kohl and the partnership that has existed for so long now between Germany and the United States. As we look forward to further progress in integrating Europe, in dealing with the difficulties in Bosnia—and we hope that peace will be made there—I think it is clear that to imagine any of these things working out over the long run, the German-American partnership will have to be maintained and strengthened, and I am confident that it will be.

German Leadership

Q. Tomorrow a German court will rule whether Germany can send troops beyond NATO's borders. How would you like to see Germany play a greater role on the world stage? I would actually like to ask the Chancellor how he sees that as unfolding.

The President. The German court will rule for fear that I will have an adverse impact, although I doubt that the opinion of the United States can or should have much impact on a constitutional judgment by a German court.

Let me answer you in this way. I have great confidence in the larger purposes and direction of this country and of the support Germany has given to a unified Europe in which it is a partner, but an equal partner, with its friends and neighbors as well as to a more aggressive effort to solve the problems within Europe, like Bosnia, and beyond Europe's borders.

I think anything that can be done to enable Germany to fulfill the leadership responsibilities that it is plainly capable of fulfilling is a positive thing. But of course, the German court will have to interpret the German constitution. That's beyond the reach of Americans to understand, much less comment on, but I do hope that we will have the benefit of the full range of Germany's capacities to lead.

Chancellor Kohl. First of all, ladies and gentlemen, I think you will well understand that before the court has to come to its final ruling I will not be able to comment on that. Here in Germany we say that on the high seas and in front of a tribunal you are always
in God's hand, and I think a chancellor would be well advised to stick to this kind of advice. I can only tell you how we see our position in general terms. The role of Germany—well, we are members of the United Nations, and as members of the United Nations we have certain obligations and we have certain rights. And I think it is simply inconceivable and incompatible with the dignity of our country that we make full use of the rights and do not fulfill our obligations. This is unacceptable.

That is also the background of the internal dispute that is currently in discussion that is going on here. We have had help from our neighbors, from the United States, that I already mentioned. Now when things get a bit rough, we cannot simply sit back and let others do the work. We will have to discuss, obviously, how we are going to do this in detail. Once the court has come to its final ruling, we have to assume our international responsibilities.

This excuse that we had for the past 40 years, and it was a justified opinion under the circumstances, where we said, "Well, as a divided country we simply not be able to take certain decisions." That is something that is no longer valid. One cannot be a reunified country with 18 million people with the kind of economic strength that we have, with the kind of reputation and prestige that we claim for ourselves, if we do not fully issue our responsibilities and fulfill our obligations. And as Chancellor of the Federal Republic of Germany, I would have you know that it will be the opinion of this Federal Government that we will bear responsibility within the framework of our responsibilities.

North Korea

Q. Mr. President, back home you've been criticized by the Republican leader, Bob Dole, for your condolences that you offered to the Korean people on the death of Kim Il-song. How do you feel about his comments? Do you think it was a mistake to offer condolences, and are you concerned about this latest postponement of the North-South talks and also the Geneva talks?

The President. First of all, let me say that the statement that I issued was brief, to the point, and appropriate, and very much in the interest of the United States. It is a fact that after years of isolation and a great deal of tension arising out of the nuclear questions, we began talks again with the North Koreans on the day that Kim Il-song died.

I think it is in the interest of the United States that North Korea continue to suspend its reprocessing, refueling, and continue to engage in those talks. They have told us that the talks will resume after an appropriate time for grieving. And I would think that the veterans of the Korean war and their survivors, as much as any group of Americans, would very much want us to resolve this nuclear question with North Korea and to go forward. So what I said and what I did, I believed then and I believe now was in the interest of the United States and all Americans.

Bosnia

Q. On the situation in Bosnia, there seems to be a growing concern in the United States to go ahead and finally lift the arms embargo so that Bosnian Muslims can defend themselves. Are you now prepared to support that, and why has it taken so long?

Perhaps, President Clinton, you'd like to respond to that as well.

Chancellor Kohl. Well, first of all I don't think it would be wise to discuss this question at this present moment in time, publicly, and I will not do so. We have come to clear agreements so the participants to the conflict have a clear-cut plan submitted to them on the table.

There is a very clear period for a decision that has been granted to them, and I think we should wait until that has run out and then come to our decision. But I would like to use this opportunity to appeal to all parties to the conflict in Bosnia to seize this opportunity that may open up itself if all parties to the conflict show themselves willing to compromise.

If you look at the declaration, the statement that emanated from the conference yesterday in Naples, where President Yeltsin also had a share in that since eight countries participated yesterday that here, a very clear-cut position comes out of this declaration and I support this declaration, and I am in con-
plete agreement with my friend Bill Clinton on that.

The President. Let me just say, too, that the Bosnian Government has, with great difficulty—because the map is not easy for anyone—but the Bosnian Government has said that it would accept that contact group's proposal and present it for approval, and I think we should support that. I think that the Serbs should do the same, and I think it should be implemented.

The contact group has worked very hard to bring an end to this conflict and to be as fair as possible to the parties. And what we have to do with this problem in the heart of Europe here is to give the chance for peace to occur, and we all need to be supporting this. And I feel very strongly that the fact that we've been able to achieve a united position here gives us a chance to have the peace agreement work if it is accepted in good faith. And that's where I think we ought to go. I think we ought to work together with our allies in Europe to solve this problem, and we have come very close to doing that.

North Korea

Q. Mr. President, are you operating on blind faith in terms of North Korea? It seems to me that the fact that they in the future will get to us through diplomatic channels, and really postpone the talks, now today the breakoff of the North-South summit. Don't you have some sense that things may not go so well?

The President. Well, the evidence will be in the action. That is, we have been told—first of all, let me break these two issues up. The United States said that we would go back to discussions on the nuclear questions if, but only if, the reprocessing and refueling were suspended so that the situation could not further deteriorate. The North Koreans have told us that they were prepared to continue the discussions, but they wanted an appropriate period of time in the aftermath of Kim Il-song's death. So I think, on balance, we know whether or not they will keep their word and we will be able to see that. We will know whether or not they continue to avoid reprocessing, refueling. And they say they want to continue the talks, so I'm hopeful on that.

On the question of the summit, as I understand it—and I haven't had a chance to visit with President Kim about it. I'm going to talk with him in the next couple of days—keep in mind, that's a matter for the North Koreans and the South Koreans to determine between themselves. And I don't think it's entirely clear right now, at least, where both parties stand on the timing of that. I do hope it will be held as soon as it's appropriate and so do the G-7 countries. We, the G-8, yesterday, came out for that in our political statement.

But there's no pie-in-the-sky, optimism here; there are facts, which are the predicate to continuing talks. And the facts are, will the nuclear reprocessing and refueling be suspended and will the talks resume at an appropriate time and a reasonable time. And so far, the answers to both those questions seem to be yes, and therefore, I think that's good news.

Q. Mr. President, the indications seem to be that the younger Kim is a somewhat peculiar chap, and I wonder what sense you may have of that and how it may affect any calculations you might be making as to whether and when, if at all, to reach out to him diplomatically in any way?

The President. I wish you'd answer that question, Helmut. [Laughter]

Chancellor Kohl. I don't think either of us knows anything specific. And in such difficult times and in such a difficult situation, I think the best thing is probably one to wait until you see the original, and don't hear reports that you hear about the original.

The President. Let me give you an answer. I was only halfway serious, but he did a good job, didn't he? [Laughter]

I don't know the younger Kim. And I think you have to be careful in judging people by what others say about them one way or the other. I think we need to proceed on the facts. If the facts are that North Korea is serious about continuing to talk with us in Geneva and will continue to suspend these important elements of the nuclear program, then we should proceed on that basis. Any other questions will have to be developed as we know more than we now know.
Decline of the Dollar

Q. Really a question for Chancellor Kohl, whether or not you have some concerns about the falling U.S. dollar, whether or not you and President Clinton discussed that, and do you think that the U.S. should take some action by involving the dollar at this time?

Chancellor Kohl. That was not the subject of our discussions today. But on the margins of the conference in Naples, that was an issue among others. But I must tell you that it’s not my job to talk to a government with whom we have such friendly ties in such a forum and then to make this in any way public. That is something that I do not want to do.

The American economy, and this is to our advantage infinitely, here in Europe and in Germany, has, thankfully, now picked up again and is in an upswing. And I think the American Government knows very well how the domestic situation is and is in the best position to make decisions. I don’t think that it would be appropriate to discuss this publicly. I have a very vivid-memory of this kind of discussion in my own country over the years; this is why I always held back in this kind of discussions with others.

The President. Let me say I’m reluctant to say more than I already have, which is that we will not use the dollar as an instrument of trade. We take this issue seriously, but the fundamentals of the American economy are sound. I appreciate Chancellor Kohl talking about our economic recovery in saying that that is good for Germany. We want to be in a position to buy more as well as to sell more.

German-U.S. Relations

Q. Mr. President, you said that the German-American relations were a truly unique relationship. Obviously, one thinks immediately of a special relationship that played quite a significant role in the relations of your country with the U.K. Now, which country is going to be the most important half of the talks for you in the future?

The President. That’s like asking me to pick a team in the World Cup. [Laughter] Once we were eliminated, I declined to do that.

Well, the relationship we have with the two countries is different, you know, I mean the history is different. The relationship we have with the U.K. goes back to our founding. Even though we fought two wars with them early in the last century, it is unique in ways that nothing can ever replace because we grew out of them.

The relationship we have with Germany is rooted in the stream of immigration that goes back 200 years. Indeed, as Chancellor Kohl said, most Americans might be surprised to know that German-Americans are the largest ethnic group in the United States, about 58 million of them. But what we have shared since World War II, I think, is astonishing. And, I think 200, 300, 400 years from now historians will look back on this period, this 50 years, and just marvel at what happened in the aftermath of that awful war. And it has given us a sense, I think, common partnership that is unique now because so many of our challenges are just to Germany’s east. What are we going to do in Central and Eastern Europe? What will be our new relationship with Russia, will it continue as strongly as it now seems to be doing?

So there’s a way in which the United States and Germany have a more immediate and tangible concern with these issues, even than our other friends in Europe. And so history has dealt us this hand, and a very fortunate one it is, I think.

Thank you very much.

Note: The President’s 65th news conference began at 11:49 a.m. at the Chancellery. Chancellor Kohl spoke in German, and his remarks were translated by an interpreter.

Remarks at a Luncheon Hosted by Chancellor Kohl in Bonn

July 11, 1994

Chancellor Kohl, distinguished guests, on behalf of my wife and myself and our entire delegation, let me first thank you for receiving us so warmly, for arranging such wonderful weather, and such a wonderful feeling of hospitality.

Let me begin by thanking the Chancellor for his very fine statement. I found myself listening to him describing his vision of the
present and the future and imagining what I would say when I stood to speak myself. And it reminded me of what so often happens at the G-7 meetings or NATO meetings. They call on me, and I say, "I agree with Helmut." [Laughter]

But let me say that the United States does strongly support the movement toward a more united Europe, and understands that Germany’s leadership toward a truly united Europe is critical. We see today the growing strength of the European Union and NATO’s new Partnership For Peace, which has 21 nations including Russia, the other former republics of the Soviet Union, the former Warsaw Pact countries, and two formerly more neutral countries, Sweden and Finland, all signed up to work with us toward a more secure Europe in which all nations respect each other’s borders.

Chancellor, I thank you especially for your kind remarks about the American military and their presence in your country over these last decades.

The thing that is truly unique about this moment in history is that all of us through NATO and the Partnership For Peace are seeking to use our military to do something never before done in the entire history of the nation state on the European Continent: to unify truly free and independent nations of their own free will in a Europe that is truly free together, rather than to have some new and different division of Europe that works to the advantage of some country and to the disadvantage of others.

To be sure, no one knows, for sure what the future holds or whether this can be done, but for the first time ever sensible people believe it is possible and we must try. If we are able to see a united Europe through common democracies, the expansion of trade, and the use of security to protect freedom and independence rather than to restrict it, this would be a truly momentous event in all of human history.

We may all debate and argue about exactly how this might be done and what should be done next and whether the next step should be one of economics, or politics, or strengthening the Partnership For Peace. But there is one thing on which we must all surely agree: The future we dream of cannot be achieved without the continued strong, unified efforts of Germany and the United States.

In closing, I would like to just refer to a bit of American history. What we have done together since the end of the Second World War is familiar to all of you. But some of you may not know that my country, from its very beginning, has been strengthened by people from Germany who came there first primarily to the State of Pennsylvania, known for its tolerance and openness to people of different racial and ethnic and religious groups.

Just one week ago on this day, one week ago today, we celebrated the 218th anniversary of our Declaration of Independence. As soon as the Declaration of Independence was issued, it was immediately reprinted in German so that it could be given to the colonists in our colonies who at that time still only spoke or read German. I might say, today, unfortunately, more of you speak our language than we speak yours, but we’re trying to do better. [Laughter]

At any rate, down to the present day, after 218 years, there are only two copies of the original German printing of the American Declaration of Independence in existence. And some of your freedom-loving fellow citizens have purchased one of those copies for the German Historical Museum.

And so, Chancellor Kohl, it is here today, and I am honored to be here with it. And I hope all of you will have a chance to view it as a symbol of our unity and our devotion to freedom. Thank you very much.

I would like to now offer a toast to a free, democratic, and unified Germany, with great thanks for our common heritage and our common future.

NOTE: The President spoke at 1:30 p.m. at the Petersburg Guest House.
Memorandum on Expanding Family-Friendly Work Arrangements in the Executive Branch
July 11, 1994

Memorandum for the Heads of Executive Departments and Agencies

Subject: Expanding Family-Friendly Work Arrangements in the Executive Branch

In order to recruit and retain a Federal work force that will provide the highest quality of service to the American people, the executive branch must implement flexible work arrangements to create a "family-friendly" workplace. Broad use of flexible work arrangements to enable Federal employees to better balance their work and family responsibilities can increase employee effectiveness and job satisfaction, while decreasing turnover rates and absenteeism. I therefore adopt the National Performance Review's recommendation that a more family-friendly workplace be created by expanding opportunities for Federal workers to participate in flexible work arrangements, consistent with the mission of the executive branch to serve the public.

The head of each executive department or agency (hereafter collectively "agency" or "agencies") is hereby directed to establish a program to encourage and support the expansion of flexible family-friendly work arrangements, including: job sharing; career part-time employment; alternative work schedules; telecommuting and satellite work locations. Such a program shall include:

(1) identifying agency positions that are suitable for flexible work arrangements;
(2) adopting appropriate policies to increase the opportunities for employees in suitable positions to participate in such flexible work arrangements;
(3) providing appropriate training and support necessary to implement flexible work arrangements; and
(4) identifying barriers to implementing this directive and providing recommendations for addressing such barriers to the President's Management Council.

I direct the Director of the Office of Personnel Management ("OPM") and the Administrator of General Services ("CSA") to take all necessary steps to support and encourage the expanded implementation of flexible work arrangements. The OPM and CSA shall work in concert to promptly review and revise regulations that are barriers to such work arrangements and develop legislative proposals, as needed, to achieve the goals of this directive. The OPM and CSA also shall assist agencies, as requested, to implement this directive.

The President's Management Council, in conjunction with the Office of Management and Budget, shall ensure that any necessary guidance to implement the actions set forth in this directive is provided.

Independent agencies are requested to adhere to this directive to the extent permitted by law.

This directive is for the internal management of the executive branch and is not intended to, and does not create any right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

The Director of the Office of Management and Budget is authorized and directed to publish this directive in the Federal Register.

William J. Clinton

[Filed with the Office of the Federal Register, 3:34 p.m., July 13, 1994]

NOTE: This memorandum was published in the Federal Register on July 15.

Remarks to the Citizens of Oeggersheim, Germany
July 11, 1994

Thank you very much, Chancellor Kohl, Mrs. Kohl, Oberbürgermeister Schulte, Mrs. Schulte. How did I do with that? Okay? I said the word almost alright? Hillary, and I are very honored to be here tonight in Chancellor Kohl's hometown. When we were coming here on the bus, of course, I saw much of the unique and rich history of Germany, including the marvelous cathedral at Worms, where Martin Luther tacked his theses to the door, as Chancellor Kohl has said. But I also saw the fields of
the farms, which reminded me of my home, and the small towns which made me feel at home. And more importantly, when we got out down the street and began to walk down here, I felt a sense of friendship, a sense of real contact with people that, too often, leaders of great nations don't get in this day and time.

And so, Hillary and I would like to thank you for making us feel at home and for your friendship toward the United States and for reminding us that behind all the decisions that leaders in public life make, there are real people whose lives will be affected, children whose future will be shaped, and our obligation every day is to remember the faces of our homes.

So I thank you for your friendship to my country. I thank you for your outpouring of friendship today. And I thank you for making Hillary and me feel as if we, too, are at home.

Thank you very much.

NOTE: The President spoke at approximately 6:40 p.m. in front of the residence of Chancellor Helmut Kohl of Germany. In his remarks, he referred to Hannelore Kohl, wife of the Chancellor, Dr. Wolfgang Schulte, Lord Mayor of Oeggensheim, and his wife, Dr. Dorothee Schulte.

Remarks to U.S. Military Personnel at Ramstein Air Base in Ramstein, Germany  
July 11, 1994

Thank you. First, let me thank the Air Force Band. They were great. Thank you very much. Thank you, Chief Bailey, General Joulwan, General Oaks, Minister-President Scharping, thank you for joining us tonight; Colonel Caine. It is an honor for me to be here with the men, the women, and the families of the magnificent 86th Wing and the KLM community. Thank you for coming out; thank you for serving America; thank you for making us proud. I'm also proud to be here visiting the largest American community outside of the United States of America. I want to thank the crews who just showed me the C-130 and the F-16 and all of you who serve in any way.

You know, last month I came to Europe for the 50th anniversary of the Italian and Normandy campaigns of World War II to honor the brave airmen, soldiers, and sailors who rescued freedom in its darkest hour in this century. Tonight I come here to honor you, who keep the torch of freedom alive. We are in your debt.

You know perhaps better than any other group of Americans, that though the cold war is over, the world still has its dangers and challenges; America still has its responsibilities. You do America's work and freedom's work, and the families who support you, who often are separated from you for long periods of time, also do America's work, and we thank you all.

You have done so much in Somalia, in Turkey, in Macedonia, over the skies of Bosnia, and other places in the former Yugoslavia. From 1991 through 1993, during Operation Provide Comfort, you flew nearly 5,000 combat sorties over northern Iraq. Since 1993, as part of Operation Deny Flight, Ramstein F-16's flying out of Aviano Air Base have flown almost 2,000 missions over the former Yugoslavia. And last February, when six Bosnian Serb air force fighters violated the no-fly zone to bomb a munitions factory, Ramstein pilots, including Captain Bob Wright, who just met, got the call to respond. And all America showed what America's pilots could do and America's planes could do in the cause of freedom.

You at Ramstein and at Rhein Main are involved in one of the great humanitarian missions of our time as well, delivering supplies and hope to people under siege in Bosnia. I have just seen an impressive demonstration of how you get that job done as well. You've done so much that the airlift in Bosnia has now surpassed the great Berlin airlift of 45 years ago, both in time and missions flown. In the greatest humanitarian airlift in history you have brought relief to the vulnerable, pride to the people back home, and you have made history. I salute you, America salutes you.

Our world is very different now. The walls between nations are coming down, and bridges are coming up. Last week I had the honor to represent all of you as the first American President ever to set foot on free Baltic soil. When I spoke in Riga, Latvia, to over 40,000 people. Tomorrow I will have
the honor to represent you as the first American President to walk into what we used to call East Berlin. There I will join the troops of the Berlin Brigade as they raise the colors and begin heading home, knowing their mission has been accomplished.

Berlin is free; Germany is united. But make no mistake about it, our commitment to the security and future, to the democracy and freedom of Europe remains. Our security and our prosperity depend upon it. The entire transatlantic alliance knows that the United States is still critical to its success and to its future. That's why we intend to keep our forces here in Europe, some 100,000 strong. I think you know we need to stay. Our European friends want us to stay. And I believe a majority of the American people support our continued mission here, thanks to the work you have done and the example you have set.

At the end of World War II, our country did not make the same mistake it had made in the past. We didn't let our guard down, and we didn't walk away from our friends and allies. With the cold war over and freedom on the march throughout Europe, it is important that we recognize our mission has changed but we still have a mission. We can't let our guard down, and we can't walk away from our friends.

We actually have the opportunity, those of us who live now, to work with our friends in Europe to achieve for the first time in all of human history a Europe that is united for democracy, for peace, and for progress, not divided in ways that help some people at the expense of others. In order to do that, America must stay here, America must work here, America must stand for peace and freedom and progress.

It has already been said, but I want to say again how hard it has been for the members of our armed services to continue to do these incredible things in the face of the dramatic reductions in military spending and manpower that we have sustained.

I believe that when the history of this era is written, one of the untold stories that will emerge clearly in the light of time is the absolutely brilliant job done by the United States military in downsizing the military, still treating members of the military like human beings and citizens, and patriots, and maintaining the strongest, best-equipped, best-prepared, and highest morale military force in the entire world. It is a tribute to you, and someday the whole story will be known.

When I leave tomorrow, I will go back to the United States and to our continued effort at renewal at home. You should know that your country's coming back at home as well. In the last year and a half, about 3.8 million new jobs have come into our economy. The unemployment rate has dropped about a point and a half. There is a serious effort underway at rebuilding our communities, our neighborhoods, our families. A serious attempt to address the crime problem, a serious attempt to address the welfare problem. And I also want to say that since I have been here in Europe I have met many American service, families already, and one issue that they have asked me about, dwarfing everything else, has been health care. And I promise you we're going to try to address that as well, and I think we'll be successful.

But let me also say this: Part of the reason our economy has recovered, a big part of it, is that after years of talking about it, we began to do something about our budget deficit which was imposing an unconscionable burden on the children who are here and on their children, running up our debt year in and year out. Next year we will have had 3 years of deficit reduction in a row for the first time since Harry Truman was President of the United States and America's troops first came to defend Germany.

Most of the military reductions have gone to fuel reductions in the debt, but I want to say this as well: We must have enough money in the military budget to fulfill our mission and to support the people who do it in a humane and decent and pro-family way. And I will resist further cuts that would undermine our ability to have you do your job for the United States of America.

Not a day goes by that I do not express my thanks in my heart and to our God for the service you render. In many ways you and I are in exactly the same business, doing the same work. I will do my best to support you as your Commander in Chief, and what you have done here is a credit to every American back home. They know it. They are
Week Ending Friday, July 22, 1994

The President's News Conference With European Union Leaders in Berlin, Germany
July 12, 1994

President Kohl. Mr. President of the United States; Mr. President of the European Commission, ladies and gentlemen. First, I would like to welcome you all very cordially in the Reichstag building in Berlin. I am very happy, indeed, that the joint transatlantic dialog was conducted here in Berlin with the delegations of the two gentlemen I just welcomed.

This meeting, this dialog has taken place right after the G-7 meeting in Naples, the G-7 meetings which were attended by four member states of the European Union and the President of the European Commission. So, a number of issues we talked about today were, in fact, issues that had been touched upon in Naples already to raise the issue of Bosnia. In Naples we talked at length about the report of the contact group, and we did, at the time, publish a number of statements.

The transatlantic partnership, that is the close cooperation between the European Union and the United States of America, takes on special importance at a time in which Europe is undergoing radical change. And I think it's symbolic, indeed, that they're meeting today at the Reichstag and that we talked about this topic today at the Reichstag, a site within Germany where you just have to look out the window in order to realize that a few yards away from where we are, the division of Germany and Europe was reflected in the Wall, which is now gone. On this side of the Wall we always felt, by contrast, a special closeness between and among the Western democracies; a closeness, an affinity without which the Wall would never have come down.

At the end of the cold war, with the fall of the Wall, Central and Eastern Europeans now have a chance to determine their own fate freely and openly. And that is why we shall call out to them from Berlin, saying that the European-transatlantic community is not a closed group. It depends on its effort and its sharing its free democratic ideas with all who want it. And therefore, closer cooperation with the countries with Eastern and Central Europe is a natural outgrowth of our talks today.

We resolved, therefore, to set up a working group which, by the time of the next transatlantic summit, which would be less than 10 months from now, this summit would be chaired by the French Presidency, which by that time would submit a draft containing coordinated procedures for the United States and the European Union in intensifying relations with the Central and Eastern European states.

All of us—and we talked about that today—must jointly remember that we make a great deal to be done, and we must ask ourselves what can we do in order to secure the free and democratic ways of the United States and the European Union and to protect them from the increasing stress emanating from organized crime and the drug mafia. We talked about that, too, today. And we talked about setting up a working group that will deal with these issues. And at the end of our meeting this morning we asked our staff to go right ahead and not only review the situation but submit important programs as soon as possible.

And in conclusion, I would like to say that we plan to further deepen and intensify the cooperation between the European Union member states and the United States of America. We want to do it in every possible way.

Yesterday I talked about the German-American relations, and I said something which I could repeat with a somewhat different emphasis.

For decades we talked about the transatlantic bridge ensuring our security. We
know today that we have to add a couple of components to that bridge. We have to add the components of economic cooperation, cooperation in the cultural area, and cooperation also in the area of bringing our young people closer together. And in that sense I think today's dialogue has opened up a number of prospects for our future work, and we're going to act accordingly.

President Delors. Ladies and gentlemen, as the Chancellor has just said to you, this meeting which is taking place in the context of the Transatlantic Declaration has made it possible for us. I hope, at least, to inject a more practical and operational substance into relations between the United States and the European Union and this, of course, without creating any new bureaucracy.

Chancellor Kohl has indicated to you the two points on which there will be a joint follow-up: first, the development of the countries of Central and Eastern Europe and, secondly, the fight against organized crime and drug trafficking.

Moreover, we shall pursue our dialogue on economic matters which we began with President Clinton in January on the occasion of our last meeting. We shall continue this, thanks to the successful holding by the American authorities at the Detroit conference. We shall seek to fight against unemployment, making possible for everyone to have a worthwhile job in society so that there should also be a greater prosperity in what is an increasingly interdependent world. We have to work together, and we shall do this in the follow-up to the Naples summit by organizing in Brussels a new conference on the Detriot model, devoted to the information society—what we, the United States and Europe, can expect of this in terms of the creation of jobs, in terms of the consequences on the organization of work and on the very organization of society. And of course, in order to prepare for this, we will have to look at what we have to do in terms of education and life-long training, in terms of the organization of our towns and cities in particular, as well.

And finally, you know that Naples, at the request of President Clinton, the 7 decided to devote particular attention to Ukraine. An amount was even set at the request of President Clinton, an amount evaluated as being
on and really do something that will benefit the citizens of our nations, in Europe and in the United States.

Finally, let me just say that I want to particularly applaud President Delors for the white paper he issued on jobs and growth in the European Union that complemented and gave so much energy to the jobs conference we held in Detroit. We talked quite a bit today about how we can further develop our cooperation to generate more jobs and higher incomes.

And I will just close with this point. There are a lot of people who really believe that there is simply a limit to the ability of wealthy countries to generate jobs and incomes as we move toward the 21st century and there's so much more global economic competition. I do not believe that; not if we're committed to adapting our work forces, not if we're committed to expanding the barriers—I mean, tearing down the barriers to trade and expanding trade—and to the new technologies that will permit exponential growth, like the information superhighway and environmental technology. So we had a very good meeting. I'm very satisfied with it. I feel finally now we have, not only recognized the fact of European Union and our cooperation but actually developed a system in which we can do things together that will make a difference to the ordinary citizens of our country.

German Armed Forces

Q. How do they feel about the decision just handed down by the German high court permitting German armed forces to participate in peacekeeping operations outside the country?

President Kohl. First, I'll have to ask you, understanding for the fact that I can't really assess the ruling because, after all, in Berlin here I don't know all the details involving the ruling. But I'm very happy about that ruling; there's no doubt about it, because it indicates very clearly that the highest German court, which is the guardian of our constitution, has determined that one of the missions would be in accordance with our constitutions. I've always argued that; my government has always argued that.

We were given an indication by the court that such a mission would require a simple majority in the Bündestag. That's not very surprising to me, either, because I cannot imagine how any head of government of the Federal Republic would initiate such a mission without having the appropriate majority in the Parliament.

So I think what was decided there is fully in accordance with the constitution and with the view of the federal government. What's going to come out of that in the future is something that we'll have to examine in each individual case on a case-by-case basis.

If you look at the history during this century, especially German history, you'd have to pay some attention to that. But we are members of the United Nations. And if we claim the rights that membership entails, we will have to live up to our responsibilities. I think it's unacceptable and not in line with the dignity of our country for us to stand aside and refuse to take on responsibility. So I'm happy about the ruling. But that's really not the main issue for the press conference.

One more question and then we will ask our guests.

Q. Mr. Chancellor, couldn't you say a little more about the criteria which the federal armed forces will base its missions on? France has requested that the Eurocorps might be sent to Africa. Is that something you have in mind? What would be the concrete repercussions as far as German foreign policy is concerned?

President Kohl. I've given a great deal of thought to this; I've thought in concrete terms. But please understand this is a very fundamental and important question, and I would prefer to talk with my colleagues in the cabinet about the ruling as a whole, and then we'll make a public statement. It makes no sense for you to keep on asking questions as to: 'What will you do if?' I won't say anything on that. There you go.

Haiti

Q. Then, Mr. President, may I ask you about what your administration has called a serious escalation in Haiti and whether you feel that this now moves us closer to a military option, whether this makes it much more difficult for international observers of any
kind to know what's really happening on the ground there.

President Clinton. Well, let me say, first of all, that what happened in Haiti yesterday puts in stark relief the human rights abuses that we have been talking about for some time now, the killing, the maiming, the rapes. Throwing the monitors out is just the latest expression of the desperation of that illegal regime and their desire to hide their conduct.

All I can say today is that I hope that this action will stiffen the will of the international community to support the United States in the strongest possible enforcement of the sanctions, including freezing the assets of the military and the elites supporting them. We have got to bring an end to this, and I think that, surely, to goodness, the throwing out of the monitors will illustrate to the whole world that what we have been saying all along is true. This is not only an illegal but a highly oppressive regime, and we have to keep the pressure up.

Q. Mr. President, to follow, do you think that that will make it easier to make your case if it turns out that you do have to take the military route?

President Clinton. Well, I think it certainly validates the position I've taken so far, that that is an option we shouldn't rule out.

Q. Regarding Haiti, as you know, most of the generals at the Pentagon say it would not be a difficult operation to go in and overthrow the military regime there. What they're concerned about is an exit strategy, that the U.S. would not have to keep forces there for a prolonged period of time, that there would be other countries willing to participate in some sort of peacekeeping operation.

Do you have any assurances there are other countries that would be willing to go in after a U.S. invasion to help out, and did you get any assurances from the European allies?

President Clinton. Well, let me just say that there are two issues; there have always been two issues there. One is the one you have just outlined, which is that the last time the United States went to Haiti we stayed for, I think, 19 years. And that is a totally inappropriate thing to do in a world in which international organizations exist and, particu-

larly, a United Nations exists for the purpose of working with countries in trouble that need help.

Are there nations who have said that they would be a part of a United Nations mission? Yes, there are. But that leads you to the second question, which is that the United States has always—and we talked about this way back in May—the United States has always been basically moving back and forth between a Monroe Doctrine-type approach for 200 years, in the Caribbean and Latin America, and a good neighbor-type approach.

The people of Latin America, the people of the Caribbean obviously want us to cooperate with them; they want us to be friends and neighbors. They know we're the biggest country in the region. They want any kind of unilateral action by the United States to come only as a last resort. And they have reservations about it as you would expect they would. So Mr. Gray, one of the things that he has been doing so well is to try to consult with all of our partners and friends in the region and to try as far as we possibly can to, first of all, explore all alternatives and, secondly, have everyone going in lockstep and let everyone know what the United States intention and objective is. Our only objective is to restore democracy in Haiti and stop those poor people from being killed and tortured and raped and starved and basically deprived of the decency of an ordinary life.

German Leadership

Q. Mr. President, please permit me, a German journalist, to revisit a question that has to do with Germany taking on a greater role, taking more responsibility in the world. On that point, you are in agreement with Chancellor Kohl. Now, does the idea of German armed forces being involved in peacekeeping missions outside NATO, does that mean that you are totally comfortable with that? Aren't you the least bit uncomfortable thinking about that? And could it also mean that you could imagine German forces being involved in missions of the kind we had 2 years ago in the Gulf, for instance? Would that be all right?

President Clinton. I am completely comfortable with that. And of course, I can envision German forces being involved in some-
thing like the United Nations effort in the Gulf. Why? Because of the leadership of Germany: because of the conduct of Germany; because of the role Germany has played in developing the European Union; because of the values Germany has demonstrated in taking of hundreds of thousands of refugees from Bosnia. Germany, now united is—yes, it's the largest country in Europe in terms of population and its economic strength. But Germany has been the leader in pushing for the integration of Europe, for the sharing of power among the European nations, and for setting a standard for humane conduct and support for democracy, and diversity. So, the answer to that question is, yes, I am comfortable with it.

President Kohl. One minute. I would like to add something, if I may. I feel a tendency, here among you to somehow apply the constitutional court decision to the — [inaudible]. Since that is so, I would like to say that we will be deciding on the case-by-case basis with the majority in Parliament and that following the court’s ruling, we are not feeling that the Germans are now rushing to the front. I’d like to say that emphatically, because I know my fellow citizens, some of my fellow citizens and I think it’s therefore an important statement for me to make.

President Clinton. Maybe I could make one little statement about this. I think all of us want to play a constructive role where we can. But we have learned not only the potential but also the limits of military power in the 20th century. And the United Nations is trying to work through what can be done on a humanitarian basis, what can be done in the way of peacekeeping a mission, what conditions have to exist in countries in order for peacekeeping missions to succeed. So I think it is important that the German people, the American people, any others paying attention to this press conference, not believe that there is some cavalier eagerness to use military power in an undisciplined way which might cause a lot of problems.

President Kohl. Thank you.

North Korea

Q. Mr. President, I wanted to ask if you have any news for us today on the situation in North Korea, if anything has changed, and whether you have any response to comments that have been made in the U.S. that there possibly is a sense by some in North Korea that the idea of progressing toward progress on communication with the outside world should be halted.

President Clinton. Well, we are watching it very closely. We are concerned about what might happen, obviously. My position on that is, as you know, that it has been from the very beginning that that is a decision for them to make and their future is in their hands.

But we believe it is in their interest and in our interest for them to continue to freeze the elements of their nuclear program and for us to resume the talks. We hope that is what they will do. In the meantime, we will monitor the facts. We will independently assess whether and in their court.

Q. Do you have any feelings at all from anyone in the government at this point, sir?

President Clinton. No, the communications we’ve had in Switzerland, with regard to the talks. And those so far have been satisfactory and not out of the ordinary. So we basically have no indication one way or the other at this moment. So what we need to do is to simply be vigilant, to simply— to look at the facts. And it’s not useful to speculate, I think, certainly not in a naive way that would be excessively hopeful but also not in an unduly negative way. Let’s just look at the facts and judge this situation based on the facts as they develop.

NATO Expansion

Q. You agree then that relations with the Central European countries should be improved. Given that fact, do you think the timeline of Poland being a member by 2000 is realistic? Do you think that’s a realistic prospect to hold out?

President Clinton. I’d like to make two points in response to that question. First of all, Chancellor Kohl and I have discussed this a bit and in our personal meetings. The NATO members themselves will have to get together and begin to discuss what the timeline ought to be and what the criteria for membership ought to be.

But the first and most important thing to do is to make a success of the Partnership
For Peace: The Partnership For Peace, I think it's fair to say, has succeeded already beyond the expectations of those of us who proposed it at the first of the year. We have 21 nations signed up: 19 from the republics of the former Soviet Union and the Warsaw Pact countries, two, Sweden and Finland, that were previously neutral are not involved in NATO.

In order to sign up, all those countries agreed to respect each other's borders and agreed to cooperate militarily to preserve the integrity of those borders. We will have our first military exercises in Poland in September. So that's my first point. I think we have to strengthen the Partnership For Peace and discuss a timeline.

To the Poles I will say to you what I said to them directly. They have certainly shown the greatest interest in this issue, the greatest determination to do their full part, and I think have virtually assured that they are at the front of the line as NATO will be expanded, which it surely will be. We just have to get together and work out the details. It's not for me as the American President to say what the details should be.

President Clinton's Visit

Q. Mr. President, are you happy with the result of your visit to the Baltic countries? What do you think the next step should be there for that country getting rid of the Russian troops at long last?

President Clinton. Well, yes, I was very happy with my trip to the Baltic and with the meeting I had with all three Presidents. I am comfortable that in Latvia the Russian troops will be withdrawn by August 31st and that the controversy over the citizenship law there is being worked out, at least worked on.

In Estonia, I have passed along a message from President Meri to President Yeltsin. In Naples, we discussed it in considerable detail in our private meeting, and President Yeltsin promised that for the first time he would actually meet personally with President Meri and make a good faith effort to work this out. I still think that the troops could be able to be withdrawn from Estonia, as well, by the end of August if the last remaining disputes—there are three areas of disputes—could be resolved. And we will continue to stay on top of that. We have agreed to work together on encouraging a resolution to that, and I think it can be done.

NOTE: The President's 66th news conference began at 11:15 a.m. in the East Hall at Reichstag where he met with Chancellor Helmut Kohl in his capacity as President, European Council, and Jacques Delors; President, European Commission. Chancellor Kohl spoke in German, and President Delors spoke in French, and their remarks were translated by an interpreter. A tape was not available for verification of the content of this news conference. This item was not received in time for publication in the appropriate issue.

Memorandum on the Presidential Design Awards

July 12, 1994

Memorandum for the Heads of Executive Departments and Agencies

Subject: Presidential Design Awards Program

As the largest purchaser of design services in the world, the Federal Government should be a leader in fostering design excellence. Good design can profoundly affect our lives by beautifying our surroundings, improving our productivity, and helping to effect social change.

Over two decades ago, the National Endowment for the Arts was asked by the White House to assist Federal agencies in improving the quality of design in the Federal Government. Over the years, the efforts of the Endowment's Federal Design Improvement Program have helped agencies to make significant progress in the pursuit of design excellence. I am committed to furthering those efforts.

The Presidential Design Awards Program was established in 1983 to honor successful achievement in Federal design and encourage excellence throughout the Federal Government. I recently announced the call for entries for Round Four of the Presidential Design Awards and asked Jane Alexander, Chairperson of the National Endowment for the Arts, to implement the Presidential Design Awards Program. I am confident that she will have your full support.