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REMARKS BY THE PRESIDENT
AT SENIORS BRUNCH

The Old Family Dining Room

11:00 A.M. EST

THE PRESIDENT: I want to welcome all of you here today. You represent 60 million Americans and we need your help to pass health care reform.

One of my key tests for health care reform is: Is it fair and does it protect older Americans? Our proposal does. It preserves and strengthens Medicare. It gives new prescription drug coverage and long-term care coverage to senior citizens. And it protects the choice of a doctor.

Other approaches to health care reform in Congress threaten Medicare by taking money away from Medicare to pay for the health care of others. Congress comes back next week and we'll take up the balanced budget amendment. It also will take money from Medicare without doing anything to strengthen the health care security of senior citizens.

Make no mistake about it; right now in Congress there are people who represent interests who want to use Medicare as a sort of a bank to pay for other people's health care, to bring down the deficit, to do other things that have nothing to do with the purpose for which Medicare was paid in the first place.

We have demonstrated with our budgets that you can reduce the deficit and still be fair to older Americans. We have demonstrated with our health care plan that you can take savings from Medicare and strengthen Medicare by providing prescription drug benefits; by providing long-term care benefits; by doing something to help early retirees and guarantee the security of their health care plans.

I'm here today to say that I don't want Medicare to be used as a bank for other people's designs. I do want to strengthen Medicare and provide the prescription drugs and long-term care benefits, but it can only be done if we fight together for a health care plan that has these provisions. Otherwise, if we don't fight, then these provisions will be taken out of our plan and, in fact, Medicare will be put at risk, either by the balanced budget amendment because of the way it works, or by other people's health care plans.

So I need your help. We can do this. We can provide guaranteed health insurance for all Americans and include prescription drugs, which will save money over the long run, and include new options for long-term care, which will save money over the long run -- but only if you will fight. And I hope you will.

I thank you for being here.

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Q Mr. President, for the last couple of days, you've been talking about how hard the health care fight is going to be. At the same time, yesterday the special counsel in the Whitewater case said that his investigation he thinks is going to take a year and half. Is that going to be distracting for you and why do you think it's going to take so long?

THE PRESIDENT: Because most of it has nothing to do with me. Keep in mind what they did — I mean, this decision which many called for is going to cost the taxpayers millions of dollars, because what they did was to shut down the investigation that was ongoing of the S&L issues down there, which I have nothing to do with, and submerged it all in there. So it may take a good while because they have to go over all that ground. But I have really nothing to do with it, and they'll have to do whatever they're going to do in whatever time they're going to do it.

The reason I thought it was a good idea to do the special counsel was so I wouldn't have to fool with it anymore, and I'm not spending any time on it.

Q We see your lawyer coming in and out of here quite frequently. Are you meeting with him about this?

THE PRESIDENT: I talked to him yesterday. But he basically just gives us a regular update, oh, every few weeks.

Q Mr. President, are you contemplating taxing food stamps and the poor people to support your welfare plan?

THE PRESIDENT: No.

Q Mr. President, have you prepared the American people psychologically for the possibility of military conflict Monday?

THE PRESIDENT: Well, I have done my best to talk about this, and we'll continue to talk about it as we get closer. I think the most important thing now is that the Serbs and others in Bosnia understand that the NATO allies are dead serious about carrying this out, but that if the Serbs will move their weapons or put them under United Nations control, there will be no air strikes, and that we want to do what we can to get a permanent long-term peace agreement. That's what we're really working for.

The American people, I think, understand what is at stake here and understand our interest in not permitting Sarajevo to be shelled and hundreds of thousands of people's lives to be destroyed and in working for a peaceful agreement.

I have not committed ground troops to this conflict. I have said that we will participate in NATO air strikes, and I think it is the right thing to do. But I hope the air strikes will not be necessary, and they will not occur if the Serbs will comply.

Thank you.

END 11:07 A.M. EST
MR. McCURRY: Good afternoon. I guess it's now good evening, everybody. Just a very short while ago, the gavel came down on the final document that is a result of today's North Atlantic Council meeting in Brussels. We had to wait for that until we would be in a position to provide you some additional information. I think you know that the Secretary General is briefing the press now in Brussels.

If I were going to put together the best possible briefing on the situation in Bosnia, I would ask the Special Assistant to the President and Senior Director for European Affairs at the National Security Council Jeananne Walker to come. I would ask Walt Slocum, Principal Deputy Under Secretary for Policy at the Department of Defense to come. I would ask Brigadier Tom Hill of Strategic Plans and Policy Shop at the Joint Chiefs to come, and I would ask Steve Oxman at the State Department, the Assistant Secretary for European and Canadian Affairs to attend to conduct such a briefing.

That aside, I am now going to ask several senior U.S. officials to brief you ON BACKGROUND, and we'll start with a short statement and then try to move quickly into questions.

FIRST SENIOR ADMINISTRATION OFFICIAL: Thank you very much. Good afternoon. NATO took important decisions today to prevent further large-scale violence in and around Sarajevo and to lay the groundwork for a renewed negotiating effort. NATO is ready to act in Bosnia, but we firmly hope it will not be necessary to do so. Our goal remains what it has been, to promote a negotiated end to the conflict which will provide the basis for a lasting peace.

As you know, we have taken steps to reinvigorate the diplomatic negotiating process which we can comment on later. But I want to stress that today's NATO decision is part of an interlocked effort to work toward a negotiated peace.

Today's decisions result from U.S. and French initiatives to which the President gave the decisive impetus on Monday night. They are not intended -- and I want to stress
this point -- they are not intended, the initiatives at NATO today, to end the conflict or to lift the siege of Sarajevo, but they should be seen as a key element of U.S. and allied efforts to reinvigorate the negotiating process and achieve a settlement that all parties can accept.

Now let me go into a little detail of the NATO decisions. First, they reaffirmed that the Alliance's overall objective is to secure a negotiated settlement. The allies call for the lifting of the siege of Sarajevo, and to that end they set a deadline for the withdrawal of heavy weapons within 20 kilometers of Sarajevo or their placement under U.N. control.

After ten days, all heavy weapons found within the Sarajevo exclusion zone, unless controlled by UNPROFOR, will be subject to NATO airstrikes.

NATO also authorized today the use of airstrikes in the event artillery is fired against Sarajevo -- in the event of shelling against Sarajevo. And in this context, airstrikes can occur in two ways: First, in response to a request by the U.N. to launch airstrikes against artillery or mortar positions which are determined by UNPROFOR to be responsible for attacks on civilian targets in Sarajevo. As the Secretary General of the United Nations proposed in his letter of February 6, that request that he made is accepted.

Or, secondly, at NATO's initiative, in response to any use of shelling against Sarajevo, irrespective of the nature of the target -- and this would be done in coordination with the U.N., and this would commence immediately; this is not subject to the ten-day window that I mentioned a moment ago with respect to the withdrawal of heavy weapons or putting them under the control of UNPROFOR.

We also expect -- and this is embodied in the NATO decision -- that the Bosnian Government would place its own heavy weapons in the exclusion zone under U.N. control within the same time period, and that it will not launch attacks from within the current confrontation lines in the city.

NATO and UNPROFOR will coordinate closely on carrying out these decisions, and this will be an unprecedented effort on the part of the international community.

Our allies are behind this initiative and they're prepared to support it, as is evident from today's decision. The next steps will be to prepare for implementation to urge Serb compliance and to continue the effort to energize the negotiations.

Let me just stress that this is a practical effort to address the shelling of Sarajevo. It's not put forward as a panacea. It does go into effect immediately. The time period I mentioned starts to run, and any attacks starting from now --
any shelling of the kind I described -- would be subject to a response by NATO air power.

I think I'll stop there and let my colleagues join me and be happy to answer your questions, or did anyone else want to make an opening comment? No? All right.

Q Could you go back to the question of the objective of this move one more time. I understood you to say at the top that this is not included to lift the siege but that NATO reaffirmed its intention to lift the siege. If you could parse that for me, I may have misunderstood you. But in a more direct sense, how will we know if this has been successful? Is the benchmark whether it eliminates shelling, reduces shelling, and so on?

FIRST OFFICIAL: The goal, obviously, everyone has had has been to lift the siege of Sarajevo. This is in aid of that goal, but this is not something which in and of itself can effectuate the lifting of the siege of Sarajevo. But it can sure help a lot.

Q Can you elaborate?

FIRST OFFICIAL: The siege of Sarajevo is comprised of a number of different factors, Elaine. Even as to the shelling, we're not telling you that all of the shelling that affects Sarajevo can necessarily be knocked out to a certainty. What we're saying is that the use of air power can significantly improve the situation of the shelling.

Obviously, if the Serbs heed the warning and withdraw their heavy weapons to beyond 20 kilometers, that makes a very big difference, or if they put their weapons into the control of UNPROFOR. If they don't -- and I want to stress what was decided today at NATO gives the Serbs an opportunity to make a judgment, and the use of air power will only ensue if they refuse to withdraw those weapons or put them in the control of UNPROFOR, or if they engage in continued shelling.

SECOND OFFICIAL: Could I elaborate on that question. My colleague is absolutely right that there is more to the siege of Sarajevo than shelling. But I want to stress another point he made about what air power can and cannot do, and we have wanted to be very careful not to claim something that we do not believe we can do with the means we have decided to employ.

Air power alone cannot lift the siege of Sarajevo, ensure the withdrawal of heavy weapons, ensure that there won't be any more shelling. What we have said we will do is not that we can guarantee there are no weapons in the exclusion zone after the ten days. We'll never know if some are hidden. But if see one, it's very much at risk.
We can't guarantee there won't be any more shelling of Sarajevo, but we can say that if there is, those responsible will pay a very heavy price. So we've tried to be very, very careful about what we can and cannot accomplish. We can say that if we see a weapon where it's not supposed to be, either under U.N. control or withdrawn from the area or if there is more shelling, we will ensure that a price is paid. But that's different from saying that we can prevent these things happening.

Q What about the problem or mortars? Mortars are not obviously heavy artillery. They're harder to see, but they can be seen on occasion, and I wonder how you're going to deal with the mortars. Not only that, but how do the Bosnians defend themselves against snipers -- and they've been using mortars to defend themselves against snipers on occasion -- what is the mortar business? How does that play out?

THIRD OFFICIAL: The mortars are included in what we refer to as heavy weapons, Saul: tanks, artillery pieces, mortars, multiple rocket launchers -- they're included.

Q (Inaudible)

THIRD OFFICIAL: Anti-aircraft weapons are also included. As to the snipers, as I say, this is an initiative that seeks to do what we can do but eliminating snipers by air power is a different item, if that's what you're referring to.

Q The question that I have in mind is if the Muslims are going to be without weapons, let us say, how can they defend themselves if NATO is unable to or if NATO is unable to respond as quickly as they might be able to respond to an attack?

THIRD OFFICIAL: Part of the answer to the question of why this doesn't complete the end of the siege of Sarajevo is that it doesn't deal with the sniper problem. But the Bosnians have only a very, very limited number of weapons that come within these categories. They have offered in the past to put their weapons under U.N. control in the context of an arrangement like this. We have every reason to believe that they will have no problem with doing so.

Q How would they protect themselves? The question is how, if they want to protect themselves, if they don't have these.

THIRD OFFICIAL: They actually have a numerical superiority in infantry around Sarajevo. They will be able to protect themselves but not with heavy weapons. But on the whole they don't have heavy weapons anyway.

Q Can you address the question of Boutros-Ghali and where he is in this chain of command, if he is at all, as an
Icebreaker -- number one. How many big guns do you estimate you're talking about in the surrounding area? There have been so many different estimates. What is a reasonable estimate for us to use? And, thirdly, targeting -- when you get a shell coming in, does that mean the only thing you're going to go after is a single platform, or are you just going to wipe out the side of a mountain or what?

THIRD OFFICIAL: I'm glad you asked that question. In contrast to the U.N. proposal, which was a useful first step, this does not restrict a response to the particular weapon which we might believe was responsible, if there was shelling.

Q (inaudible) bridges? How do you respond?

THIRD OFFICIAL: We reserve the right to respond -- I've forgotten the exact phrase. But it is to respond to attacks within a rather broad category of types of targets. I'm a lawyer. I tend not to do these things from memory.

There is a fairly broad range of types of targets. It's not limited to the particular weapon which may or may not be believed to have fired a shot.

The second question was about --

Q How many guns do you estimate there are that you're talking about?

THIRD OFFICIAL: We know exactly how many we know there are. That's on the order of something like 100 weapons within this area. It varies all the time. That does not purport to be a complete count of how many are there or how many are available. We don't pretend to be able to find every single one every day.

Q The third one is Boutros Ghali.

THIRD OFFICIAL: I just answered it. The Muslim numbers, you can count on the fingers of not more than two hands and probably one.

Q So 105, then?

THIRD OFFICIAL: A hundred and five all together?

Q Right.

THIRD OFFICIAL: I don't know. I suppose. The number the Muslims is very, very small. The number that the Serbs have is quite substantial, and it goes up and down all the time.

Q You'd use 100 tanks and multiple rocket launchers?

THIRD OFFICIAL: All combined.
Q But not including mortars?

THIRD OFFICIAL: It includes mortars -- as someone said, mortars are very hard to find. As I said, we know exactly how many we can find. That's normally on the order of 100.

Q Boutros Ghali, and what role he -- does he need to be an icebreaker? Have you just now cut him out of the process?

THIRD OFFICIAL: No. As was the case under the August decisions, the Secretary General will have to give his approval to the first use of this authority. After that, the coordination will be with the UNPROFOR commanders on the scene, and there will not be a requirement of referral to the Secretary General.

FIRST OFFICIAL: And we would expect that to be forthcoming, especially in light of the letter he had sent previously.

Q The question is sort of moot, isn't it?

THIRD OFFICIAL: The what?

Q For all intents and purposes, Boutros Ghali is now no longer part of it since the first one is moot -- that is, you're going to fire at a mortar or a shelling no matter where it's at.

THIRD OFFICIAL: In coordination with the U.N. and the first-use, under that still would be in coordination with the U.N. and with his authority.

Q I thought you said that NATO would immediately respond on tomorrow's --

FIRST OFFICIAL: In coordination with the U.N. That's what I said, Saul. As was the case in the August 9 decision, this would be in coordination with the U.N. The first-use would be authorized by the General General. Thereafter, he's indicated that he intends to delegate that authority.

Q Do you expect the authorization to come tomorrow?

FIRST OFFICIAL: We expect to get the necessary authorization, yes. That would be our expectation.

Q Civilians or military targets? The difference --

SECOND OFFICIAL: Just to go back a second, Annie; sorry. Whether the authorization ever comes depends on Serb behavior, obviously. We think that if Serbian behavior warrants, we have every expectation that Boutros Ghali does not want to be and will not be a barrier to the appropriate action. His letter of the 6th of February is good evidence.
Let's not think of this as something different to or superseding NATO's August decision. One way of thinking about it -- which is an over-simplification but I think not an unfair one -- is this starts the clock ticking for implementing NATO's August decision. But all the procedures that NATO agreed to in August are still there, including Boutros Ghali's icebreaker role and in subsequent coordination with UNPROFOR.

Q In August, all the safe havens were covered by the August decision. This only addresses Sarajevo. This seems to be a narrowing of the August decision?

SECOND OFFICIAL: No. The August decision --

Q (Inaudible)

SECOND OFFICIAL: No. The August decision is still there. We can start the clock ticking for some other contingency. What we have done is start the August clock ticking, if you will, and that's something of an over-simplification.

The August clock ticking with regard to Sarajevo -- if the situation seemed to merit it, NATO could start the August clock ticking for some other contingency in some other part of Bosnia. Nothing has been taken back from the August decision.

Q Hasn't the people of Sarajevo been led sort of astray from the August decision if the clock hasn't been ticking since August?

SECOND OFFICIAL: I don't think so, no.

Q They certainly went to market thinking so.

SECOND OFFICIAL: I'm not sure that's quite true.

Q Can you explain why this doesn't lift the siege of Sarajevo? You said that there were still snipers. Do we not expect that if the shelling does stop, or is punished regularly, that food should be able to get through easily, that the strangulation or near-strangulation of Sarajevo should stop? I mean, Sarajevo should turn into a reasonably normal city.

SECOND OFFICIAL: Carla, all of us hope the siege of Sarajevo will end. We hope that the numerous cease-fires that keep being signed will be abided by. That's not a fair analogy, because I think there is some reason to hope that a clear NATO commitment to act will give the Serbs serious pause. And in the best of all worlds, they would not only cease the shelling but also cease interfering with convoys, cease sniper fire.
I just wanted to point out what you can actually accomplish from the air. What psychological effect this has on the Serbs is another question. I hope you're right, but I was only talking about what airstrikes alone can hope to accomplish.

Airstrikes alone cannot relieve the siege or ensure that all the weapons are either put under U.N. control or withdrawn from the exclusion zone. We will never know what might be hidden in the zone. But if something comes out of hiding and we see it, it's very much at risk. That's all we can promise to do.

Q Can you explain the logic way whereby this reinvigorates the diplomatic process? Surely, one could argue that the Bosnian Muslims, having finally gotten NATO on their side--something that they wanted all along--don't have any incentive to settle now. In fact, they have an incentive to keep fighting.

THIRD OFFICIAL: No, I wouldn't agree with that. What this does is, as I said before, support the efforts and reinforce the efforts to reinvigorate the diplomatic process. Because it says to the Serbs, who really are the key impediment to a diplomatic solution, that says to them that the international community has the will to use force in this circumstance. I think that sends an important message when you're on the diplomatic track.

I think it does have the effect of reinforcing the efforts on the diplomatic side.

Q Could either of you address the issue of what might have been decided about deploying counter-battery radars and artillery on the ground in Bosnia--around Sarajevo?

FOURTH OFFICIAL: The agreement calls for NATO members to provide TAB target acquisition batteries into the area to enhance their capability to deal with the artillery threat.

Q Can you tell us which NATO countries are going to do this, and how many ground troops it will be?

FOURTH OFFICIAL: I don't think it's been decided yet.

Q Does that include ground troops?

FOURTH OFFICIAL: The U.S. position has been no U.S. ground troops. So if you put in a U.S. target acquisition battery, that would require ground troops, and the answer to that is no.

Q Could you put in U.S. target acquisition batteries and train the French, for example?

FOURTH OFFICIAL: I'm sorry?
Q Could you put in U.S. equipment and train the French to use it easily? Or would it inevitably mean that another NATO member will have to provide this military capability.

FOURTH OFFICIAL: Other NATO nations have the military capability. I don't believe the French have it, but I know, for example, the Dutch have it. The Brits have it. They have this capability. It's a great system. It has limitations like all military systems. But it would, in fact, improve their ability to target incoming rounds.

Q Is it a particularly vulnerable system? In other words, by operating it, are you putting yourself in -- giving a big profile to snipers?

FOURTH OFFICIAL: Not to snipers, per se. In fact, any time you turn on a radar you admit a signal. That signal can be picked up if you had that capability. So that's one. And secondly, it's visible. It has its vulnerabilities, not the least of which it's a little cumbersome. As I remember, it's two 5-ton trucks and a couple of trailers; it takes while to set up. Ero, it's visible. It has got to be essentially in the open to scan.

Q I wonder if that was an explanation for the fact we haven't heard a lot of countries volunteering to take on that duty?

FOURTH OFFICIAL: It's most useful if it has got an artillery unit with it to give you counter-battery fire. So simply to put it on the ground, unless you've got an artillery unit there -- and none of the UNPROFOR nations have wanted to bring in artillery and increase with that kind of firepower.

Q It's still the case, that no one is stepping forward to say, "Maybe we'll send troops."

FOURTH OFFICIAL: To my knowledge, that's the case at this time. I think that this kind of NATO commitment says to those UNPROFOR nations that there is a stronger commitment. The fact that the basic document encourages them and calls for them to do that would lend themselves to rethink the issue, I would think.

THIRD OFFICIAL: It's also worth making the point that the ability to carry out the authority given under this decision is not dependent on there being this particular counter-battery radar system in place.

Q Do you have any plans to redeploy --

Q As there was on Saturday, and you couldn't figure out who did it, so there was no response for that particular incident. If, in the future, you don't know -- you can't find
the artillery or you can't say for sure that it was the Bosnian Serbs, even if you don't know, can you go hit another Bosnian Serb target in another area? Or do you have to affix responsibility?

FIRST OFFICIAL: No, there's no need to go after some particular offending target. It's not limited to that. What we have said here is that if there is any artillery or mortar attacks on Sarajevo, then NATO is authorized to use airpower, and they can use it against a variety of targets, including --

Q How can you know who made the attack, in the first place; correct?

FIRST OFFICIAL: Yes, but the overwhelming majority of all of these attacks we're talking about that have afflicted Sarajevo are from the Serbs.

Q But on Saturday, you couldn't do it.

FIRST OFFICIAL: On Saturday, we had not been able to determine with precision who did that, but our presumption is that it was a Serb shell just as the day before it had been a Serb shell, which they denied and which killed nine people.

Q Is near-presumption enough to trigger a response?

FIRST OFFICIAL: Any shelling is enough to trigger the authorized NATO use of airpower. Whether NATO will use it in a particular instance will be a judgment that will be made by the military commanders.

Q Does that include taking out everything that you might be able to identify? If there's any shelling at all into Sarajevo, are you saying that that gives NATO the authority to take out all the targets you can find?

FIRST OFFICIAL: Any heavy weapons within the artillery exclusion zone are certainly liable to be the target. As to other targeting, as my colleague said, I don't want to go beyond that and comment on the particular targeting options.

Q You say you expect to get authorization from Boutros Boutros-Ghali. Is that pre-authorization? In other words, authorization before any attack happens, or would that authorization only come if there is a further attack on Sarajevo?

FIRST OFFICIAL: I think that's undetermined as to exactly how that would unfold. As my colleague said, if the Serbs abide by this warning, as it were, then none of this would arise. There would be no need to engage in this.

Q (Inaudible) pre-authorization sounds like?
FIRST OFFICIAL: We don't know exactly how he will address that, but we expect that this would not be an issue.

Q If I understand you correctly -- can I follow up.

Q Be my guest.

Q I'm sorry, sir.

FOURTH OFFICIAL: I'd just like to follow up on thing that you mentioned on -- we were talking about target acquisition battery. It's important to remember, as with all military systems, that this is not silver bullet. Let's assume that one of the UNPROFOR countries had a target acquisition radar in the vicinity of Sarajevo on Saturday. Unless it was on, on, and scanning in the correct position, it would not have picked it up.

Part of having these things in a coordinated military effort, as you have them scattered around the battlefield -- enough of them to where you pick up all things coming in -- in fact, it has to be on.

Q The presumption seems to be that any artillery, starting in ten days, coming into Sarajevo, is absolutely and unquestionably Bosnian Serb, you an retaliate? That's what your colleague is nodding at. Is that correct? You don't have to affix responsibility? The Secretary General of the U.N. said you had to affix responsibility, according to his formulation.

SECOND OFFICIAL: (Inaudible) try to press us to speculate about hypothetical contingencies.

Q I just want an answer.

SECOND OFFICIAL: I don't think we can give an answer about contingencies that haven't arisen. What NATO has authority to do is different from what NATO will decide to do, which is a decision that has to be taken in context.

Let me say one thing. Part of what we want to see happen is for the Bosnian Serbs to put their heavy weapons under U.N. control. They don't have very many of the, which is one reason the presumption is that the shelling in Sarajevo comes from Bosnian Serbs -- Muslims; thank you. But if, in fact, the Bosnian Government's heavy weapons are under U.N. control, it even more increases the presumption of any incoming rounds.

There are all sorts of variables in these things. I think once you start trying to speculate about the future, you guess wrong.
MR. McCURRY: If anyone is critical to their coverage to watch the President, the President is speaking right now.

Q I would like to know if any arrangements are being made for the safety of the UNPROFOR troops there? That was a concern of many of the allies. How is that being addressed, if at all?

FOURTH OFFICIAL: That was a concern. And one of the reasons for the 10-day waiting period, frankly, is frankly not so much to give the Serbs time to get their artillery out as to make sure that the necessary precautions are taken by the UNPROFOR commanders.

Q How do you --

FOURTH OFFICIAL: That's up to them to decide.

Q What are you recommending?

FOURTH OFFICIAL: It's certainly not our position to recommend what they're going to do.

Q Could you tell us what lightly-armed troops can do to make their lives a little bit safer and at the same time still try to escort relief deliveries to the --

FOURTH OFFICIAL: Well, lightly-armed troops escorting mortar convoys all over the country are obviously vulnerable. Those same troops, though -- the French, for example, living in and around Sarajevo are living in basements and are all sand-bagged up as everybody else.

So, in point of fact, they've taken those defensive measures commensurate with the risk that their commanders see.

Q You're assuming retaliation would come in the neighborhood of Sarajevo as opposed to all of the other areas where they operate whether the Serbs have the ability to whack them?

FOURTH OFFICIAL: We have always, since August, had the closed air support. They have tactical air control parties that are, in fact, trained to NATO standards to call in those (inaudible). Those arrangements are, in fact, in place.

I'd have to be on the ground, Jack, to tell you how these different commanders are doing it. But any prudent commander, in his bivouac area, will in fact have dug in his troops; he'll have some overhead cover, and he'll be in a position to defend himself defensively.
Q I think you said early on that a response to the renewed shelling of Sarajevo could commence immediately; did you say that?

FIRST OFFICIAL: That's right.

Q That means that bombs could start falling tonight if there's new shelling?

FIRST OFFICIAL: The 10-day window I referred to has to do with the withdrawal of the heavy weapons or the regrouping of them into UNPROFOR's control. But there is shelling of Sarajevo, then under what NATO decided today, there is authority, in coordination with the U.N. to respond immediately with air strikes, starting from today.

Q How about the troops on the ground?

FIRST OFFICIAL: What about the UNPROFOR troops?

Q Yes.

FIRST OFFICIAL: What about them? What's your question?

Q Well, if the ten days are intended to give them time to regroup, then why do you say that a response to the shelling could commence immediately?

FIRST OFFICIAL: Because as a protective measure, we want to do what we can to respond to the shelling to Sarajevo. We don't want to give a ten-day window when you can just have an open season on shelling Sarajevo. That has certain implications for the troops. It is our hope that that won't happen, that there won't be shelling, there will be time for the troops to take whatever protective measures they may think prudent while the ten-day period runs.

But we did not feel it would be appropriate to take a decision which would give a sanctuary for additional shelling of Sarajevo.

Q What assurance can you give the population of Sarajevo that this threat of force is more credible than your threats on August 9 or any of the threats since? This clock-ticking business is a bit confusing.

FIRST OFFICIAL: If you think about August 9, which was a very important decision of NATO and which did have an effect of moderating Serb conduct and saved lives -- but that moderation of their conduct changed over time -- that decision on its face required a further meeting of the North Atlantic Council to activate the program. That meeting was held today. That decision was taken today.
So we have a wholly different situation on our hands from what we had in August.

SECOND OFFICIAL: May I clear up something I said earlier about NATO deciding how to react within its authority. I did not mean, certainly, that there is any hesitation on the part of NATO governments of the determination to act, if there is, as we were talking about then, a Bosnian Serb shelling of Sarajevo.

The question specifically had been what if it might have been a Bosnian Government shell? NATO has not signed on to attack Bosnian Serb targets if it thinks that the Bosnian Government has shelled its own people. I think it's pretty unlikely that the Bosnian Government is going to shell its own people, and the Bosnian Government -- everything we've heard from it -- is not only welcome but has sought this agreement to corral all heavy weapons, including its own.

THIRD OFFICIAL: Can I just make the point that in addition to the horrible thing that happened on Saturday, we've had situations where a thousand shells have come into Sarajevo in a day. In that circumstance, there's not the slightest doubt where they come from.

Q After the ten-day period, how active will the UNPROFOR troops be in taking guns under their control that are not claimed by either side? If they find some armaments, do they take them? Do they challenge the people who have them? How active are they going to be?

SECOND OFFICIAL: Obviously, that's up to the UNPROFOR countries, but today's decision does not envision their doing that. Today's decision does not call on UNPROFOR to go out and capture, forcibly take all heavy weapons under its control. Today's decision says if we find one that's in the exclusion zone and not under UNPROFOR's control, it's at risk. If UNPROFOR countries decide they want to try to do it, that's quite another question and separate from today's decision.

Today's decision only says if we find one where it's not supposed to be, it's at risk of NATO airstrikes.

MR. McCURRY: We've got to end this at some point.

Q How severe will these counterattacks be, these airstrikes? I mean, what's going to determine how long in one situation they go on? What's the call there? And also for your colleague, if you could talk about the diplomatic initiative behind this.

FOURTH OFFICIAL: I think the first part of the answer is they obviously would want to be proportional to whatever the target was we were going after. As with the original close air support agreement and with everything else we do, there's a
collateral damage problem, so you're going to worry about that. We certainly don't want to put anybody in a position of creating our own Saturdays, and that is a problem with this kind of exercise. Prudent, proportional. That's the best way to answer that.

Q Can I just follow up on that, and then could you answer the diplomatic. Are the targets for retaliation only targets inside the exclusion zone and only heavy weaponry, or could you go after command and control or something more punitive that perhaps would hit a little bit more than going after a tank or some other emplacement?

THIRD OFFICIAL: The commitment reads -- and I'll defer back -- heavy weapons, and then there's a parenthesis and it says artillery, tanks, air defense systems.

Q But for punishment. If something gets launched and you don't necessarily go back to the place that it's launching it from --

FIRST OFFICIAL: Any shelling of Sarajevo that is not covered by the 20 kilometers -- wherever the shelling is coming from of Sarajevo, that's covered. The withdrawal of the heavy weapons or the corraling of the heavy weapons is covered by the 20 kilometers.

Q Can you hit a bridge, if the shelling hits -- is it just a target that's going to be inside the zone as well for retaliation.

FIRST OFFICIAL: The answer is we don't want to talk very much about the targets, but, if there is shelling from outside the 20 kilometers, and if the objective is to stop the shelling of Sarajevo, then one thing the airplanes can do is go after the pieces that are shelling from outside the 20 kilometer limit.

Q Are you only going to go after things that are shelling in the first place, or can you go after a bridge or a command and control center?

THIRD OFFICIAL: Even within the 20 kilometer zone, exclusion zone, the kinds of targets which are authorized are not limited to the kinds of weapons which must be pulled out of the zone. I don't want to go into exactly what those categories of targets are, and I do not necessarily agree with the ones you've offered.

Q What kinds of weapons? I mean, do they have to be weapons?

THIRD OFFICIAL: No. There are a variety of kinds of military targets which are authorized. Since there is a real possibility that allied airplanes are going to have to fly to
those targets and attack them, I would rather not give a list of what those targets are, but they are not limited to the particular gun which fired the shot. They are not limited to guns at all in the broad sense of guns.

Q Can you tell me whether you’re going to start flying now?

Q Can you answer the diplomatic initiative question, please?

FIRST OFFICIAL: On the diplomatic initiative, I would just like to point out that really our efforts in this regard commenced before last Saturday’s tragic events, as those of you who were in Paris with us know. We began reviewing with our allies and internally ways to reinvigorate the negotiating process.

Our reason for that was that it appeared to us that the fighting in Bosnia was likely to get worse rather than to wind down; that as the spring approaches, there is a significant possibility of an upsurge in the fighting, and fighting at a higher level which could lead to very negative consequences. This in turn could have put at risk the humanitarian effort and led to heightened risk of spillover.

We were also very mindful of the urgings of our European allies that we become more actively involved in the process to achieve a settlement, and they were making it very clear that they felt our participation was really essential if that process was to succeed.

Secretary Christopher, after review, came to the conclusion that we should participate in the process of trying to reinvigorate the search for a settlement, and after discussions with the President and the rest of the National Security team, we decided to move ahead with a new diplomatic initiative.

We’re in the process now of consulting with allies, as well as we will be talking with the Russians. I won’t be able to get more into the details except to tell you that this is underway. We view it as interlocking with the decisions taken at NATO today. You’re aware, I believe, that Under Secretary Tarnoff and Ambassador Redman are in Europe at this time in connection with the initiative.

Some of the basic principles that guide us in this are that we believe it is the Bosnian Serbs who must make the major concessions necessary to produce a final settlement. We think the quality of the territory that they have offered as part of the settlement is obviously what is impeding a conclusion.
We continue to not be prepared to participate in an effort to pressure the Bosnian Government, the Bosnian Muslims. We consider them to be the aggrieved party.

That's all I really want to say about the diplomatic initiative, but I do feel and we all feel very strongly that the decisions taken at NATO today do have the effect of reinforcing that initiative. The military measures agreed today are not part of an effort to coerce a particular settlement, but they are designed to alleviate the situation in Sarajevo and yet at the same time we feel they will have the effect of reinforcing the diplomatic track.

MR. McCURRY: The last question, Doyle.

Q This is a small one, so I hope there can be one more. Can I ask a clarification of one piece of the statement? The Government of Bosnia is required to place its heavy weapons under UNPROFOR control and to refrain from launching attacks beyond the confrontation lines. Does that mean they are prohibited from launching ground attacks with small weapons against sniper positions, and is that a prohibition that equally applies and would equally be enforced against the other side?

FIRST OFFICIAL: First of all, Doyle, they're not required by this to put their weapons under the control of UNPROFOR. They're requested to do so and to refrain from attacks launched from within the current confrontation lines in the city. So it's not a requirement. But obviously we think it would be in the interests of achieving the results of trying to alleviate the suffering of Sarajevo if they were to abide by this request.

Q I simply want to know when you expect airplanes -- NATO planes to start flying patrols. I know they've been doing "no-fly" zone over that region, but can you tell me when they expect to fly patrols?

FOURTH OFFICIAL: They will do close air support right now. Our command and control arrangements have been worked out for quite some time. It's in a NATO arrangement.

Q Will they be flying patrols to suppress the possibility of shelling or to respond if there is -- if they see a puff of smoke from a mortar battery, from a mortar?

FOURTH OFFICIAL: They would be available to respond to the ground commander's request, and that's the best way to say that. No one flying at 15,000 feet seeing a puff of smoke is going to roll in a puff of smoke, and you wouldn't want them to. He might be smoking.

Q You said before that the meeting that took place today was the meeting envisioned back in August. That means
now when Boutros-Ghali, if and when — but if Boutros-Ghali decides that Sarajevo has been aggrieved and he knows who did it, we won't have another NAC meeting. We've had it with NAC meetings.

FIRST OFFICIAL: That's right.

MR. McCURRY: One last comment from one of our briefers.

THIRD OFFICIAL: I just wanted to make the point, it was implicit in the question you asked, that it's not just American planes. There are a variety of other countries. You said it right. There are variety of other countries that have planes already in Italy already on this mission.

FOURTH OFFICIAL: Sixteen, and I was giving a generic number.

Q Well, why is it so high?

Q I'm thoroughly confused by something, and I apologize, but can you -- the Bosnian Muslims who have a very small amount of heavy weaponry are not going to be required to put these heavy weapons under UNPROFOR monitoring?

FIRST OFFICIAL: Not under this decision, no. They're requested to do so, and that's their judgment to make. We believe they're likely to do so — a small number of weapons. They previously indicated that they would go in this direction. This whole thing is designed to achieve results in Sarajevo that alleviate the suffering, so we think that they're likely to do so, but this decision does not require them to do so.

Q And if they launch an attack from one of these weapons, if they do not live up to this request, will they be punished with airstrikes?

FIRST OFFICIAL: You're raising a highly unlikely hypothetical situation, Carla, and the thrust of this is to address the situation that arose because the Serbs were pouring in hundreds and hundreds of shells into Sarajevo day in and day out.

Q Thank you.

(The briefing concluded at 6:25 p.m.)
Mr. President, the objective of this Council, as it is of my government, should be to encourage the parties to the conflict in Bosnia-Herzegovina to negotiate a real peace; a just and viable peace that is freely accepted by all.

Put simply, the United States believes that this conflict should be resolved at the negotiating table -- not on the battlefield.

But the horror of recent days is evidence that the objective of peace cannot be obtained by diplomacy alone. Our diplomacy must be backed by a willingness to use force when that is essential in the cause of peace. For it is only force plus diplomacy that can stop the slaughter in Sarajevo and break the stalemate in Geneva.

There is a ten day deadline for the withdrawal, or placement under UN control, of heavy weapons identified within the area of exclusion. Weapons not under UN control may be subject to air strikes. During the ten days, NATO will also respond, in coordination with the UN, to the artillery or mortar fire that has wreaked such havoc in Sarajevo. These decisions are consistent with resolutions approved by this Council. They do not require further Council action. We need to remind ourselves that the decision to initiate air strikes rests in the hands of the Secretary-General -- and it was this Council that put it there.

It is important for all to be clear about what the decision of the North Atlantic Council means and what it does not mean. It is not an intervention in this conflict in behalf of one or another of the parties. The purpose is to persuade the parties that pursuit of a military conclusion to this conflict serves the interests of no one. As the Council has repeatedly stated, a negotiated peace, acceptable to all, is preferable for all. Those who understand this point will have their security enhanced by the North Atlantic Council decisions. Those who do not will--through their own aggression--put themselves at risk.

Neither NATO, nor this Council, can or should impose a settlement upon the parties, for an imposed settlement will not be a lasting settlement. But by seeking to reduce the level of violence around Sarajevo, a UN designated safe area, we hope to reinvigorate and lend substance to the negotiating process. My own government is actively engaged in that effort.
Mr. President, at this point I would like to pay tribute to the Representative from the Russian Federation. For as recently as last week -- and as long ago as last February -- his government has advocated taking action to demilitarize Sarajevo.

The international community is saying to the Bosnian Serbs: You have a choice. You can live up to your avowed desire for peace, by cooperating in steps that will reduce tensions and improve the climate for peace. Or you can take aggressive actions and invite the bitter consequences. In making this choice you should not doubt our will, or that of our NATO partners, to carry out the February 9 decision. The shelling of Sarajevo must stop, and the rights and safety of all United Nations and other international personnel -- whether official or private voluntary, civilian or military -- must be strictly respected. In that regard, we note that the United States will advocate strong action by this Council if the Bosnian Serbs follow thorough on their threats to restrict the movement of international relief workers.

To the parties to the conflict: we say that the time has come to begin building a viable future for your people. It is time for reconstruction and repair; for tilling the soil and schooling the young. We can help you build a different future, but you must do your part. For your citizens are entitled to what President Clinton called in the context of the Middle East: "the quiet miracle of a normal life." Your families deserve to be able to cross the street, to sled down a hill, to worship God and to go to the market without fearing that any minute death may descend upon them from the sky.

Mr. President, as we watch the Olympics on our TV screens this week, we are reminded that it was just ten years ago that we watched the 1984 Olympics in Sarajevo. It was just ten years ago that the world was treated to pictures of a modern, European city of mosques standing alongside orthodox and catholic churches in what was a wondrous symbol of a multi-ethnic society.

To my colleagues on the Council, and to the Secretary-General: the decision of the North Atlantic Council, will bring closer to reality the sentiments we have often expressed concerning Bosnia: to seek an end to aggression, to safeguard innocent lives and to encourage the peaceful resolution of disputes. And in so doing, for the first time a regional security organization -- NATO -- has acted to implement a decision of this Council to use force under Chapter Seven of the UN Charter. We are entering unchartered waters. Cooperation between NATO and the UN is essential -- not only for the citizens of Sarajevo and other safe areas in Bosnia, but also for the precedent it will set for the future of collective security.

Mr. President, the firm and fair implementation of NATO's decision will contribute much to the credibility of this Council and of the United Nations in which have been vested the most cherished aspirations of humankind.

Mr. President, in closing let me pay special tribute to the Representative of France, with whom I worked so closely in recent days, and whose Government played such a critical role in working to help the citizens of Sarajevo. Thank you, Mr. President.
THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release February 14, 1994

REMARKS BY PRESIDENT CLINTON
AND PRESIDENT NAZARBAYEV OF KAZAKHSTAN
IN PHOTO OPPORTUNITY

The Oval Office

11:35 A.M. EST

Q President Nazarbayev, do you support NATO's decision to threaten the Bosnian Serbs with air strikes in case they don't remove all their artillery from the hills surrounding Sarajevo?

PRESIDENT NAZARBAYEV: Despite the fact that Kazakhstan is well removed from those events by a great distance, I still believe we all as members of the U.N. respect the decision taken by the Security Council.

Q Mr. President, is there a gap between the U.N. and the United States on what steps need to be taken in order to launch air strikes?

PRESIDENT CLINTON: I don't have any reason to believe that there is. Keep in mind the Secretary General asked NATO to take the action we took and made it clear that -- we made it clear that we do not want to take that action unless we could follow through on it -- that is, unless the conditions were met that we would take the action we said. And he agreed with that. So I have no reason to believe that there is any difference of opinion.

Q Do you sense that the Serbs are beginning to cooperate?

PRESIDENT CLINTON: I think so. And I think -- again, let me say, that the larger issue is whether we can move toward a reasonable peace agreement quickly after establishing a safe zone around Sarajevo. But we're just going to have to see. There's still a few more days left before the time runs out.

THE PRESS: Thank you.

END 11:45 A.M. EST
THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release February 9, 1994

STATEMENT BY THE PRESIDENT

The Briefing Room

6:05 P.M. EST

THE PRESIDENT: Good evening. Over the past year, our administration has been working to do what we could to help to end the tragic conflict in Bosnia and to ease the suffering it has caused. Like people everywhere, I was outraged by the brutal killing of innocent civilians in the Sarajevo market last Saturday. The events of the past year and the events of the past few days reenforce the believe that I have that more must be done to stop the shelling of Sarajevo and the murder of innocents.

Therefore, the United States, working with our allies, has developed a series of proposals to address the situation in Sarajevo and to reinvigorate the negotiations to bring the bloodshed and the aggression in Bosnia to an end. As a result, just now in Brussels, NATO has decided that if any Bosnian Serb heavy weapons are found within 20 kilometers of Sarajevo within 10 days -- or after 10 days -- or if there is any further shelling of Sarajevo, NATO commanders stand ready to conduct air strikes against Serb artillery positions. NATO would carry out such strikes in accord with procedures it agreed on last August.

There are reports that as a result of NATO's impending action, Bosnian Serbs have already agreed to withdraw their heavy guns. If these reports are true, I welcome them. We hope that the Bosnian Serb actions will make air strikes unnecessary. But no one should doubt NATO's resolve. NATO is now set to act. Anyone -- anyone -- shelling Sarajevo must recognize this fact and be prepared to deal with the consequences.

Our nation has clear interests at stake in this conflict. We have an interest in helping to prevent a broader conflict in Europe; that is most compelling. We have an interest in showing that NATO, history's greatest military alliance, remains a credible force for peace in post-Cold War Europe. We have an interest in stemming the destabilizing flows of refugees that this horrible conflict is creating. And we clearly have a humanitarian interest in helping to prevent the strangulation of Sarajevo and the continuing slaughter of innocents in Bosnia. These interests do not justify unilateral American intervention in the crisis, but they do justify the involvement of America and the exercise of our leadership.

I have been meeting over the last hour with leaders of both parties in Congress, and I stressed to them that our contribution to resolving the Bosnian conflict will be proportionate to our interests -- no more and no less. We have also insisted that NATO not commit itself to any objectives it cannot achieve. Important as these NATO actions are, we must understand that in the end, this conflict must be settled at the negotiating table by the parties themselves. In short, they must want to stop killing each other and to settle, to resume their peaceful life before that will occur.
I have directed the Secretary of State to have the United States play a more active role in the negotiations. These efforts are well underway. We hope that our efforts and the efforts of other NATO countries and the efforts of perhaps other nations as well can help to reinvigorate the process of peace and bring these parties to an agreement.

The ongoing tragedy in Sarajevo and Bosnia should catalyze all of our efforts to seek negotiated solutions. The actions that I have proposed and that NATO has approved today demonstrate that our nation and the international community cannot and will not stand idly by in the face of a conflict that affects our interests, offends our consciences and disrupts the peace.

Q  Mr. President, did you talk to President Yeltsin today about this, and what is Russia's reaction to this ultimatum?

THE PRESIDENT: I did not talk to him today, although I tried to for a couple of hours and there were technical problems that we couldn't get through. So I expect to talk to him -- well, you know it's several hours ahead of us now, so I expect to talk to him either late tonight before I go to bed or maybe even sometime in the middle of the night. I am trying to get in touch with him and he knows that I will take the call whenever we can put it together.

I think when President Yeltsin understands that the action taken by NATO today applies to anyone who violates the safe zone around Sarajevo and not only to Serbs, and understands that the United States is going to put new energy into its own efforts to bring about a negotiated settlement and that we would welcome the Russians' involvement in bringing about a negotiated settlement, that he will if not agree with our action, at least understand it more.

Q  Mr. President, now that this warning has been given, what's your understanding of exactly what it takes to trigger an air strike?

THE PRESIDENT: Well, keep in mind, now, I have not seen the language; I was just informed that the agreement was finally reached. But if the position presented to NATO this morning is, in fact, what emerges -- and I believe it was -- then you have the same situation here that we had last August when the first NATO out-of-area action was proposed, which is that the first air strike must be approved by the Secretary General.

He has asked us, by the way, to do this, so that we now have no reason to believe that he would ask NATO to take a meaningless action. In fact, we think he's clearly in sync with us on this. After which all subsequent air strikes would be the result of coordinated decisions by the commander of the United Nations troops on the ground there and the NATO commander in that area, Admiral Borda, the American admiral.

Q  Given the difficulty of the terrain, can you give us some sense of what you think the risk is for the pilots involved, for the other personnel involved -- what the level of American involvement will be in this NATO action?

THE PRESIDENT: Well, the level of American involvement in this NATO action, I again will say, there is not expectation -- in fact, we have made it quite clear that this will not involve American ground forces. From the beginning of the administration, we have said that the American forces could only be used, if at all, in the implementation of an agreement that had been freely reached as a part of a broader united force in which, since the problem is in Europe, the American forces would be in the minority. So there will be no American ground troops involved in this action.

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I can only say to you what General Shalikashvili has said to me and to the leaders of Congress which is, there is no such thing as a risk-free air operation. I don't want to mislead the American people on that. We have, regrettably, fine young American pilots who die every year in training operations. So there is no such thing as a risk-free operation.

However, we believe that the air defenses are sufficiently rudimentary that the risks are minimal. That is the conclusion of the Joint Chiefs of Staff.

Q Don't they have to fly very low, given this terrain?

THE PRESIDENT: Well, I don't want to reveal what we would do and how we would do it. All I can tell you is that the Chairman of the Joint Chiefs of Staff has told me he considers the risks to be small, but you can never tell anybody, when you get in a high-speed airplane with weapons and when people can at least shoot rockets on shoulder weapons against you, that there is absolutely no risk. I can't say that to the American people. But the risks are small.

Q Mr. President, can you tell us more about the diplomatic track? Do you have any new initiatives going into the Geneva meetings tomorrow? There have also been reports that you are going to pressure the Bosnian Muslims to back off some of their demands in order to make peace easier.

THE PRESIDENT: No -- well, that's not exactly true. First of all, I don't think we or anybody else can impose a peace. What the United States has agreed to do as a result of the new energy brought to this whole matter by our European allies is to talk again to the Bosnian Muslims -- as you know, I have been very sympathetic with their position, and have made no secret of it -- to ascertain what their legitimate bedrock requirements are, and to share with them as clearly and honestly as we can what we think both the political and the military situation is; and then, using that as a basis, to go back to do what we can to facilitate an end to this conflict and an agreement.

I think that we have a lot of interests in doing the same thing by the Germans, by the French, by the British -- really new interest in making a committed effort to persuade these parties that the time has come to quit killing each other. But ultimately, they will have to decide that.

I think we all believe -- those of us who have been following this closely -- that there is an awful lot of fighting and an awful lot of dying going on now over relatively small patches of land, and issues like a path to the sea for the Muslims and where would, that ought to be able to be resolved without a huge amount of further bloodshed. And we hope that they, too, have been sufficiently affected by the carnage involving innocent civilians in the last few days that they will see that as well.

And as I said to you, I wish that I could report to you on my conversation with President Yeltsin. There were just problems that it didn't work out because of where he was and where I was. But I think I will talk to him soon, and I hope that he will also want to weigh in on the peace process. He has expressed a willingness to do that before and has encouraged me in that regard before, so I'm hopeful.

Q -- conversations with some of the other leaders who were reluctant to do this? Did you convince them to come along or did you say this is what we're going to do?
THE PRESIDENT: I wouldn't say they were reluctant. Let me say again, look at the position of the Canadians with their soldiers in Srebrenica surrounded by Serbs. They're in a different position. The French, the British, the Spaniards, the Dutch -- there are Europeans who have soldiers on the ground in relatively small numbers for the purpose of carrying out the United Nations missions. They are all legitimately concerned with the prospect of retaliation against their armed forces. And one of the things that we have really given a lot of thought to is what we can do to provide maximum protection to those people. They have bravely carried on in very difficult circumstances, as you know, for sometime. And so we have talked about that.

I think it's a real tribute to those who have forces there that they were so determined finally to try to stop the deterioration of conditions. I think they began to be worried that their forces would be perhaps at more risk if nothing was done. So I am grateful to them for their agreement for this position. And we're going to do the very best we can to make it work.

Thank you.
I am outraged by this deliberate attack on the people of Sarajevo. There can be no possible military justification for an attack against a marketplace where women, men and children of the city were pursuing their everyday lives.

The United Nations should urgently investigate this incident and clearly identify those who are guilty.

I have directed that Secretary Christopher engage our allies in Europe and the United Nations on the situation and on appropriate next steps. As he and Secretary of Defense Perry have stated, we rule nothing out.

I have also directed the Department of Defense to offer its assistance in evacuating, hospitalizing and treating those injured in this savage attack.

I know I speak for all Americans in expressing our revulsion and anger at this cowardly act.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 6, 1994

REMARKS BY THE PRESIDENT
UPON DEPARTURE FROM THE SOUTH LAWN

The White House
Washington, D. C.

3:37 P.M. EST

THE PRESIDENT: I have just completed a meeting with advisors discussing the terrible and outrageous incident in Sarajevo yesterday. I'm glad to report that the United States has been able to evacuate several of the wounded and their family members and they're on their way to a hospital in Germany. We'll be continuing to work on that.

I have asked Ambassador Albright to urge the United Nations to accelerate the efforts to try to confirm responsibility for the strike in the market yesterday. And I have approved having the Secretary of State and Ambassador Albright continue their consultations with our allies about what next steps should be taken in response to this particular incident and to make an effort to try to reach a settlement, hoping that the shock of this incident will perhaps make all parties more willing to bring this matter to a close.

The ultimate answer to all this killing is for the three parties to reach an agreement that they can live with and honor. There have been several times over the last couple of months when it didn't seem that they were all that far apart, and I hope that the shock of these deaths will reinforce to them, as it does to the entire world, that they ought to go on and reach a settlement; and we will do what we can to push that.

Q Have you decided against air strikes, Mr. President?

THE PRESIDENT: No, but it's not a decision -- first of all, I want to give the U.N. a chance to confirm responsibility for this. Obviously, it seems highly likely that the Serbs are responsible, but they ought to -- there ought to be some effort to confirm it since their leader has denied it. And also, as you know, the authority under which air strikes can proceed, NATO acting out of area pursuant to U.N. authority, requires the common agreement of our NATO allies. So I cautioned them on this at our NATO meeting. Many of them remain concerned that because they have soldiers on the ground -- something we don't have -- that their soldiers will be retaliated against if we take action from the air. That's not to say that there won't be retaliation, because we certainly discussed it in considerable length today, and I discussed it yesterday. But I just want to try to explain why there's more reluctance on the part of some of the Europeans than there is on the part of the United States, because they do have troops on the ground and they are worried about some retaliation coming to those troops.

Q What are your thoughts now on the arms embargo?

THE PRESIDENT: I've always been for it. I haven't changed my position on that. I do believe that -- I do believe, however, that the appropriate thing to do now is to see if this

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horrible incident can be the spur to a vigorous effort to achieve a peace agreement; and that's what we ought to focus on now. If we continue to fail in the face of these kinds of incidents, I think that the United States' position on the arms embargo is only reinforced by the kind of thing that happened yesterday.

But I want to try to work with our allies now to take a shot at hoping we can bring this matter to a conclusion.

Q Yesterday you said in your statement that you called the massacre a cowardly act. But some members of Congress are saying that the U.S. is acting cowardly by repeatedly saying that they will consider air strikes without making good on those threats.

THE PRESIDENT: Well, the United States -- I will say again under international law, in the absence of an attack on our people, does not have the authority to unilaterally undertake air strikes. And every time we discuss it, the other countries who have troops on the ground -- and we don't -- it's very well for these members of Congress to say that, they don't have any constituents on the ground there. And the people who have constituents on the ground say, well we have to think about whether our soldiers are going to be killed in large numbers in retaliation for this if you do it.

Now, as you know, I am -- I have long believed that we should have stand-by air strike authority, and that there are circumstances under which we should use it. In this case, again I want to say, the United Nations has not finished their confirmation process. And until they do, I think it would be inappropriate for me to make a final decision. But I do think you have to give some credence to the position of our European allies. They do have soldiers on the ground there who can be shot at and shelled long after our planes are gone; that is what is animating their position. That does not mean it won't happen this time. I have discussed it yesterday, I discussed it today, we are discussing it with our allies. But they are in a fundamentally different position and they have been as long as they have had troops there.

Thank you.

END 3:47 P.M. EST
REMARKS BY THE PRESIDENT
UPON DEPARTURE FROM THE SOUTH LAWN
The White House
Washington, D.C.

3:37 P.M. EST

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The ultimate answer to all this killing is for the three parties to reach an agreement that they can live with and honor. There have been several times over the last couple of months when it didn't seem that they were all that far apart, and I hope that the shock of these deaths will reinforce to them, as it does to the entire world, that they ought to go on and reach a settlement; and we will do what we can to push that.

Q Have you decided against air strikes, Mr. President?

THE PRESIDENT: No, but it's not a decision -- first of all, I want to give the U.N. a chance to confirm responsibility for this. Obviously, it seems highly likely that the Serbs are responsible, but they ought to -- there ought to be some effort to confirm it since their leader has denied it. And also, as you know, the authority under which air strikes can proceed, NATO acting out of area pursuant to U.N. authority, requires the common agreement of our NATO allies. So I cautioned them on this at our NATO meeting. Many of them remain concerned that because they have soldiers on the ground -- something we don't have -- that their soldiers will be retaliated against if we take action from the air. That's not to say that there won't be retaliation, because we certainly discussed it in considerable length today, and I discussed it yesterday. But I just want to try to explain why there's more reluctance on the part of some of the Europeans than there is on the part of the United States, because they do have troops on the ground and they are worried about some retaliation coming to those troops.

Q What are your thoughts now on the arms embargo?

THE PRESIDENT: I've always been for it. I haven't changed my position on that. I do believe that -- I do believe, however, that the appropriate thing to do now is to see if this
horrible incident can be the spur to a vigorous effort to achieve a peace agreement; and that's what we ought to focus on now. If we continue to fail in the face of these kinds of incidents, I think that the United States' position on the arms embargo is only reinforced by the kind of thing that happened yesterday.

But I want to try to work with our allies now to take a shot at hoping we can bring this matter to a conclusion.

Q Yesterday you said in your statement that you called the massacre a cowardly act. But some members of Congress are saying that the U.S. is acting cowardly by repeatedly saying that they will consider air strikes without making good on those threats.

THE PRESIDENT: Well, the United States -- I will say again -- under international law, in the absence of an attack on our people, does not have the authority to unilaterally undertake air strikes. And every time we discuss it, the other countries who have troops on the ground -- and we don't -- it's very well for these members of Congress to say that, they don't have any constituents on the ground there. And the people who have constituents on the ground say, well we have to think about whether our soldiers are going to be killed in large numbers in retaliation for this if you do it.

Now, as you know, I am -- I have long believed that we should have stand-by air strike authority, and that there are circumstances under which we should use it. In this case, again I want to say, the United Nations has not finished their confirmation process. And until they do, I think it would be inappropriate for me to make a final decision. But I do think you have to give some credence to the position of our European allies. They do have soldiers on the ground there who can be shot at and shelled long after our planes are gone; that is what is animating their position. That does not mean it won't happen this time. I have discussed it yesterday, I discussed it today, we are discussing it with our allies. But they are in a fundamentally different position and they have been as long as they have had troops there.

Thank you.
THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release February 6, 1994

REMARKS BY THE PRESIDENT
UPON DEPARTURE FROM THE SOUTH LAWN

The White House
Washington, D. C.

3:37 P.M. EST

THE PRESIDENT: I have just completed a meeting with advisors discussing the terrible and outrageous incident in Sarajevo yesterday. I'm glad to report that the United States has been able to evacuate several of the wounded and their family members and they're on their way to a hospital in Germany. We'll be continuing to work on that.

I have asked Ambassador Albright to urge the United Nations to accelerate the efforts to try to confirm responsibility for the strike in the market yesterday. And I have approved having the Secretary of State and Ambassador Albright continue their consultations with our allies about what next steps should be taken in response to this particular incident and to make an effort to try to reach a settlement, hoping that the shock of this incident will perhaps make all parties more willing to bring this matter to a close.

The ultimate answer to all this killing is for the three parties to reach an agreement that they can live with and honor. There have been several times over the last couple of months when it didn't seem that they were all that far apart, and I hope that the shock of these deaths will reinforce to them, as it does to the entire world, that they ought to go on and reach a settlement; and we will do what we can to push that.

Q Have you decided against air strikes, Mr. President?

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Thank you.
ADDENDUM TO
POOL REPORT #1
AT ONE
FEB. 6, 1994

Dear [Name],

—and again to be identified as
A SR ADMIN OFFICIAL—CAME BACK
WITH UPDATED AIRLIFT
NUMBERS AS OF 5:10 P.M. CST.

"There were four flights today,
carrying 56 patients." Of
the 56, 32 were on stretchers,
and 24 were ambulatory.
Additionally, 60 family members were
airlifted, bringing the day's total
to 112.

"There is another flight scheduled
for tomorrow morning at 9 a.m. EST,"
she said. "That aircraft is to pick
up 20 more patients on stretchers,
and between 40 and 50 ambulatory
and between 40 and 50 family members. So
patients and family members. So

tomorrow's total will be between 60 and 70.

—GEORGE CONDON, CAREY NEWS SERVICE.
THE WHITE HOUSE
Office of the Press Secretary
(Houston, Texas)

For Immediate Release
February 7, 1994

REMARKS BY THE PRESIDENT
TO THE GREATER HOUSTON PARTNERSHIP

Hyatt Regency Hotel
Houston, Texas

12:50 P.M. CST

THE PRESIDENT: Thank you very much. Secretary Bentsen, you said if I had been in any danger, I would have sent you to give this speech. You notice how quickly he got off the stage when it came my turn to talk? (Laughter.)

I want to thank all those who preceded me -- Ken Lay for his kind remarks. He and I had an unusual and, for would-be golfers, a lifetime opportunity. We got to play golf with Jack Nicholas in Colorado last summer. Nicholas won. (Laughter.) It was good for both of our humility quotients.

I'm glad to see Mayor Lanier again. You know, I'll tell you a story about Mayor Lanier. He's the only person I know who actually turned down a personal tour of the Oval Office -- it's a true story. He was up there one night, he and Mrs. Lanier were there. We watched a movie, as I remember, in the White House movie theater, and I said, "Does anybody -- if you want to go see the office before you leave I'll take you over there." And it was about midnight, and he said, "I don't do tours at midnight." (Laughter.) And he went on to bed. (Laughter.) And I thought that was kind of common sense that carried him to the Mayor Alley, wasn't it? (Laughter.) People ought to be safe in Houston, I believe we ought to have more police officers and put them in the right places. And I didn't take it personally. (Laughter.) I'm going to invite him back in 1997. (Applause.) I thought it was great.

And let me say about Lloyd Bentsen that I believe he'll go down in the history books as one of the great Treasury Secretaries in this century, not only because of his iron will in steering through the biggest deficit reduction package in history last year, but because of the way he has worked with the private sector, with the federal reserve, with the other power centers in our country, and the influence that he's exerted overseas from Russia to China to Latin America.

It's a real source of comfort and reassurance to me to know that whenever I'm in a kind of a tough bind I can call him on the phone and ask him for his advice. Sometimes I call him on the phone and ask him for advice about problems that have nothing to do with the Treasury Department; and sometimes he smiles and he says, gosh, I'm glad I don't have to make that decision. (Laughter.) But most of the time he gives me good advice, and most of the time I follow it.

Let me also say, I know there are several members of Congress here today -- and I may miss some of them -- but I see in the audience Gene Green, Craig Washington, Mike Andrews and Jack Brooks. I don't know if I missed anybody else, but I think you all for being here. They have to listen to me talk all the time. It's remarkable that they have the forbearance to come all the way home and listen to it again.
We're a little bit late today because I spent a good part of the morning dealing with the crisis in Bosnia. And I am sorry we're a little bit late, but I do want to just tell you what has happened before I go into my remarks, just briefly.

As you know, there was an outrageous attack on innocent civilians in Sarajevo on Saturday. And our government is talking with our allies about what steps ought to be taken in response not only to this outrage, but to the possibility of future attacks on innocent civilians in the future. We're also talking about whether there's something more we can do to help the parties agree to solve the conflict. Until those folks get tired of killing each other over there, bad things will continue to happen. And sooner or later they're going to have to decide that it's in their interest to let their children grow up in a world free of war.

The United Nations Secretary General Boutros-Ghali has asked the North Atlantic Council to take the necessary decisions which would enable NATO's military forces to respond to requests for air strikes directed against artillery and mortar positions around the city of Sarajevo that can do the kind of horrible things you saw on Saturday. If the United Nations Mission there determines who is responsible for the attacks — in other words, the Secretary General has now asked that authority be given to our commanders there on the ground to take appropriate action.

I very much welcome that request. I have hoped that that would be the case for some time. I have directed our representatives at NATO to support the Secretary General's request when it is discussed there in the next couple of days.

That is all I have to report at this time, except to say that once again, I hope very much that the horror of all these innocent people dying will sober all those who are responsible and lead to a renewed effort to get a peace agreement there.

Now, having said that, I'd like to go back a little bit to talking about what I hoped to come to Houston to discuss today, which is how our nation reconciles the need to bring the deficit down and be tough on the budget with our responsibilities to invest in the future and to work with you to grow the economy. If you take the position that Mayor Lanier took in 1991, you see a microcosm of what I think I should be trying to do as your President. He came here on a promise to put 655 more police officers on the street either by hiring new ones or working the present force overtime, and to deploy them in the appropriate places with the goal of lowering the crime rate and making the people here feel more secure.

Since that time, the crime rate has dropped 22 percent, murders are down by 27 percent, and he's given America its best reason to have Congress pass a crime bill this year. Thank you. (Applause.) Because we know that this is an issue without party, or a racial, or an economic label and did — we know that the more vulnerable you are to other forces in society, the more vulnerable you also are to being a victim of crime.

So we're going to have a debate over the next couple of months, and these members of Congress here will be a part of it, about what that crime bill ought to be. But one thing we know is if you have more police on the street and they are properly trained and they're properly deployed and they know the neighbors and they know the kids, they will not only catch criminals quicker, they will actually deter crime, which is, after all, what we ought to be trying to do -- to reduce crime in the first place. Why? By taking a practical approach to a human problem and asking what is best for the people involved.
I want to thank the greater Houston Partnership for your leadership on the NAFTA battle. And I want to say some things about that that I think I’m entitled to say since I fought so hard for its ratification, some of which, not all of you may agree with. But to me, the way that battle took shape is the way this country ought to work.

And let me explain why. First of all, to pass it there was really a partnership required between government and people in private business and a not insignificant number of working people who knew it was in their personal interest for it to pass.

Secondly, to pass it there was a partnership between Democrats and Republicans. Something which, unfortunately, is all too rare in Washington, even though it’s more common in Houston, I would imagine.

Thirdly, there was an honest debate about important issues. And even though I strongly disagreed with those who voted against it, there was a real core of legitimate concern. I thought the remedy, that is beating NAFTA, was the wrong remedy, but the core of concern was real. That is, that in a global economy, people who control the flow of money and technology and production may or may not have interests that are always identical to the working people who live where they are located.

So there were honest debates that led to the first environmental side agreement in the history of any trade agreement -- a good one. A labor standards agreement; a commitment that the Congress had to do more to retrain the American work force, dislocated not only by trade with our neighbors to the south, but generally dislocated by the changing of the economy. An agreement to establish a North American Development Bank to try to help finance new businesses and small businesses in places where they need to grow in order to participate in what we hope will be a vibrant and growing two-way trade not only with Mexico, but with all of our neighbors to the south.

So the debate was about real issues and produced, in my view, the right result -- the trade agreement that I believe so strongly in, and a lot of other things that point the way toward making sure that it benefits all the people of the country.

And, finally, I liked it because it was focused on the future. It required us all to imagine what we wanted Houston, Texas, and the United States to look like in the 21st century -- what things are inevitable that we need to -- these changes that are happening that we need to make our friends instead of our enemies. How could we shape the future?

Now, to me, that’s what public life ought to be about. Whoever you vote for and whatever you say, people get together like this and they argue and talk about real issues and in spirit of partnership, thinking about the future, focusing on how it affects ordinary people. And I liked it a lot.

And the environment in which I operate now, as opposed to the one in which I operated when I was a Governor, there tends to be too little partnership and too much partisanship. There tends to be too little focus on the future and an absolute obsession about the past. There tends to be too little action and a world of talk.

Now, we have some big challenges as a country. Make no mistake about it, we have enormous strengths. A lot of things are going well in America. We have underlying strengths which are beginning to benefit us now that have always been there. But the way we continue to move into the future is to cherish our
strengths, but to honestly face our problems and our challenges.

Now, for the four years before I became President, for all kinds of reasons, we had the slowest economic growth in half a century and very low job growth. For the 12 years before I took office the national debt quadrupled in only 12 years -- after 200 years of history in which it was more or less constant, except during wartime when it went up. In those 12 years, the cost of health care exploded at two and three times, sometimes more the rate of inflation. And yet every year a smaller percentage of our people were covered with health insurance -- with consequences. I might add, that were dramatically, I thought, put forward by a very articulate letter to the editor in one of your newspapers today, by a local physician, which I commend to you.

For 20 years -- for 20 years -- since about 1974, after the last big energy crisis then and globalization of our financial system, the wages of most American hourly wage earners have been stagnant. It's not a partisan issue, this is something that's happened through 20 years. And for about 30 years, the American family unit has been under great stress, particularly in areas of economic distress, so that now millions and millions of young Americans are being born into families where there was never a marriage; in a community where the local community institutions that used to shore up kids in troubles -- the churches, the businesses and the other things -- are weaker than ever before; and where there is no business investment to give people economic hope; and where very often only the churches and a few nonprofit organizations are like the proverbial kid with their thumb in the dike holding back the deluge and when they -- often they come in contact with the rest of us when we catch them breaking the law and we're telling them not to do something, instead of earlier in their lives when we could have given them a chance to be a part of this partnership represented in this room today.

Now, those are the challenges we face, in a world that is changing very rapidly, where the economy is increasingly globalized.

I ran for this job because I wanted this country to roar into the 21st century still the greatest nation on Earth, with the kids in this country looking forward to the brightest future any generation of young Americans ever had; and because I believed that to do that we had to restore the economy, rebuild a sense of community in an increasingly diverse America -- look around this room -- and make the government work for ordinary people again. Make it make sense instead of having people so alienated from it.

Now, to do that, it seems to me that we have to stop focusing so much on yesterday's labels and focus more on tomorrow's goals. The issue isn't whether we go left or right, it's whether we can forward. And if we don't go forward, it doesn't matter whether we're stuck left or right.

Historically, if you look at the whole history of this country, we have done well because we had strong shared values and we were increasingly, when we needed to be, pragmatic and progressive at the same time. We were philosophically conservative in the sense that we never thought we ought to change our values, and operationally progressive in the sense that we were always ready to look at a changed set of circumstances and move into the breach. And I would argue to you that that's what we face today.

Our administration took office with a clear economic strategy that was first premised on getting the deficit down; to get lower interest rates, lower inflation, higher investments and more jobs.
Second, on increasing trade -- because it's perfectly obvious if you look at the stagnant employment situation in Europe, in Japan, or in the United States, that no great wealthy nation can grow wealthier and create jobs unless you have more customers for your goods and services. That's what NAFTA was about. That's what the GATT agreement was about. That's what meeting with the Asians leaders was about. That's what this hemispheric summit next year with all the leaders -- or this year -- with all the leaders of Latin America is about. That's what lifting billions of dollars of controls on exports of high technology goods, so that we can now sell them in the aftermath of the Cold War is about. We've got to have more customers for our goods and services.

Third, on trying to stake out an American position in the new technologies of the 21st century. That means maintaining the technologies we have to have to keep our defense the strongest in the world -- some of them being maintained by work being done in this state. It means as we downsize defense, having an aggressive defense conversion strategy so we can make the most of all the work that has been done and all we're already paid for. Through the development of dual-use technologies. It means keeping our undisputed leadership in space, which is what the fight for the space station was all about. It means doing more in areas that are critically important where we have an undisputed lead like medical research -- something you know more about here in Houston than virtually any other place in the country.

It means building the information superhighway that the Vice President is so strongly advocating. It means making the environment a job creator instead of job loser. And it means having a sensible energy policy. The administration's oil and gas initiative was complimented recently by Dennis Hendricks, one of your distinguished leaders in this organization. And I thanked him before I came in for saying that it was a positive direction, nonintrusive but seeking to improve the environment in which we operate. That's the way we're trying to approach this.

The next thing we've got to do is to focus on specific things we can afford to do to help generate new business and small business. The Secretary of the Treasury and I were talking while Mayor Lanier was giving his speech. In our economic plan last year, one of the things that wasn't noticed is the huge increase in the expensing provision for small business, which made 90 percent of the small businesses in this country eligible for a tax cut on April the 15th if they invested more in their businesses; a new in small business capital gains tax that Venture Capital Association had asked for for years; and an extension of the research and development tax credit.

This last year, we had a record increase in venture capitalizations of small companies in this country. That's what's going to generate the jobs of the 21st century and keep us ahead. We have to continue to focus on it.

Finally, the economic strategy has a strong education and training component. And I'll talk a little more about that in a moment. But the first thing we had to do was to cut the deficit -- to reduce spending, to increase some taxes, to put the money in a rigorous system which would bring the deficit down over five years, and to reduce the size of the federal government.

Now, before this plan took effect last year, the 1995 deficit was projected to be $302 billion. Now, it's expected to be $176 billion -- a 40 percent reduction. That's why interest rates are down and inflation is low and investment is up. And if we keep doing it, we'll have three straight years in a row where the deficit has gone down for the first time since Harry Truman was President. I was stunned, by the way, when my
researchers gave me that. I made them go back and check three times. I said, that can't be true. It turns out it is.

Now, if you look what's happened, we've had millions of Americans refinance their homes and businesses. You've got core inflation at its lowest rate in 20 years. You've got long-term interest rates at historic lows. If we can keep this going, you will bring the economy back -- the private sector will. And it is the most important thing.

Last year, this country created almost 2 million new jobs -- 90 percent of them were in the private sector. For years we've had an enormous percentage of our jobs created primarily by state and local government. Last year 90 percent of the new jobs came in the private sector. This country is enjoying strong economic growth in spite of the continuing problems in Europe and Japan. And we can continue to do it if we have the discipline to keep the deficit coming down.

And I want to say something in defense of the people who voted for that economic program last year. Any member of the Congress will tell you that if that budget had not passed when it did, NAFTA would never have passed, because we would have spent all of August, all of September and all of October wallowing around in Washington, fighting with each other about the nickels and dimes around the edges of the budget instead of focusing on NAFTA. We were about 100 votes down when the NAFTA fight started. It would not have passed if the budget hadn't passed first. The two things went together, and if that would have happened, we'd never had the GATT agreement.

So it is very important, it seems to me, to recognize now that what we have to say is the thing worked, and we have to build on it.

Today, our second budget is being presented in Washington and the Budget Director Leon Panetta, will deliver it to Congress and talk about its details. I Just want you to know what the second budget does. It continues to cut spending because these budget caps are very tight. It's the toughest budget on spending cuts the Congress has yet seen.

Listen to this: More than 60 percent of the major accounts in the federal budget are cut. That means more than 350 specific nondefense programs are being cut, and over 100 of them are being eliminated outright. It's been a long time since that's been done. If the Congress adopts it, it will keep the deficit coming down, it will keep interest rates down, it will send a clear signal to the Fed and to the rest of the world that we mean business and that the investment climate will continue.

These lower interest rates, if they can be maintained, will save over $20 billion in deficit in next year's budget alone, and over $150 billion in the next five years. Seven of the 14 major Cabinet departments are taking budget cuts; the federal bureaucracy is slashed by 118,000 under this plan. That puts us ahead of the goals set by the Vice President's Reinventing Government Task Force, which had us at a 100,000 this year. And, by the way, when we go through this thing in five years, we will have reduced federal government by attrition and management by 252,000, so that by 1998, the federal government will be smaller than it has been in over 30 years.

Why? Because if we don't do it, we can't keep the economy going in the right direction, and we won't have any money to spend on the things that 90 percent of you think we should spend more money on.

So most people read mysteries and not budgets. Most people think the budget is a mystery. (Laughter.) But I hope that you will encourage the members of your delegation, especially this year when we're not having this contentious fight.
over the tax issue, to vote for this budget. Because if we don't do it, we cannot keep the economic recovery going. And if we do it, we can keep the recovery going.

We can also find the money we need to invest in some things that I think are important. If we didn't reduce spending, if we don't reduce spending in some of yesterday's programs, we won't have the money to spend on the crime bill. Those things cost money, too. That crime bill has 100,000 more police officers. It has more money to help the states build penitentiary beds -- which you know a lot about in Texas -- has funds for boot camps for first-time nonviolent offenders, and funds for drug treatment so that a lot of these young people who get out don't come back.

If we don't do it, we won't have money for what's called the technology reinvestment project. Texas has gotten $25 million in it so far, to help develop dual uses, commercial uses for defense technology. If we don't do it, we can't do the information superhighway. If we don't do it, we'll have a very tough time holding on to the space station, because we have to slash other things to keep the space program going. If we don't do it, we won't be able to fully fund the highway program. And if we don't do it, I'm afraid some people will come back at defense, and I am unalterably opposed to cutting the defense budget any more. We have cut it a great deal and I don't believe we can responsibly cut it more. I mean, we're cutting it, but I don't want deeper cuts in it.

If we don't do it, we can't pay to redesign the unemployment system in the country. It's a big deal. A lot of you work a lot of people. This unemployment system that you're paying taxes into was designed for a time in the 1950s and '60s when the average person lost a job, was laid off, and eventually was called back to his or her old job. Now, most people who are laid off never get called back to their old job. The average person will change work seven or eight times in a lifetime, and the only cure for the fear of being unemployable is to be able to constantly learn new skills.

Therefore, we believe that the present crazy-quilt patch of 150 government training programs, and an unemployment system that is essentially passive until the benefits run out, is wrong. We think when people lose work they should immediately start training for the next job; and that your tax money shouldn't be squandered, essentially, paying people to live while they pursue a vain hope at a lower standard of living. And instead, we ought to have a reemployment system where people really can immediately and always be retraining if they lose the job they have. But we can't do it, if we don't cut the rest of the budget.

This budget provides for the beginning of a national apprenticeship program for kids that don't go to college. Most of the new jobs won't require a college education. But you've got a chance of doubling your income when you get out of high school if you just get two years of further training. Our school-to-work initiative makes a big start on that.

This budget will pay to implement the Goals 2000 program, which started back in 1989 when President Bush and the governors negotiated some national education goals, that I helped to draft then in my former life. This bill gives us a chance to achieve those goals by having national standards that are world-class, and supporting local reforms of all kinds around the country. We can't fund this bill if we don't cut the rest of the budget.

This budget dramatically increases the Head Start program. A young lady said to me today, if we could start all these kids in Head Start we'd have fewer of them getting in
trouble later on. It dramatically increases Head Start. If we don't cut the budget, we can't increase Head Start.

So I say to all of you, I hope you will support this process. It is not easy to eliminate 100 government programs, because somebody will lose from them. It's not easy to cut 350 -- somebody likes them. Henry Cisneros has done a brilliant job at HUD. His budget increases funding for homelessness in a way that actually gets people off of the homeless rolls permanently. His budget gives more housing vouchers to people who are eligible -- to let them go into the private sector and make their own decisions about where to live and let the markets work.

Do we cut some other programs? You be we do. Why? There's $8 billion in the HUD pipeline that should have been spent two or three years ago that can't be spent because of government red tape. So Secretary Cisneros says we've got a homeless problem in this country. We have people out there -- working people -- who are eligible for help. Give them the vouchers, get them out there, let the system work, and cut something else.

If you want us to follow some of these energy initiatives that we're doing through the national labs -- you've got one of your own -- Bill White's sitting over there, is the Deputy Director -- the Deputy Secretary of Energy. We've got to cut the rest of the budget if you want us to do the things that will enable us to explore the new technologies which may revive the energy sector in this country.

So I implore you to tell the folks that represent you, it's okay to cut to get the deficit down and to spend more where we need to spend it.

Now, let me just make this one final remark. You might say, well, that's fine you're going to really cut the deficit, but it's still going to be really big in 1998. And you would be right. And I want you to know here in Houston why that is. How can you cut defense, freeze domestic spending, hold Social Security within inflation, have revenues growing, and have the deficit going up? Answer -- there is only one answer now, especially if this budget passes -- there will only be one answer. The answer is: When I took office the Medicaid budget, health care for poor folks, was supposed to increase by an annual rate of between 16 and 11 percent a year over the next five years; and the Medicare budget, health care for the elderly, was going to increase by a rate of between 11 and 9 percent a year over the next five years. And if we do not reform our health care system, in 10 years we will be spending all your federal tax money, all your new federal tax money, on health care and nothing else. And we'll be spending it for the same health care, not for new health care.

Now, let me drive this home. We estimate the Medicare budget will go up, let's say, 10 percent this year, when the case load's going up and general inflation is 3.5 percent; that the Medicaid budget would go up 12 percent with the case load going up 2 percent and inflation where I said.

Now, the only thing I want to say about the health care debate today is this, because I know you have to go, but I want you to think about this. There is -- I had a doctor in my office Saturday, a Republican from another state who is mobilized hundreds and hundreds of doctors in a professional unit. He came in and said, "I am one of the few people in America who has actually read your bill. And I like it." But he said, "You see, I can understand what is going on out there." He said, "I read all this stuff -- people that are for you and the people that are against you -- and they're saying all this that doesn't have anything to do with what's going on out there in the real world."
So without going into the details, let me just ask you to focus on this: Every plan proposed by anybody is a private plan. It keeps health care providers private and keeps insurance private — every one, including ours.

The issue then — let's talk about this. Which plan would give more choice to consumers than the others? The answer is, ours would. But you don't have to — you can check that out. Consumers are rapidly losing choice in the present system. Only about one in three workers today insured at work has any choice at all over who the medical provider is.

Which plan would do the most to keep some funding for the academic health centers — the kind of centers that have made Houston the medical capital of the United States? Of the three major plans, ours is the only one that attempts to do anything for these academic health centers. Now, we have representatives here in the audience, they'll tell you we haven't done enough. We can fix that. That's peanuts in the context of the larger budget if that's a problem. But this is a big issue that never even gets raised.

Which plan would cover more primary and preventive services? You talk to anyone that runs a hospital and they'll tell you that we're -- all of us are paying too much for our health insurance because the people who don't have any coverage only get health care when they're too sick, it's too late, they show up in an emergency room and it costs out the wazoo, and then the hospital has to pass the cost along to someone else.

Can you achieve the real goals for the health care system and ever get the deficit under control -- two things at once -- if everybody doesn't have to assume some responsibility for providing health care for themselves and for employees? This is a tough question -- not free of difficulty. What about all the people who have part-time workers? What about small businesses? The problem is 70 percent of small businesses do provide health insurance for their employees and their rates are 35 to 40 percent higher than big business and government rates.

Anybody that's in a federal health care plan, let me tell you, folks, is getting a good deal now.

Now, again, I say this in the context of this budget so that you can remember that I said it four years from now. There will be no real solution to the federal deficit until we reform the Medicare-Medicaid expenses and get them closer to the rate of inflation. That cannot be done, in my opinion -- having studied this for years as a governor who used to have to break our budget every year on it — until there is some system by which all Americans have access to basic primary and preventive health care. But we have to do it in a way that preserves what is best about health care, which is the system of private providers that is a shining monument here in Houston. And to do it in a way that overall helps the American business economy, not hurts it.

Now, is it easy to do? No. If it was easy, somebody would have done it already. It's the most complicated thing in the world. How could it not be -- it's 14.5 percent of our Gross National Product. But we must address it if you wish to solve the federal government's budgetary problems. Otherwise you mark my words, within a couple of years, you'll have to give up the space program and everything else just to pay more for the same health care. And we cannot do that.

So I look forward to this health care debate in the spirit of excitement. This is important. This is the way I felt about NAFTA. If we can't be honest with one another and focus on the future and work through this thing, this is going to be one of the most exhilarating experiences, this country ever went through, because we're facing up to our challenges.
But first we have to keep the deficit coming down, and we have to pass this budget. It ought not to be a partisan issue, and I need your help to do it.

Thank you, and bless you all. (Applause.)

END, 1:26 P.M. CST
THE WHITE HOUSE
Office of the Press Secretary
(Houston, Texas)

For Immediate Release
February 7, 1994

REMARKS BY THE PRESIDENT
TO THE GREATER HOUSTON PARTNERSHIP

Hyatt Regency Hotel
Houston, Texas

12:50 P.M. CST

THE PRESIDENT: Thank you very much. Secretary Bentsen, you said if I had been in any danger, I would have sent you to give this speech. You notice how quickly he got off the stage when it came my turn to talk? (Laughter.)

I want to thank all those who preceded me -- Ken Lay for his kind remarks. He and I had an unusual and, for would-be golfers, a lifetime opportunity. We got to play golf with Jack Nicholas in Colorado last summer. Nicholas won. (Laughter.) It was good for both of our humility quotients.

I'm glad to see Mayor Lanier again. You know, I'll tell you a story about Mayor Lanier. He's the only person I know who actually turned down a personal tour of the Oval Office -- it's a true story. He was up there one night, he and Mrs. Lanier were there. We watched a movie, as I remember, in the White House movie theater, and I said, "Does anybody -- if you want to go see the office before you leave I'll take you over there." And it was about midnight, and he said, "I don't do tours at midnight." (Laughter.) And he went on to bed. (Laughter.) And I thought that was kind of common sense that carried him to the Mayor Alley, wasn't it? (Laughter.) People ought to be safe in Houston, I believe we ought to have more police officers and put them in the right places. And I didn't take it personally. (Laughter.) I'm going to invite him back in 1997. (Applause.) I thought it was great.

And let me say about Lloyd Bentsen that I believe he'll go down in the history books as one of the great Treasury Secretaries in this century, not only because of his iron will in steering through the biggest deficit reduction package in history last year, but because of the way he has worked with the private sector, with the federal reserve, with the other power centers in our country and the influence that he's exerted overseas from Russia to China to Latin America.

It's a real source of comfort and reassurance to me to know that whenever I'm in a kind of a tough bind I can call him on the phone and ask him for his advice. Sometimes I call him on the phone and ask him for advice about problems that have nothing to do with the Treasury Department; and sometimes he smiles and he says, gosh, I'm glad I don't have to make that decision. (Laughter.) But most of the time he gives me good advice, and most of the time I follow it.

Let me also say, I know there are several members of Congress here today -- and I may miss some of them -- but I see in the audience Gene Green, Craig Washington, Mike Andrews and Jack Brooks. I don't know if I missed anybody else, but I think you all for being here. They have to listen to me talk all the time. It's remarkable that they have the forbearance to come all the way home and listen to it again.
We're a little bit late today because I spent a good part of the morning dealing with the crisis in Bosnia. And I am sorry we're a little bit late, but I do want to just tell you what has happened before I go into my remarks, just briefly.

As you know, there was an outrageous attack on innocent civilians in Sarajevo on Saturday. And our government is talking with our allies about what steps ought to be taken in response not only to this outrage, but to the possibility of future attacks on innocent civilians in the future. We're also talking about whether there's something more we can do to help the parties agree to solve the conflict. Until those folks get tired of killing each other over there, bad things will continue to happen. And sooner or later they're going to have to decide that it's in their interest to let their children grow up in a world free of war.

The United Nations Secretary General Boutros-Ghali has asked the North Atlantic Council to take the necessary decisions which would enable NATO's military forces to respond to requests for air strikes directed against artillery and mortar positions around the city of Sarajevo that can do the kind of horrible things you saw on Saturday. If the United Nations Mission there determines who is responsible for the attacks -- in other words, the Secretary General has now asked that authority be given to our commanders there on the ground to take appropriate action.

I very much welcome that request. I have hoped that that would be the case for some time. I have directed our representatives at NATO to support the Secretary General's request when it is discussed there in the next couple of days.

That is all I have to report at this time, except to say that once again, I hope very much that the horror of all these innocent people dying will sober all those who are responsible and lead to a renewed effort to get a peace agreement there.

Now, having said that, I'd like to go back a little bit to talking about what I hoped to come to Houston to discuss today, which is how our nation reconciles the need to bring the deficit down and be tough on the budget with our responsibilities to invest in the future and to work with you to grow the economy. If you take the position that Mayor Lanier took in 1991, you see a microcosm of what I think I should be trying to do as your President. He came here on a promise to put 655 more police officers on the street either by hiring new ones or working the present force overtime, and to deploy them in the appropriate places with the goal of lowering the crime rate and making the people here feel more secure.

Since that time, the crime rate has dropped 22 percent, murders are down by 27 percent, and he's given America its best reason to have Congress pass a crime bill this year. Thank you. (Applause.) Because we know that this is an issue without party, or a racial, or an economic label and did -- we know that the more vulnerable you are to other forces in society, the more vulnerable you also are to being a victim of crime.

So we're going to have a debate over the next couple of months, and these members of Congress here will be a part of it, about what that crime bill ought to be. But one thing we know is if you have more police on the street and they are properly trained and they're properly deployed and they know the neighbors and they know the kids, they will not only catch criminals quicker, they will actually deter crime, which is, after all, what we ought to be trying to do -- to reduce crime in the first place. Why? By taking a practical approach to a human problem and asking what is best for the people involved.
I want to thank the greater Houston Partnership for your leadership on the NAFTA battle. And I want to say some things about that that I think I'm entitled to say since I fought so hard for its ratification, some of which, not all of you may agree with. But to me, the way that battle took shape is the way this country ought to work.

And let me explain why. First of all, to pass it there was really a partnership required between government and people in private business and a not insignificant number of working people who knew it was in their personal interest for it to pass.

Secondly, to pass it there was a partnership between Democrats and Republicans. Something which, unfortunately, is all too rare in Washington, even though it's more common in Houston, I would imagine.

Thirdly, there was an honest debate about important issues. And even though I strongly disagreed with those who voted against it, there was a real core of legitimate concern. I thought the remedy, that is beating NAFTA, was the wrong remedy, but the core of concern was real. That is, that in a global economy, people who control the flow of money and technology and production may or may not have interests that are always identical to the working people who live where they are located.

So there were honest debates that led to the first environmental side agreement in the history of any trade agreement -- a good one. A labor standards agreement; a commitment that the Congress had to do more to retrain the American work force, dislocated not only by trade with our neighbors to the south, but generally dislocated by the changing of the economy. An agreement to establish a North American Development Bank to try to help finance new businesses and small businesses in places where they need to grow in order to participate in what we hope will be a vibrant and growing two-way trade not only with Mexico, but with all of our neighbors to the south.

So the debate was about real issues and produced, in my view, the right result -- the trade agreement that I believe so strongly in, and a lot of other things that point the way toward making sure that it benefits all the people of the country.

And, finally, I liked it because it was focused on the future. It required us all to imagine what we wanted Houston, Texas, and the United States to look like in the 21st century -- what things are inevitable that we need to -- these changes that are happening that we need to make our friends instead of our enemies. How could we shape the future?

Now, to me, that's what public life ought to be about. Whoever you vote for and whatever you say, people get together like this and they argue and talk about real issues and in spirit of partnership, thinking about the future, focusing on how it affects ordinary people. And I liked it a lot.

And the environment in which I operate now, as opposed to the one in which I operated when I was a Governor, there tends to be too little partnership and too much partisanship. There tends to be too little focus on the future and an absolute obsession about the past. There tends to be too little action and a world of talk.

Now, we have some big challenges as a country. Make no mistake about it, we have enormous strengths. A lot of things are going well in America. We have underlying strengths which are beginning to benefit us now that have always been there. But the way we continue to move into the future is to cherish our
strengths, but to honestly face our problems and our challenges.

Now, for the four years before I became President, for all kinds of reasons, we had the slowest economic growth in half a century and very low job growth. For the 12 years before I took office the national debt quadrupled in only 12 years — after 200 years of history in which it was more or less constant, except during wartime when it went up. In those 12 years, the cost of health care exploded at two and three times, sometimes more the rate of inflation. And yet every year a smaller percentage of our people were covered with health insurance — with consequences, I might add, that were dramatically. I thought, put forward by a very articulate letter to the editor in one of your newspapers today, by a local physician, which I commend to you.

For 20 years -- for 20 years -- since about 1974, after the last big energy crisis then and globalization of our financial system, the wages of most American hourly wage earners have been stagnant. It's not a partisan issue, this is something that's happened through 20 years. And for about 30 years, the American family unit has been under great stress, particularly in areas of economic distress, so that now millions and millions of young Americans are being born into families where there was never a marriage; in a community where the local community institutions that used to shore up kids in troubles -- the churches, the businesses and the other things -- are weaker than ever before; and where there is no business investment to give people economic hope; and where very often only the churches and a few nonprofit organizations are like the proverbial kid with their thumb in the dike holding back the deluge and when they -- often they come in contact with the rest of us when we catch them breaking the law and we're telling them not to do something, instead of earlier in their lives when we could have given them a chance to be a part of this partnership represented in this room today.

Now, those are the challenges we face, in a world that is changing very rapidly, where the economy is increasingly globalized.

I ran for this job because I wanted this country to roar into the 21st century still the greatest nation on Earth, with the kids in this country looking forward to the brightest future any generation of young Americans ever had; and because I believed that to do that we had to restore the economy, rebuild a sense of community in an increasingly diverse America -- look around this room -- and make the government work for ordinary people again. Make it make sense instead of having people so alienated from it.

Now, to do that, it seems to me that we have to stop focusing so much on yesterday's labels and focus more on tomorrow's goals. The issue isn't whether we go left or right, it's whether we can forward. And if we don't go forward, it doesn't matter whether we're stuck left or right.

Historically, if you look at the whole history of this country, we have done well because we had strong shared values and we were increasingly, when we needed to be, pragmatic and progressive at the same time. We were philosophically conservative in the sense that we never thought we ought to change our values, and operationally progressive in the sense that we were always ready to look at a changed set of circumstances and move into the breach. And I would argue to you that that's what we face today.

Our administration took office with a clear economic strategy that was first premised on getting the deficit down; to get lower interest rates, lower inflation, higher investments and more jobs.
Second, on increasing trade -- because it's perfectly obvious if you look at the stagnant employment situation in Europe, in Japan, or in the United States, that no great wealthy nation can grow wealthier and create jobs unless you have more customers for your goods and services. That's what NAFTA was about. That's what the GATT agreement was about. That's what meeting with the Asians leaders was about. That's what this hemispheric summit next year with all the leaders -- or this year -- with all the leaders of Latin America is about. That's what lifting billions of dollars of controls on exports of high technology goods, so that we can now sell them in the aftermath of the Cold War is about. We've got to have more customers for our goods and services.

Third, on trying to stake out an American position in the new technologies of the 21st century. That means maintaining the technologies we have to have to keep our defense the strongest in the world -- some of them being maintained by work being done in this state. It means as we downsize defense, having an aggressive defense conversion strategy so we can make the most of all the work that has been done and all we're already paid for through the development of dual-use technologies. It means keeping our undisputed leadership in space, which is what the fight for the space station was all about. It means doing more in areas that are critically important where we have an undisputed lead like medical research -- something you know more about here in Houston than virtually any other place in the country.

It means building the information superhighway that the Vice President is so strongly advocating. It means making the environment a job creator instead of job loser. And it means having a sensible energy policy. The administration's oil and gas initiative was complimented recently by Dennis Hendricks, one of your distinguished leaders in this organization. And I thanked him before I came in for saying that it was a positive direction, nonintrusive but seeking to improve the environment in which we operate. That's the way we're trying to approach this.

The next thing we've got to do is to focus on specific things we can afford to do to help generate new business and small business. The Secretary of the Treasury and I were talking while Mayor Lanier was giving his speech. In our economic plan last year, one of the things that wasn't noticed is the huge increase in the expensing provision for small business, which made 90 percent of the small businesses in this country eligible for a tax cut on April the 15th if they invested more in their businesses; a new in small business capital gains tax that Venture Capital Association had asked for for years; and an extension of the research and development tax credit.

This last year, we had a record increase in venture capitalizations of small companies in this country. That's what's going to generate the jobs of the 21st century and keep us ahead. -We have to continue to focus on it.

Finally, the economic strategy has a strong education and training component. And I'll talk a little more about that in a moment. But the first thing we had to do was to cut the deficit -- to reduce spending, to increase some taxes, to put the money in a rigorous system which would bring the deficit down over five years, and to reduce the size of the federal government.

Now, before this plan took effect last year, the 1995 deficit was projected to be $302 billion. Now, it's expected to be $176 billion -- a 40 percent reduction. That's why interest rates are down and inflation is low and investment is up. And if we keep doing it, we'll have three straight years in a row where the deficit has gone down for the first time since Harry Truman was President. I was stunned, by the way, when my
researchers gave me that. I made them go back and check three times. I said, that can't be true. It turns out it is.

Now, if you look what's happened, we've had millions of Americans refinance their homes and businesses. You've got core inflation at its lowest rate in 20 years. You've got long-term interest rates at historic lows. If we can keep this going, you will bring the economy back -- the private sector will. And it is the most important thing.

Last year, this country created almost 2 million new jobs -- 90 percent of them were in the private sector. For years we've had an enormous percentage of our jobs created primarily by state and local government. Last year 90 percent of the new jobs came in the private sector. This country is enjoying strong economic growth in spite of the continuing problems in Europe and Japan. And we can continue to do it if we have the discipline to keep the deficit coming down.

And I want to say something in defense of the people who voted for that economic program last year. Any member of the Congress will tell you that if that budget had not passed when it did, NAFTA would never have passed, because we would have spent all of August, all of September and all of October wallowing around in Washington, fighting with each other about the nickels and dimes around the edges of the budget instead of focusing on NAFTA. We were about 100 votes down when the NAFTA fight started. It would not have passed if the budget hadn't passed first. The two things went together, and if that would have happened, we'd never had the GATT agreement.

So it is very important, it seems to me, to recognize now that what we have to say is the thing worked, and we have to build on it.

Today, our second budget is being presented in Washington and the Budget Director Leon Panetta, will deliver it to Congress and talk about its details. I just want you to know what the second budget does. It continues to cut spending because these budget caps are very tight. It's the toughest budget on spending cuts the Congress has yet seen.

Listen to this: More than 60 percent of the major accounts in the federal budget are cut. That means more than 350 specific nondefense programs are being cut, and over 100 of them are being eliminated outright. It's been a long time since that's been done. If the Congress adopts it, it will keep the deficit coming down, it will keep interest rates down, it will send a clear signal to the Fed and to the rest of the world that we mean business and that the investment climate will continue.

These lower interest rates, if they can be maintained, will save over $20 billion in deficit in next year's budget alone, and over $150 billion in the next five years. Seven of the 14 major cabinet departments are taking budget cuts; the federal bureaucracy is slashed by 118,000 under this plan. That puts us ahead of the goals set by the Vice President's Reinventing Government Task Force, which had us at a 100,000 this year. And, by the way, when we go through this thing in five years, we will have reduced federal government by attrition and management by 252,000, so that by 1998, the federal government will be smaller than it has been in over 30 years.

Why? Because if we don't do it, we can't keep the economy going in the right direction, and we won't have any money to spend on the things that 90 percent of you think we should spend more money on.

So most people read mysteries and not budgets. Most people think the budget is a mystery. (Laughter.) But I hope that you will encourage the members of your delegation, especially this year when we're not having this contentious fight more
over the tax issue, to vote for this budget. Because if we don't do it, we cannot keep the economic recovery going. And if we do it, we can keep the recovery going.

We can also find the money we need to invest in some things that I think are important. If we didn't reduce spending, if we don't reduce spending in some of yesterday's programs, we won't have the money to spend on the crime bill. Those things cost money, too. That crime bill has 100,000 more police officers — more money to help the states build penitentiary beds — which you know a lot about in Texas — has funds for boot camps for first-time nonviolent offenders, and funds for drug treatment so that a lot of these young people who get out don't come back.

If we don't do it, we won't have money for what's called the technology reinvestment project. Texas has gotten $25 million in it so far, to help develop dual uses, commercial uses for defense technology. If we don't do it, we can't do the information superhighway. If we don't do it, we'll have a very tough time holding on to the space station, because we have to slash other things to keep the space program going. If we don't do it, we won't be able to fully fund the highway program. And if we don't do it, I'm afraid some people will come back at defense, and I am unalterably opposed to cutting the defense budget any more. We have cut it a great deal and I don't believe we can responsibly cut it more. I mean, we're cutting it, but I don't want deeper cuts in it.

If we don't do it, we can't pay to redesign the unemployment system in the country. It's a big deal. A lot of you work a lot of people. This unemployment system that you're paying taxes into was designed for a time in the 1950s and '60s when the average person lost a job, was laid off, and eventually was called back to his or her old job. Now, most people who are laid off never get called back to their old job. The average person will change work seven or eight times in a lifetime, and the only cure for the fear of being unemployable is to be able to constantly learn new skills.

Therefore, we believe that the present crazy-quilt patch of 150 government training programs, and an unemployment system that is generally passive until the benefits run out, is wrong. We think when people lose work they should immediately start training for the next job; and that your tax money shouldn't be squandered, essentially, paying people to live while they pursue a vain hope at a lower standard of living. And instead, we ought to have a reemployment system where people really can immediately and always be retraining if they lose the job they have. But we can't do it, if we don't cut the rest of the budget.

This budget provides for the beginning of a national apprenticeship program for kids that don't go to college. Most of the new jobs won't require a college education. But you've got a chance of doubling your income when you get out of high school if you just get two years of further training. Our school-to-work initiative makes a big start on that.

This budget will pay to implement the Goals 2000 program, which started back in 1989 when President Bush and the governors negotiated some national education goals, that I helped to draft then in my former life. This bill gives us a chance to achieve those goals by having national standards that are world-class, and supporting local reforms of all kinds around the country. We can't fund this bill if we don't cut the rest of the budget.

This budget dramatically increases the Head Start program. A young lady said to me today, if we could start all these kids in Head Start we'd have fewer of them getting in
trouble later on. It dramatically increases Head Start. If we don't cut the budget, we can't increase Head Start.

So I say to all of you, I hope you will support this process. It is not easy to eliminate 100 government programs, because somebody likes them. It's not easy to cut 350 — somebody likes them. Henry Cisneros has done a brilliant job at HUD. His budget increases funding for homelessness in a way that actually gets people off of the homeless rolls permanently. His budget gives more housing vouchers to people who are eligible — to let them go out into the private sector and make their own decisions about where to live and let the markets work.

Do we cut some other programs? You be we do. Why? There's $8 billion in the HUD pipeline that should have been spent two or three years ago that can't be spent because of government red tape. So Secretary Cisneros says we've got a homeless problem in this country. We have people out there — working people -- who are eligible for help. Give them the vouchers, get them out there, let the system work, and cut something else.

If you want us to follow some of these energy initiatives that we're doing through the national labs -- you've got one of your own -- Bill White's sitting over there, is the Deputy Director -- the Deputy Secretary of Energy. We've got to cut the rest of the budget if you want us to do the things that will enable us to explore the new technologies which may revive the energy sector in this country.

So I implore you to tell the folks that represent you, it's okay to cut to get the deficit down and to spend more where we need to spend it.

Now, let me just make this one final remark. You might say, well, that's fine you're going to really cut the deficit, but it's still going to be really big in 1998. And you would be right. And I want you to know here in Houston why that is. How can you cut defense, freeze domestic spending, hold Social Security within inflation, have revenues growing, and have the deficit going up? Answer -- there is only one answer now especially if this budget passes -- there will only be one answer. The answer is: When I took office the Medicaid budget, health care for poor folks, was supposed to increase by an annual rate of between 16 and 11 percent a year over the next five years; and the Medicare budget, health care for the elderly, was going to increase by a rate of between 11 and 9 percent a year over the next five years. And if we do not reform our health care system, in 10 years we will be spending all your federal tax money, all your new federal tax money, on health care and nothing else. And we'll be spending it for the same health care, not for new health care.

Now, let me drive this home. We estimate the Medicare budget will go up, let's say, 10 percent this year, when the case load's going up and general inflation is 3.5 percent; that the Medicaid budget would go up 12 percent with the case load going up 2 percent and inflation where I said.

Now, the only thing I want to say about the health care debate today is this, because I know you have to go, but I want you to think about this. There is -- I had a doctor in my office Saturday, a Republican from another state who has mobilized hundreds and hundreds of doctors in a professional unit. He came in and said, "I am one of the few people in America who has actually read your bill. And I like it." But he said, "You see, I can understand what is going on out there." He said, "I read all this stuff -- people that are for you and the people that are against you -- and they're saying all this that doesn't have anything to do with what's going on out there in the real world."
So without going into the details, let me just ask you to focus on this: Every plan proposed by anybody is a private plan. It keeps health care providers private and keeps insurance private -- every one, including ours.

The issue then -- let's talk about this. Which plan would give more choice to consumers than the others? The answer is, ours would. But you don't have to -- you can check that out. Consumers are rapidly losing choice in the present system. Only about one in three workers today insured at work has any choice at all over who the medical provider is.

Which plan would do the most to keep some funding for the academic health centers -- the kind of centers that have made Houston the medical capital of the United States? Of the three major plans, ours is the only one that attempts to do anything for these academic health centers. Now, we have representatives here in the audience, they'll tell you we haven't done enough. We can fix that. That's peanuts in the context of the larger budget if that's a problem. But this is a big issue that never even gets raised.

Which plan would cover more primary and preventive services? You talk to anyone that runs a hospital and they'll tell you that we're -- all of us are paying too much for our health insurance because the people who don't have any coverage only get health care when they're too sick, it's too late, they show up in an emergency room and it costs out the wazoo, and then the hospital has to pass the cost along to someone else.

Can you achieve the real goals for the health care system and ever get the deficit under control -- two things at once -- if everybody doesn't have to assume some responsibility for providing health care for themselves and for employees? This is a tough question -- not free of difficulty. What about all the people who have part-time workers? What about small businesses? The problem is 70 percent of small businesses do provide health insurance for their employees and their rates are 35 to 40 percent higher than big business and government rates.

Anybody that's in a federal health care plan, let me tell you, folks, is getting a good deal now.

Now, again, I say this in the context of this budget so that you can remember that I said it four years from now. There will be no ultimate solution to the federal deficit until we reform the Medicare-Medicaid expenses and get them closer to the rate of inflation. That cannot be done, in my opinion -- having studied this for years as a governor who used to have to break our budget every year on it -- until there is some system by which all Americans have access to basic primary and preventive health care. But we have to do it in a way that preserves what is best about health care, which is the system of private providers that is a shining monument here in Houston. And to do it in a way that overall helps the American business economy, not hurts it.

Now, is it easy to do? No. If it was easy, somebody would have done it already. It's the most complicated thing in the world. How could it not be -- it's 14.5 percent of our Gross National Product. But we must address it if you wish to solve the federal government's budget problems. Otherwise you mark my words, within a couple of years, you'll have to give up the space program and everything else just to pay more for the same health care. And we cannot do that.

So I look forward to this health care debate in the spirit of excitement. This is important. This is the way I felt about NAFTA. If we can just be honest with one another and focus on the future and work through this thing, this is going to be one of the most exhilarating experiences, this country ever went through, because we're facing up to our challenges.
But first we have to keep the deficit coming down, and we have to pass this budget. It ought not to be a partisan issue, and I need your help to do it.

Thank you, and bless you all. (Applause.)
MS. MYERS: (in progress) -- their support for attacks on UNPROFOR forces. All we need is a request on the ground from a U.N. commander, UNPROFOR commander. It goes up the chain to the U.N. and then is approved and basically the commander on the ground can call for close air support. This would create a sort of a similar process.

Q So this is an expansion of the potential NATO role?

MS. MYERS: Correct. That's exactly what it is.

Q And for what reason?

Q The call would be made by the U.N.?

MS. MYERS: And it would depend on how they decided to set it up.

Q By the U.N. commander on the ground?

MS. MYERS: The call would be made by the U.N., and I don't think we've -- I don't think it's been worked out exactly what the process is. One of the things that it calls for --

Q -- whether the Security Council would --

MS. MYERS: Well, it wouldn't be the Security Council. I mean, that's not what's on the table. It would be Boutros-Ghali -- in the case of close air support he's delegated that to Akashi. The commanders on the ground would go up the chain to their commanders, ask Akashi and Akashi could authorize the use of close air support. This is a sort of -- I mean, sort of an analogous situation.

Q Would these be for preemptive strikes, retaliatory strikes? What would --

MS. MYERS: It would be for retaliatory -- it would in retaliation for future strikes against civilians.

Q Anywhere in Bosnia?

MS. MYERS: Well, it specifically says Sarajevo, I thought, so -- but it is mortar attacks or shelling of civilian targets in and around Sarajevo.

Q When you say it that way, when you say for future attacks --

MS. MYERS: That's what he's asking for in the letter, clearly. The letter is --

Q -- so what happened on Saturday?

MS. MYERS: Correct. And basically, he says that -- they haven't been able to determine responsibility in the attacks.
on the market. They did in Dobrinja, but they haven't been able to in the attacks on the market. But basically he's saying in future attacks against civilian targets in and around Sarajevo, he'd like for the U.N. to have the authority to work with NATO to call for air strikes.

Q Why should anybody believe that this has any more teeth than the previous actions by NATO or inactions by U.N. and NATO forces?

MS. MYERS: Well, I think this is clearly a step forward. I mean, it moves the process forward. It gives the U.N. authority to call for air strikes directly in response to attacks on civilian targets, which currently the U.N. cannot do. That authority does not exist.

Now, again, Boutros-Ghali asks the NAC to give him that authority. We have to go back to the NAC. What the President said today is he's going to ask NATO -- he's going to support it and ask our representatives in NATO meetings over the course of the next few days to favor that position.

Q (Inaudible.)

MS. MYERS: I don't think -- no, I don't think we're ready to say one way or another yet what that is. I think there are a number of meetings going on over the course of the next few days and we'll see what happens.

Q And the U.N. has not been able to determine responsibility for this --

MS. MYERS: No, they haven't.

Q (Inaudible.)

MS. MYERS: I don't know. They haven't said. Apparently, the shell hit the roof of the market which made it difficult to determine from the crater who is responsible. So I don't think that they've assigned -- they definitely have not yet assigned responsibility definitely. I don't know that they will.

Q (Inaudible.)

MS. MYERS: Well, I think it's certainly a factor in our discussions, but I don't think we've determined conclusively one way or the other what the next steps will be. That's -- we're in the process of discussing the next steps, including ways to reinvigorate the peace process, which is what the President has emphasized; but also to discuss specifically what -- a number of steps including reinvigorating the peace process and Boutros-Ghali's letter will be an item for discussion.

Q But what's the trip wire? I mean, two dead, five dead, 10 dead? I mean, surely these forces can't respond to every mortar or shell that's lobbed into Sarajevo.

MS. MYERS: But the U.N. can call for air strikes -- that's what Boutros-Ghali has proposed.

Q So it's on a case by case basis. It would be determined --

MS. MYERS: Right, as is the current authority for U.N. commanders to determine whether or not UNPROFOR forces on the ground have been attacked in a way that requires air support. That's, I think, a judgment call of the commanders on the ground at this point.

Q Any other meetings or consultations -

MS. MYERS: No, I think he'll be in touch with advisors in Washington throughout the day on this as he has this morning. He's had a number of conversations, including the
conversation after the meeting just before this event, which is where he was before we came here. He was on the phone.

He talked with advisors Secretary Christopher, Madeleine Albright and Tony Lake after their meeting. The meeting was 11:00 a.m. Washington time. He spoke to them at maybe a quarter to twelve Central Time. That's the status.

END
REMARKS BY PRESS SECRETARY DEE DEE MYERS
TO THE POOL

Hyatt Regency
Houston, Texas

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In the flight were Reps. Gene Green and Craig Washington of Texas; and, for their interest in NASA, Democrat George Brown of California and Republican Bob Walker of Pennsylvania. Also on board were Navy Sec. John Dalton, Press Secy Dee Dee Myers; Rose Gottmoller (sp?) of WC; Mr. & Mrs. Lloyd Bentsen and Bruce Lindsey. McLarty is flying out commercially tomorrow. After take off, Dee Dee came back and spoke briefly. All her remarks on foreign policy were on background to be attributed to a senior administration official. Only her domestic comments can be attributed to her by name.

The meeting was in the library. Attending were Christopher, Albright, Lake, John Deutsch, the #3 in the dept as an underscy; Leon Furt and McLarty. It started at 2:30 and went 30 to 40 minutes. "Secy Christopher... gave an update on the medevac operations... three planes went in, two came out with wounded and their families and flew to Germany.... They had to stop the evacuation because of darkness so there may be more tomorrow." The president spoke about how they were going about confirming responsibility. Then Christopher and Albright spoke about their conversations today with other foreign secretaries and ambassadors. The president himself, the official said, had made no phone calls to other leaders. Describing the comments of the allies, she said, "The reaction was mixed... Some were more reluctant than others because they have troops on the ground." She said, "We need to use this incident to move forward on the diplomatic process." She added, "There is a great deal of frustration." And, "We are discussing with our allies ways to move forward and what the next steps should be, but I think there is a sense that it's time to really
On the caution being shown in blaming the Serbs for the attack, the official said it certainly points to the Serbs. But, she added, "It's important to be sure."

On domestic issues, Dee Dee was on the record. Basically, she said the president does not see anything awkward about going to visit NASA on the same day that the space agency sees some cuts in parts of its budget. She said he is going there to again show his commitment to the space program and because "this is the first joint Russian-U.S. shuttle mission." She added, "We've cut the budget, but everybody almost across the board is absorbing cuts." She said, "The president has time and again demonstrated his commitment to NASA." But she said, "We live in difficult times" as far as the budget goes. She said NASA, like other agencies, will have to "streamline" and focus on those programs that are most effective. She added, "We live in a difficult time where everybody has to cut and live in the constraints of the budget and the deficit...The fact that the president is going there I think underscores his commitment to it; it's important, they've had a couple of very successful missions recently; the Hubble mission was very successful...And he's committed to them."

--George Condon, Copley News Service

--Farai Chideya, Newsweek
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REMARKS BY THE PRESIDENT
IN PRESS AVAILABILITY
The Oval Office
12:06 P.M. EST

Q Mr. President, how close are you to naming a defense secretary?

THE PRESIDENT: I think we'll have an announcement today, just in a few hours.

Q Is Bill Perry your choice, Mr. President?

THE PRESIDENT: We'll have an announcement. You can wait and see.

Q Why do you think it took so long, and what do you account for what seemed to be a reluctance by a number of people to take on the job?

THE PRESIDENT: Well, I don't think it has taken that long. I mean, it's been, what, a week -- less than a week since Mr. Inman said he didn't want the job.

Q And at least two people who reportedly have said they weren't interested in the job, and Mr. Perry --

THE PRESIDENT: But the stories are basically inaccurate. The only accurate story is the one that I have confirmed, which is that I talked to Senator Nunn during the transition before I became President, based on the fact that he was not only the head of the Senate Arms Services Committee but a longtime personal friend of mine and someone I sought advice from on these matters. And he told me then that he was not interested in being Secretary of Defense. And the only thing I did was to call him back and make sure he had the same position then that he had now.

The job was absolutely not offered to anyone else. Absolutely, categorically, not offered to anyone else. And it wasn't really offered to him. I just said, are you still in the same position you were in before, and he said, "That's right." He said, "I'm doing what I think I should be doing."

And so -- but he knows, I think -- I don't want to overstate it. I think Sam Nunn always knew that if he were ever interested in that job, that I was very open to that. But -- so the decision -- then, after that, after it was clear that that was -- that he was in the same position he was always in, I went about trying to pick a successor. I've done it and I expect to have an announcement.

Q Do you think you can twist someone's arm to take it?

THE PRESIDENT: No.

Q Mr. President, there have been new calls for bombing -- for air strikes in Bosnia. You talked about that a lot over this past trip to Europe. Can you give us any update? And what about what you said was your resolve to do something about this?
THE PRESIDENT: Well, what I said was that NATO should not reaffirm its position unless the circumstances that they set out for bombing, if those circumstances occurred they'd be willing to go forward. Now, the European -- I presume you're referring to what was said in the European Parliament yesterday.

Q And also the President of Bosnia calling for air strikes, too.

THE PRESIDENT: Well, the President of Bosnia, yes -- but what the NATO leaders, what the others voted for was to leave on the table the proviso that bombing could be done in order to relieve Sarajevo if that were appropriate, or to further the U.N. mission by opening the airstrip at Tuzla, or, if necessary, to facilitate the transfer of troops from Canadian to Dutch at Srebrenica. Now, that is a very rather narrow NATO mandate.

And what happened was, as soon as the meeting was over it was not clear how strongly or firmly some of them felt about that. But I think it's also clear that the U.N. Secretary General, who has a say in some of those decisions, but not all of them, based on what the international law is now, is still opposed to it. So -- and I don't have any information that leads me to believe that the other NATO allies -- that the heads of state as opposed to people in the European Parliament -- have changed their mind about whether there should be any bombing at this time.

That's all I can tell you.

Q What about --

THE PRESIDENT: I believe -- let me say, I believe in general what I've always believed. There's not going to be a settlement in Bosnia until the sides decide that they have more to gain from signing a peace agreement than by continuing the fighting. And now the government finally has been able to get some arms, even though it was, in my view, unfairly the only side subject to the arms embargo -- they've been able to get some weapons. And they appear to be -- the Bosnian government -- most reluctant to sign a peace agreement at this time. But if they can work out something on access to the sea and protection of Sarajevo and then the Moslem enclaves to the east, perhaps we can still get an agreement.

But there will not be -- the killing is a function of a political fight between three factions. Until they agree to quit doing it, it's going to continue. And I don't think that the international community has the capacity to stop people within the nation from their civil war until they decide to do it.

Now, there are things we can do to retard it, to keep it within bounds, to keep it within humanitarian limits. And, therefore -- and I wouldn't rule out any of those options. But there has been no decision by anybody to enter that war on the side of one of the combatants, which is what some would like. But there has been no decision to do it. They're going to have to make up their own mind to quit killing each other, and the circumstances are, in fact, on the battlefield are somewhat different than they have been for the previous 12 months.

But I hope that it means that it's more likely that there can be a settlement, and I still have some hope that that will occur.

Q Is it true that Boutros Ghali did not get any requests from the ground, from commanders on the ground?

END 112:15 P.M. EST
TEXT OF A LETTER FROM THE PRESIDENT
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT PRO TEMPORE
OF THE SENATE

January 8, 1994

Dear Mr. Speaker: (Dear Mr. President:)

Six months ago I provided you with my initial report on the
deployment of a U.S. peacekeeping contingent as part of the
United Nations Protection Force (UNPROFOR) in the former
Yugoslav Republic of Macedonia. I am now providing this follow-
up report, consistent with the War Powers Resolution, to ensure
that the Congress is kept informed about this important U.S.
contribution in support of multilateral efforts in the region.

As a significant part of U.N. efforts to prevent the Balkan
conflict from spreading and to contribute to stability in the
region, the U.N. Security Council adopted Resolution 795 (1992)
authorizing the presence of UNPROFOR for peacekeeping purposes
in Macedonia. In early 1993, a Nordic battalion was deployed
to Macedonia with the mission of monitoring and reporting
developments along the northern border that could signify a
threat to the territory of Macedonia. Consistent with U.N.
Security Council Resolution 842 (1993), the United States
augmented the UNPROFOR Macedonia peacekeeping force with a
combat-equipped U.S. Army contingent. The U.N. Security
Council extended the UNPROFOR mandate in Resolution 871 (1993).
Our U.S. Armed Forces personnel have served with distinction in
Macedonia continuously since their arrival in early July 1993.

The peacekeeping operations in Macedonia have been conducted
safely and effectively, and I am certain that you share my pride
in and appreciation for the superb efforts of the Americans who
are contributing so much to the UNPROFOR Macedonia mission.
Unsurprisingly, the U.S. Army personnel received high praise
from the U.N. Commander, Danish Brigadier General Thomsen,
for their outstanding professionalism and capabilities, which
enabled them quickly to assume an integral role in the force.
Upon receiving orientation and training on the mission at
UNPROFOR headquarters in Skopje, the U.S. unit began conducting
observation and monitoring operations along the northeastern
section of the Macedonian border with Serbia. The U.S.
contribution has thus enhanced UNPROFOR's coverage and
effectiveness in preventing a spillover of the conflict,
and has underscored the U.S. commitment to the achievement
of important multilateral goals in the region.

As always, the safety of U.S. personnel is of paramount concern.
U.S. forces assigned to UNPROFOR Macedonia have encountered no
hostilities, and there have been no U.S. casualties since the
deployment began. The mission has the support of the government
and the local population. Our forces will remain fully prepared
not only to fulfill their peacekeeping mission but to defend
themselves if necessary.

more (OVER)
On December 14, 1993, elements of the U.S. Army Berlin Brigade's reinforced company team (RCT) assigned to UNPROFOR Macedonia began redeploying to Germany as part of the normal rotation of U.S. forces. Lead elements of a similarly equipped and sized RCT began arriving in Macedonia on December 27, 1993. The approximately 300-person replacement unit -- Task Force 1-6, from 1st Battalion, 6th Infantry Regiment, 3d Infantry Division (Mechanized), Vilseck, Germany -- assumed the mission on January 6, 1994.

The U.S. contribution to the UNPROFOR Macedonia peacekeeping mission is but one part of a much larger, continuing commitment towards resolution of the extremely difficult situation in the former Yugoslavia. I am not able to indicate at this time how long our deployment to Macedonia will be necessary. I have continued the deployment of U.S. Armed Forces for these purposes in accordance with section 7 of the United Nations Participation Act and pursuant to my constitutional authority as Commander in Chief and Chief Executive.

I am grateful for the continuing support of the Congress for U.S. efforts, including the deployment of U.S. Armed Forces to Macedonia, towards peace and stability in the former Yugoslavia. I remain committed to consulting closely with the Congress on our foreign policy, and I look forward to continued cooperation as we move forward toward attainment of our goals in the region.

Sincerely,

WILLIAM J. CLINTON

# # #
Dear Mr. Speaker:  

On May 30, 1992, in Executive Order No. 12808, President Bush declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States arising from actions and policies of the Governments of Serbia and Montenegro, acting under the name of the Socialist Federal Republic of Yugoslavia or the Federal Republic of Yugoslavia, in their involvement in and support for groups attempting to seize territory in Croatia and Bosnia-Herzegovina by force and violence utilizing, in part, the forces of the so-called Yugoslav National Army (57 FR 23299, June 2, 1992). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order No. 12808 and to expanded sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S/M)") contained in Executive Order No. 12810 of June 5, 1992 (57 FR 24347, June 9, 1992), Executive Order No. 12831 of January 15, 1993 (58 FR 5253, January 21, 1993), and Executive Order No. 12846 of April 26, 1993 (58 FR 25771, April 27, 1993).

1. Executive Order No. 12808 blocked all property and interests in property of the Governments of Serbia and Montenegro, or held in the name of the former Government of the Socialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia, then or thereafter located in the United States or within the possession or control of U.S. persons, including their overseas branches.

Subsequently, Executive Order No. 12810 expanded U.S. actions to implement in the United States the U.N. sanctions against the FRY (S/M) adopted in United Nations Security Council Resolution No. 757 of May 30, 1992. In addition to reaffirming the blocking of FRY (S/M) Government property, this order prohibits transactions with respect to the FRY (S/M) involving imports, exports, dealing in FRY-origin property, air and sea transportation, contract performance, funds transfers, activity promoting importation or exportation or dealings in property, and official sports, scientific, technical, or other cultural representation of, or sponsorship by, the FRY (S/M) in the United States.
Executive Order No. 12810 exempted from trade restrictions (1) transshipments through the FRY (S/M), and (2) activities related to the United Nations Protection Force (UNPROFOR), the Conference on Yugoslavia, or the European Community Monitor Mission.

On January 15, 1993, President Bush issued Executive Order No. 12831 to implement new sanctions contained in United Nations Security Council Resolution No. 787 of November 16, 1992. The order revoked the exemption for transshipments through the FRY (S/M) contained in Executive Order No. 12810, prohibited transactions within the United States or by a U.S. person relating to FRY (S/M) vessels and vessels in which a majority or controlling interest is held by a person or entity in, or operating from, the FRY (S/M), and stated that all such vessels shall be considered as vessels of the FRY (S/M), regardless of the flag under which they sail.

On April 26, 1993, I issued Executive Order No. 12846 to implement in the United States the sanctions adopted in United Nations Security Council Resolution No. 820 of April 17, 1993. That resolution called on the Bosnian Serbs to accept the Vance-Owen peace plan for Bosnia-Herzegovina and, if they failed to do so by April 26, called on member states to take additional measures to tighten the embargo against the FRY (S/M) and Serbian-controlled areas of Bosnia-Herzegovina and the United Nations Protected Areas in Croatia. Effective April 26, 1993, the order blocks all property and interests in property of commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S/M), including property and interests in property of entities (wherever organized or located) owned or controlled by such undertakings or entities, that are or thereafter come within the possession or control of U.S. persons.

2. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set forth in Executive Orders No. 12810, No. 12831, and No. 12846 were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c).

3. Since the last report, the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, in consultation with the State Department and other Federal agencies, has amended the Federal Republic of Yugoslavia (Serbia and Montenegro) Sanctions Regulations, 31 CFR Part 585 (58 FR 35828, July 1, 1993), to implement Executive Order No. 12846. A copy of the amendment is enclosed with this report.

Effective 12:01 a.m. e.d.t., April 26, 1993, Executive Order No. 12846 blocks all property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S/M), including the property and interest in property of entities (wherever organized or located) owned or controlled by such undertakings or entities, that are or thereafter come within the possession or control of U.S. persons.

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organized or located) owned or controlled by such undertakings and entities, that are or thereafter come within the United States or the possession or control of U.S. persons (amended section 585.201). Section 1(a) of Executive Order No. 12846 expressly blocks property subject to U.S. jurisdiction of many entities, both U.S. and foreign, heretofore blocked pursuant to the regulatory presumption of FAC that all entities organized or located in the FRY (S/M), as well as entities owned or controlled by them, are controlled directly or indirectly by the Government of the FRY (S/M).

New section 585.215 implements section 1(c) of Executive Order No. 12846 to provide that, except as otherwise authorized, conveyances and/or cargo that comes within the United States and is not otherwise subject to blocking, but is suspected of a violation of United Nations Security Council resolutions imposing sanctions against the FRY (S/M), shall be detained pending investigation and, upon a determination by the Secretary of the Treasury or his delegate that a violation has occurred, shall be blocked. New section 585.216 of the Regulations implements section 1(b) of Executive Order No. 12846 to provide that, except as otherwise authorized, all expenses incident to the blocking and maintenance of property blocked pursuant to the Regulations shall be charged to the owners or operators of such property. Section 585.216 also provides for the discretionary liquidation of property blocked under these sections, with net proceeds placed in a blocked account in the name of the property's owner.

New section 585.217 provides that no vessel registered in the United States or owned or controlled by U.S. persons, other than U.S. naval vessels, may enter the territorial waters of the FRY (S/M) without specific authorization (Executive Order No. 12846, section 1(d)). New section 585.218 prohibits, unless specifically authorized pursuant to the statement of licensing policy in new section 585.524, any dealing by a U.S. person relating to the unauthorized importation from, exportation to, or transshipment through the United Nations Protected Areas in the Republic of Croatia and those areas of the Republic of Bosnia-Herzegovina under the control of Bosnian Serb forces, and activities promoting such trade (Executive Order No. 12846, section 1(e)).

The prohibitions of Executive Order No. 12846 apply notwithstanding any prior contracts, international agreements, licenses or authorizations, but may be modified by regulation, order, or license. New section 585.419 states that Executive Order No. 12846 does not invalidate existing authorizations and licenses issued pursuant to Executive orders with respect to the FRY (S/M), unless terminated, suspended, or modified by FAC.

In addition to implementing the provisions of Executive Order No. 12846, the amended Regulations expand the general license in section 585.509 to permit certain "Qualified Transactions," in the form of debt-for-equity or debt-for-debt swaps in rescheduled commercial debt of the former Yugoslavia, where the Yugoslav debt being swapped was originally incurred by an entity in Bosnia-Herzegovina, Croatia, Macedonia, or Slovenia. These transactions are pursuant to the New Financing Agreement for Yugoslavia of September 20, 1988.

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As part of the international effort to tighten economic sanctions against Yugoslavia, FAC has issued a series of General Notices listing "Blocked Federal Republic of Yugoslavia (Serbia and Montenegro) Entities and Specially Designated Nationals (SDNs)." Three additional General Notices have been issued by FAC since my last report. General Notices No. 4, No. 5, and No. 6 announced the names of 349 additional entities and five individuals determined by the Department of the Treasury to be Blocked Entities or SDNs of the FRY (S/M). General Notices No. 4, No. 5, and No. 6 supplement the listings of General Notice No. 1 (57 FR 32051, July 20, 1992), General Notice No. 2 (January 15, 1993), and General Notice No. 3 (March 8, 1993), and bring the current total of Blocked Entities and SDNs of the FRY (S/M) to 850. Copies of General Notices No. 4, No. 5, and No. 6 are attached.

Of the two court cases in which the blocking authority was challenged as applied to FRY (S/M) subsidiaries and vessels in the United States, the Government's position in the case involving the blocked vessels was upheld by the Fifth Circuit Court of Appeals. Supreme Court review has been requested. The case involving a blocked subsidiary remains to be resolved.

4. Over the past 6 months, the Departments of State and Treasury have worked closely with European Community (the "EC") member states and other U.N. member nations to coordinate implementation of the sanctions against the FRY (S/M). This has included visits by assessment teams formed under the auspices of the United States, the EC, and the Conference for Security and Cooperation in Europe (the "CSCE") to states bordering on Serbia and Montenegro; deployment of CSCE sanctions assistance missions (SAMs) to Albania, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Hungary, Romania, and Ukraine to assist in monitoring land and Danube River traffic; bilateral contacts between the United States and other countries for the purpose of tightening financial and trade restrictions on the FRY (S/M); and establishment of a mechanism to coordinate enforcement efforts and to exchange technical information.

5. In accordance with licensing policy and the Regulations, FAC has exercised its authority to license certain specific transactions with respect to the FRY (S/M) that are consistent with the Security Council sanctions. During the reporting period, FAC has issued 137 specific licenses regarding transactions pertaining to the FRY (S/M) or assets it owns or controls, bringing the total as of October 15, 1993, to 563. Specific licenses have been issued (1) for payment to U.S. or third-country secured creditors, under certain narrowly defined circumstances, for pre-embargo import and export transactions; (2) for legal representation or advice to the Government of the FRY (S/M) or FRY (S/M)-controlled clients; (3) for the liquidation or protection of tangible assets of subsidiaries of FRY (S/M)-controlled firms located in the United States; (4) for limited FRY (S/M) diplomatic representation in Washington and New York; (5) for patent, trademark, and copyright protection and maintenance transactions in the FRY (S/M) not involving payment to the FRY (S/M) Government; (6) for certain communications, news media, and travel-related transactions; (7) for the payment of crews' wages and vessel maintenance of FRY (S/M)-controlled ships blocked in the United States; (8) for the removal from the FRY (S/M) of certain property owned and controlled by U.S. entities; and more
(9) to assist the United Nations in its relief operations and the activities of the U.N. Protection Forces. Pursuant to regulations implementing United Nations Security Council Resolution No. 757, specific licenses have also been issued to authorize exportation of food, medicine, and supplies intended for humanitarian purposes in the FRY (S/M).

During the past 6 months, FAC has continued to oversee the liquidation of tangible assets of the 15 U.S. subsidiaries of entities organized in the FRY (S/M). Subsequent to the issuance of Executive Order No. 12846, all operating licenses issued for these U.S.-located Serbian or Montenegrin subsidiaries or joint ventures were revoked, and the net proceeds of the liquidation of their assets placed in blocked accounts.

The Board of Governors of the Federal Reserve Board and the New York State Banking Department again worked closely with FAC with regard to two Serbian banking institutions in New York that were closed on June 1, 1992. The banks had been issued licenses to maintain a limited staff and full-time bank examiners had been posted in their offices to ensure that banking records are appropriately safeguarded. Subsequent to the issuance of Executive Order No. 12846, all licenses previously issued were revoked. FAC is currently working with the Federal Reserve Board and the New York State Banking Department to resolve outstanding issues regarding the banks.

During the past 6 months, U.S. financial institutions have continued to block funds transfers in which there is an interest of the Government of the FRY (S/M) or an entity or undertaking located in or controlled from the FRY (S/M). Such transfers have accounted for $36.6 million in Yugoslav assets blocked since the issuance of Executive Order No. 12808.

To ensure compliance with the terms of the licenses that have been issued under the program, stringent reporting requirements are imposed. Nearly 500 submissions were reviewed since the last report and more than 180 compliance cases are currently open. In addition, licensed bank accounts are regularly audited by FAC compliance personnel and by cooperating auditors from other regulatory agencies.

6. Since the issuance of Executive Order No. 12810, FAC has worked closely with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of the FRY (S/M) has an interest) are identified and interdicted, and that permitted imports and exports move to their intended destination without undue delay. Violations and suspected violations of the embargo are being investigated and appropriate enforcement actions are being taken. There are currently 42 cases under active investigation. Civil penalties collected from financial institutions for violations involving transfers of funds in which the Government of the FRY (S/M) has an interest have totaled more than $21,000 to date.

7. The expenses incurred by the Federal Government in the 6 month period from May 31, 1993, through November 29, 1993, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to the FRY (S/M) are estimated at more than $3.9 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.
8. The actions and policies of the Government of the FRY (S/M), in its involvement in and support for groups attempting to seize and hold territory in Croatia and Bosnia-Herzegovina by force and violence, continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding resolutions of the United Nations Security Council with respect to the FRY (S/M).

I shall continue to exercise the powers at my disposal to apply economic sanctions against the FRY (S/M) as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON

# # #
TEXT OF A LETTER FROM THE PRESIDENT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE

December 6, 1993

Dear Mr. Speaker:  

On May 30, 1992, in Executive Order No. 12808, President Bush declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States arising from actions and policies of the Governments of Serbia and Montenegro, acting under the name of the Socialist Federal Republic of Yugoslavia or the Federal Republic of Yugoslavia, in their involvement in and support for groups attempting to seize territory in Croatia and Bosnia-Herzegovina by force and violence utilizing, in part, the forces of the so-called Yugoslav National Army (57 FR 23299, June 2, 1992). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order No. 12808 and to expanded sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S/M)") contained in Executive Order No. 12810 of June 5, 1992 (57 FR 24347, June 9, 1992), Executive Order No. 12831 of January 15, 1993 (58 FR 5253, January 21, 1993), and Executive Order No. 12846 of April 26, 1993 (58 FR 25771, April 27, 1993).

1. Executive Order No. 12808 blocked all property and interests in property of the Governments of Serbia and Montenegro, or held in the name of the former Government of the Socialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia, then or thereafter located in the United States or within the possession or control of U.S. persons, including their overseas branches.

Subsequently, Executive Order No. 12810 expanded U.S. actions to implement in the United States the U.N. sanctions against the FRY (S/M) adopted in United Nations Security Council Resolution No. 757 of May 30, 1992. In addition to reaffirming the blocking of FRY (S/M) Government property, this order prohibits transactions with respect to the FRY (S/M) involving imports, exports, dealing in FRY-origin property, air and sea transportation, contract performance, funds transfers, activity promoting importation or exportation or dealings in property, and official sports, scientific, technical, or other cultural representation of, or sponsorship by, the FRY (S/M) in the United States.

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Executive Order No. 12810 exempted from trade restrictions (1) transshipments through the FRY (S/M), and (2) activities related to the United Nations Protection Force (UNPROFOR), the Conference on Yugoslavia, or the European Community Monitor Mission.

On January 15, 1993, President Bush issued Executive Order No. 12831 to implement new sanctions contained in United Nations Security Council Resolution No. 787 of November 16, 1992. The order revoked the exemption for transshipments through the FRY (S/M) contained in Executive Order No. 12810, prohibited transactions within the United States or by a U.S. person relating to FRY (S/M) vessels and vessels in which a majority or controlling interest is held by a person or entity in, or operating from, the FRY (S/M), and stated that all such vessels shall be considered as vessels of the FRY (S/M), regardless of the flag under which they sail.

On April 26, 1993, I issued Executive Order No. 12846 to implement in the United States the sanctions adopted in United Nations Security Council Resolution No. 820 of April 17, 1993. That resolution called on the Bosnian Serbs to accept the Vance-Owen peace plan for Bosnia-Herzegovina and, if they failed to do so by April 26, called on member states to take additional measures to tighten the embargo against the FRY (S/M) and Serbian-controlled areas of Bosnia-Herzegovina and the United Nations Protected Areas in Croatia. Effective April 26, 1993, the order blocks all property and interests in property of commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S/M), including property and interests in property of entities (wherever organized or located) owned or controlled by such undertakings or entities, that are or thereafter come within the possession or control of U.S. persons.

2. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seg.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set forth in Executive Orders No. 12810, No. 12831, and No. 12846 were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c).

3. Since the last report, the Office of Foreign Assets Control (FAC) of the Department of the Treasury, in consultation with the State Department and other Federal agencies, has amended the Federal Republic of Yugoslavia (Serbia and Montenegro) Sanctions Regulations, 31 CFR Part 585 (58 FR 35828, July 1, 1993), to implement Executive Order No. 12846. A copy of the amendment is enclosed with this report.

Effective 12:01 a.m. e.d.t., April 26, 1993, Executive Order No. 12846 blocks all property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S/M), including the property and interest in property of entities (wherever more
organized or located) owned or controlled by such undertakings and entities, that are or thereafter come within the United States or the possession or control of U.S. persons (amended section 585.201). Section 1(a) of Executive Order No. 12846 expressly blocks property subject to U.S. jurisdiction of many entities, both U.S. and foreign, heretofore blocked pursuant to the regulatory presumption of FAC that all entities organized or located in the FRY (S/M), as well as entities owned or controlled by them, are controlled directly or indirectly by the Government of the FRY (S/M).

New section 585.215 implements section 1(c) of Executive Order No. 12846 to provide that, except as otherwise authorized, conveyances and/or cargo that comes within the United States and is not otherwise subject to blocking, but is suspected of a violation of United Nations Security Council resolutions imposing sanctions against the FRY (S/M), shall be detained pending investigation and, upon a determination by the Secretary of the Treasury or his delegate that a violation has occurred, shall be blocked. New section 585.216 of the Regulations implements section 1(b) of Executive Order No. 12846 to provide that, except as otherwise authorized, all expenses incident to the blocking and maintenance of property blocked pursuant to the Regulations shall be charged to the owners or operators of such property. Section 585.216 also provides for the discretionary liquidation of property blocked under these sections, with net proceeds placed in a blocked account in the name of the property's owner.

New section 585.217 provides that no vessel registered in the United States or owned or controlled by U.S. persons, other than U.S. naval vessels, may enter the territorial waters of the FRY (S/M) without specific authorization (Executive Order No. 12846, section 1(d)). New section 585.218 prohibits, unless specifically authorized pursuant to the statement of licensing policy in new section 585.524, any dealing by a U.S. person relating to the unauthorized importation from, exportation to, or transshipment through the United Nations Protected Areas in the Republic of Croatia and those areas of the Republic of Bosnia-Herzegovina under the control of Bosnian Serb forces, and activities promoting such trade (Executive Order No. 12846, section 1(e)).

The prohibitions of Executive Order No. 12846 apply notwithstanding any prior contracts, international agreements, licenses or authorizations, but may be modified by regulation, order, or license. New section 585.419 states that Executive Order No. 12846 does not invalidate existing authorizations and licenses issued pursuant to Executive orders with respect to the FRY (S/M), unless terminated, suspended, or modified by FAC.

In addition to implementing the provisions of Executive Order No. 12846, the amended Regulations expand the general license in section 585.509 to permit certain "Qualified Transactions," in the form of debt-for-equity or debt-for-debt swaps in rescheduled commercial debt of the former Yugoslavia, where the Yugoslav debt being swapped was originally incurred by an entity in Bosnia-Herzegovina, Croatia, Macedonia, or Slovenia. These transactions are pursuant to the New Financing Agreement for Yugoslavia of September 20, 1988.

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As part of the international effort to tighten economic sanctions against Yugoslavia, FAC has issued a series of General Notices listing "Blocked Federal Republic of Yugoslavia (Serbia and Montenegro) Entities and Specially Designated Nationals (SDNs)." Three additional General Notices have been issued by FAC since my last report. General Notices No. 4, No. 5, and No. 6 announced the names of 349 additional entities and five individuals determined by the Department of the Treasury to be Blocked Entities or SDNs of the FRY (S/M). General Notices No. 4, No. 5, and No. 6 supplement the listings of General Notice No. 1 (57 FR 32051, July 20, 1992), General Notice No. 2 (January 15, 1993), and General Notice No. 3 (March 8, 1993), and bring the current total of Blocked Entities and SDNs of the FRY (S/M) to 850. Copies of General Notices No. 4, No. 5, and No. 6 are attached.

Of the two court cases in which the blocking authority was challenged as applied to FRY (S/M) subsidiaries and vessels in the United States, the Government's position in the case involving the blocked vessels was upheld by the Fifth Circuit Court of Appeals. Supreme Court review has been requested. The case involving a blocked subsidiary remains to be resolved.

4. Over the past 6 months, the Departments of State and Treasury have worked closely with European Community (the "EC") member states and other U.N. member nations to coordinate implementation of the sanctions against the FRY (S/M). This has included visits by assessment teams formed under the auspices of the United States, the EC, and the Conference for Security and Cooperation in Europe (the "CSCE") to states bordering on Serbia and Montenegro; deployment of CSCE sanctions assistance missions (SAMs) to Albania, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Hungary, Romania, and Ukraine to assist in monitoring land and Danube River traffic; bilateral contacts between the United States and other countries for the purpose of tightening financial and trade restrictions on the FRY (S/M); and establishment of a mechanism to coordinate enforcement efforts and to exchange technical information.

5. In accordance with licensing policy and the Regulations, FAC has exercised its authority to license certain specific transactions with respect to the FRY (S/M) that are consistent with the Security Council sanctions. During the reporting period, FAC has issued 137 specific licenses regarding transactions pertaining to the FRY (S/M) or assets it owns or controls, bringing the total as of October 15, 1993, to 563. Specific licenses have been issued (1) for payment to U.S. or third-country secured creditors, under certain narrowly defined circumstances, for pre-embargo import and export transactions; (2) for legal representation or advice to the Government of the FRY (S/M) or FRY (S/M)-controlled clients; (3) for the liquidation or protection of tangible assets of subsidiaries of FRY (S/M)-controlled firms located in the United States; (4) for limited FRY (S/M) diplomatic representation in Washington and New York; (5) for patent, trademark, and copyright protection and maintenance transactions in the FRY (S/M) not involving payment to the FRY (S/M) Government; (6) for certain communications, news media, and travel-related transactions; (7) for the payment of crews' wages and vessel maintenance of FRY (S/M)-controlled ships blocked in the United States; (8) for the removal from the FRY (S/M) of certain property owned and controlled by U.S. entities; and more
to assist the United Nations in its relief operations and the activities of the U.N. Protection Forces. Pursuant to regulations implementing United Nations Security Council Resolution No. 757, specific licenses have also been issued to authorize exportation of food, medicine, and supplies intended for humanitarian purposes in the FRY (S/M).

During the past 6 months, FAC has continued to oversee the liquidation of tangible assets of the 15 U.S. subsidiaries of entities organized in the FRY (S/M). Subsequent to the issuance of Executive Order No. 12846, all operating licenses issued for these U.S.-located Serbian or Montenegrin subsidiaries or joint ventures were revoked, and the net proceeds of the liquidation of their assets placed in blocked accounts.

The Board of Governors of the Federal Reserve Board and the New York State Banking Department again worked closely with FAC with regard to two Serbian banking institutions in New York that were closed on June 1, 1992. The banks had been issued licenses to maintain a limited staff and full-time bank examiners had been posted in their offices to ensure that banking records are appropriately safeguarded. Subsequent to the issuance of Executive Order No. 12846, all licenses previously issued were revoked. FAC is currently working with the Federal Reserve Board and the New York State Banking Department to resolve outstanding issues regarding the banks.

During the past 6 months, U.S. financial institutions have continued to block funds transfers in which there is an interest of the Government of the FRY (S/M) or an entity or undertaking located in or controlled from the FRY (S/M). Such transfers have accounted for $36.6 million in Yugoslav assets blocked since the issuance of Executive Order No. 12808.

To ensure compliance with the terms of the licenses that have been issued under the program, stringent reporting requirements are imposed. Nearly 500 submissions were reviewed since the last report and more than 180 compliance cases are currently open. In addition, licensed bank accounts are regularly audited by FAC compliance personnel and by cooperating auditors from other regulatory agencies.

6. Since the issuance of Executive Order No. 12810, FAC has worked closely with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of the FRY (S/M) has an interest) are identified and interdicted, and that permitted imports and exports move to their intended destination without undue delay. Violations and suspected violations of the embargo are being investigated and appropriate enforcement actions are being taken. There are currently 42 cases under active investigation. Civil penalties collected from financial institutions for violations involving transfers of funds in which the Government of the FRY (S/M) has an interest have totaled more than $21,000 to date.

7. The expenses incurred by the Federal Government in the 6 month period from May 31, 1993, through November 29, 1993, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to the FRY (S/M) are estimated at more than $3.9 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.
8. The actions and policies of the Government of the FRY (S/M), in its involvement in and support for groups attempting to seize and hold territory in Croatia and Bosnia-Herzegovina by force and violence, continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding resolutions of the United Nations Security Council with respect to the FRY (S/M).

I shall continue to exercise the powers at my disposal to apply economic sanctions against the FRY (S/M) as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON

# # #
FACT SHEET
USED BY SECRETARY CHRISTOPHER
OPENING PLENARY SESSION
AT THE CSCE

INITIATIVES ON U.S. ASSISTANCE FOR BOSNIA

$30,000,000
From State Department Bureau of Refugee Programs for UNHCR's Bosnian relief effort, and to International Committee for the Red Cross, International Organization for Migration, and International Rescue Committee programs for winterization and refugee assistance, and medical evacuation.

$48,650,000
From AID's Office of Foreign Disaster Assistance to UNHCR and various NGOs for winterization aid, medical assistance, and public health projects; from AID's Office of Food for Peace to UNHCR and various NGOs for food assistance; from AID's Bureau for Europe to various NGOs for medical assistance.

$71,800,000
DOD cost to be able to double the airdrops for the next 6 months (from current level of 6 flights per day to new level of 12 flights per day); to be able to double the Sarajevo airlift for the next 6 months (from current level of 3 flights per day to new level of 10 flights per day); for humanitarian daily rations for next 6 months; and for airlift into Tuila for next 6 months in the event it can be commenced.

$130,450,000
The attached letter concerning the conflict in the former Yugoslavia was sent by the President to Majority Leader George Mitchell and Minority Leader Bob Dole today.
The violent conflict in the former Yugoslavia continues to be a source of deep concern. As you know, my Administration is committed to help stop the bloodshed and implement a fair and enforceable peace agreement, if the parties to the conflict can reach one. I have stated that such enforcement potentially could include American military personnel as part of a NATO operation. I have also specified a number of conditions that would need to be met before our troops would participate in such an operation.

I also have made clear that it would be helpful to have a strong expression of support from the United States Congress prior to the participation of U.S. forces in implementation of a Bosnian peace accord. For that reason, I would welcome and encourage congressional authorization of any military involvement in Bosnia.

The conflict in Bosnia ultimately is a matter for the parties to resolve, but the nations of Europe and the United States have significant interests at stake. For that reason, I am committed to keep our nation engaged in the search for a fair and workable resolution to this tragic conflict.

I want to express my lasting gratitude for the leadership you have shown in recent days as we have worked through difficult issues affecting our national security. With your help we have built a broad coalition that should provide the basis for proceeding constructively in the months ahead. Once again you have earned our respect and appreciation.

Sincerely,

The Honorable George Mitchell
United States Senate
Washington, D.C. 20510
Attached is a letter from the President to Majority Leader Mitchell and Minority Leader Dole concerning amendments to the Defense Appropriations bill concerning Haiti, Bosnia, and the use of United States armed forces in international operations.
THE WHITE HOUSE
WASHINGTON

October 18, 1993

Dear Mr. Leader:

I am writing to express grave concern about a number of amendments that may be offered to H.R. 3116, the Defense Appropriations bill for FY 94, regarding Haiti, Bosnia and the use of United States armed forces in international operations.

I am fundamentally opposed to amendments which improperly limit my ability to perform my constitutional duties as Commander-in-Chief, which may well have unconstitutional provisions, and which if adopted, could weaken the confidence of our allies in the United States. Such amendments would provide encouragement to aggressors and repressive rulers around the world who seek to operate without fear of reprisal.

America’s adversaries and allies must know with certainty that the United States can respond decisively to protect the lives of Americans and to address crises that challenge American interests. Successive administrations have found it critical in world affairs to be able to state that no option has been ruled out.

I respect and acknowledge the importance of cooperation between the executive and legislative branches. There will inevitably be give and take between the executive branch and Congress as we work to redefine our role in the post Cold War world. But it is wrong and even dangerous to allow the questions of the moment to undercut the strength of our national security policies and to produce a fundamental shift in the proper relationship between our two branches of government.

The amendment regarding command and control of U.S. forces, which already has been introduced, would insert Congress into the detailed execution of military contingency planning in an unprecedented manner. The amendment would make it unreasonably difficult for me or any President to operate militarily with other nations when it is in our interest to do so -- and as we have done effectively for half a century through NATO. It could lead to an all-or-nothing approach that causes the United States to shoulder the entire burden of a conflict even when a multinational approach would be most effective from the standpoint of military planning, burden sharing and other American national interests.

With regard to potential amendments on Haiti, let me caution against action that could aggravate that nation’s violent conflict and undermine American interests. The situation on the ground in Haiti is highly unstable. Limiting my ability to act -- or even creating the perception of such a limitation -- could
signal a green light to Haiti's military and police authorities in their brutal efforts to resist a return of democracy, could limit my ability to protect the more than 1,000 Americans currently in Haiti, and could trigger another mass exodus of Haitians, at great risk to their lives and great potential cost and disruption to our nation and others.

With regard to potential Bosnia amendments, our nation has worked with NATO to prepare to help implement a fair and enforceable peace settlement. This amendment thus could undermine our relationship with our NATO allies and frustrate the negotiation of an end to the aggression and ethnic cleansing in the former Yugoslavia. As you know, I have placed strict conditions on any U.S. involvement in Bosnia with which I believe most members of Congress would agree.

I am committed to full consultation with Congress on our foreign policy. As I have clearly stated for the record, I welcomed congressional authorization for U.S. operations in Somalia and would welcome similar action regarding U.S. efforts in Bosnia, should that become necessary. Further, as this Administration has done and is continuing to do, we will consult with and keep Congress fully informed on these and other issues that affect American national security.

I would welcome an opportunity to engage you and others in the bi-partisan leadership in a full and constructive dialogue about the processes of executive-legislative relations regarding America's engagement in a changed world. But amendments such as these are not the right way for the American government to decide how we act in the world, and I urge the Senate to reject them.

Sincerely,

[Signature]

The Honorable George Mitchell
United States Senate
Washington, D.C. 20510
Q Mr. President, have you decided to change your strategy in Somalia, perhaps not go after General Aidid out of concern, perhaps because of congressional criticisms of the mission?

THE PRESIDENT: No. The United Nations strategy on the ground has not changed. But I have emphasized to them that every nation involved in that, from the beginning, was in it with the understanding that our first goal was to restore the conditions of normal life there -- to stop the killing, to stop the disease, to stop the famine; and that has been done -- with broad support among the Somali people, with the exception of that small portion in Mogadishu where General Aidid and his supporters are.

So the enforcement strategy did not change, but what I wanted to emphasize at the U.N. yesterday was that there has to be a political strategy that puts the affairs of Somalia back into the hands of Somalia; that gives every country, not just the United States, every country that comes into that operation the sense that they're rotating in and out, that there is a fixed date for their ultimate disengagement in Somalia, because there's so many other peacekeeping operations in the world that have to be considered, and that we owe that to all the nations we ask to participate in peacekeeping over the long run.

So there's been no change in the enforcement strategy, but I have tried to raise the visibility, or the urgency of getting the political track back on pace, because in the end, every peacekeeping mission, or every humanitarian mission has to have a date certain when its over, and you have to, in the end, turn the affairs of the country back over to the people who live there. We were not asked to go to Somalia to establish a protectorate or a trust relationship, or to run the country. That's not what we went for.

Q But do you have broader concerns about Bosnia? I mean, there's a similar problem there with not date certain, no exit strategy.

THE PRESIDENT: I think the -- in there, in that case, the United States is in a much better position to establish, I think, the standards and have some discipline now on the front end. To be fair, I think that everyone involved in Bosnia is perhaps more sensitive than was the case in the beginning of this Somali operation about the -- of it, the dangers of it, and the need to have a strict set of limitations and conditions before the involvement occurs.

Q Given the current situation in Somalia, Mr. President, how do you go about fixing a date certain for withdrawal?
THE PRESIDENT: I think one of the things we have to do is assess the conditions. Keep in mind, what we see every night reported now is a conflict between one Somali warlord who started this by murdering Pakistanis in a small portion of Mogadishu. It has very little to do with the whole rest of the country where tribal councils and village councils are beginning to govern the country where most of the people are living in peace with the conditions of normal life have returned. There are lot of things that need to be sorted through there. And I think that what you'll see in the next few weeks is a real effort by the United Nations to articulate a political strategy -- the country can be basically given back to the people who live there.

Q Do you think you'll be sending troops to Bosnia?

THE PRESIDENT: I've made it clear what I believe will happen.

THE PRESS: Thank you.

END 11:20 A.M. EDT
Mr. Steinberg: This is a background briefing for attribution to senior administration officials. The briefers will be Charles Redman, who is the Special Envoy for the former Yugoslavia, and certainly no stranger to microphones; and Jenonne Walker, who is the Senior Director for Europe at the National Security Council.

Senior Administration Official: We've not actually come with a prepared statement. We could try to make one up on the spur of the moment if you wanted it, but I think we'd both prefer to respond to questions.

Q Why the emphasis on putting the troops, the Americans, under NATO rather than the U.N.? Why did the President make a point of that?

Senior Administration Official: There's nothing new about this. It's been our position since February, when we said that if there were a viable settlement agreed to by all the parties, we would be willing, working through NATO and the U.N., to help implement and enforce it. I think that is a direct quote from Secretary Christopher's speech.

Q New or not, why is the United States leery of having American peacekeepers directed by the United Nations rather than NATO?

Senior Administration Official: I wouldn't make that as a blanket statement at all for every instance.

Q In this instance.

Senior Administration Official: In this instance because it would be a complicated and potentially risky situation -- very big, very complicated. Only NATO, with its experience of working together, its established command and control arrangements, we believe is able to do the job. We have never intended, and we don't intend now, a NATO-only operation. The contingency planning that's gone on in NATO -- oh gosh, since last winter the plan has always been to accommodate non-NATO forces. We hope the Russians would participate; we think Swedes and various other countries would intend to participate who are not members of NATO; but a NATO-centered and -led force drawing on what we think are NATO's unique ability to carry out something this complicated.

Q Does it have anything to do with deciding that Boutros-Ghali, who George Shultz described as a man from another planet -- (laughter) -- giving him a decisive role in deciding whether you come to the assistance of the Muslims before they expire entirely?
Q If I may interject, just today at the State Department, we went over this and the spokesman said that he agreed that the presumption is that when the President has said repeatedly we participate, he was meaning ground troops. So, I mean, why are we making an issue of it now? That you --

SENIOR ADMINISTRATION OFFICIAL: I'm not.

Q -- never said -- well, you said the President never said he meant troops. And today, at the State Department, says he meant troops. Does he mean troops or not?

SENIOR ADMINISTRATION OFFICIAL: If you say they said the presumption is ground troops --

Q Yes.

SENIOR ADMINISTRATION OFFICIAL: -- I would agree with that. For planning purposes, NATO has been carrying out contingency planning purposes. But we have never taken the final political decision.

Q And what is the meaning of participation, then, when the President said --

SENIOR ADMINISTRATION OFFICIAL: We will decide that later.

Q So the participation could exclude the use of ground troops if we would do air? Is that the kind of --

SENIOR ADMINISTRATION OFFICIAL: I'm not going to go beyond that in interpreting that. I think the situation is clear: The planning assumption has been that we will participate if it's a viable agreement. It means that's something we need to see what the details of the agreement are. President Izetbegovic made very, very clear his desire for American participation and also his strong desire that this be a NATO operation.

Q Outside after the meeting, President Izetbegovic also indicated that he asked in light terms the President for basically stronger pressures to get the Serbs and Croats to give him the extra four percent of land. And his ambassador to the U.N. said that what they really wanted was a threat that produces a credible result. Can you tell us, one, did President Izetbegovic ask for stronger measures, including air strikes at an earlier stage? Number two, what was the response of President Clinton? And, number three, we understand that there is a NATO council meeting. Is that being held to consider an early decision on air strikes?

SENIOR ADMINISTRATION OFFICIAL: I'm not going to get into the details of private conversation between the two Presidents. You ought to talk to my colleague about the negotiating situation and a sense of what influence we have there and how best to apply it.

About a NATO -- the NATO Council meets, as you know, all the time at the level of permanent representatives. There is no extraordinary council meeting planned that I know of.

Q Okay, but generally, can you tell us, was there any discussion between the two Presidents, regarding stronger measures to pressure the Serbs and Croats into an acceptable political settlement?

SENIOR ADMINISTRATION OFFICIAL: In very general terms there was discussion about how best to bring about a settlement. And President Izetbegovic knew before he came our view that all sides need to show greater flexibility. The differences are not great in territorial terms, but they're very significant to all the parties.
And we already have been urging greater flexibility on the Serbs and the Croats, including the Bosnian Serbs and Bosnian Croats.

I won't go beyond that. I don't know if my colleague wants to add anything from the negotiating perspective.

Q Basically what I'm trying to find out is did President Clinton tell President Izetbegovic anything on the score that he hasn't said before?

SENIOR ADMINISTRATION OFFICIAL: Not that he hasn't said before, but he did indicate, of course, as we have -- as you know we are doing, we are approaching all the parties to the negotiation, particularly the Serbs and the Croats. We will continue to do that, and we continue to urge that there be sufficient flexibility shown. So, it didn't come up in any new way, but it certainly did come up in the sense that the President confirmed our continued willingness to continue to press them for that kind of flexibility.

Q So President Izetbegovic didn't get anything out of this meeting that he couldn't have gotten reading the papers in the last few days, right?

SENIOR ADMINISTRATION OFFICIAL: I don't think he expected anything new out of this meeting. He has a very realistic understanding of what we can do to influence the negotiations and what we are trying to do, but also the limits of what the outside world can do for him -- that outside military force is not going to solve this problem; that we will do what we can to influence all the parties -- and I stress all -- to be more flexible in the negotiations, but now is probably the best moment to try to strike a good deal -- not peace at any price, but a good deal, because outside military force is not going to solve this problem.

Q You said both sides must show now greater flexibility. Does that include the Muslim -- I mean, did the President ask Mr. Izetbegovic to be more flexible himself?

SENIOR ADMINISTRATION OFFICIAL: Not in specific terms, no. He stressed the need for flexibility, as he always has.

Q -- terms?

SENIOR ADMINISTRATION OFFICIAL: I'm not going to go beyond what I said.

Q You've said all sides now twice. And you either mean it or you don't. Last week the Secretary of State did not include the Muslims. I mean, he said that the Serbs and the Croats must show more flexibility; and he specifically endorsed all the key demands of the Muslims. Do you now want us to go out and file that the Muslims also must -- your colleague carefully avoided that point in his description.

SENIOR ADMINISTRATION OFFICIAL: I think --

Q You have twice now said all sides. Is the President demanding flexibility from the Muslims?

SENIOR ADMINISTRATION OFFICIAL: We're not demanding anything from the Bosnians.

Q All right. Is the President requesting flexibility from the Muslims? I don't know what they have left to be flexible about, but is that what he's requesting?

SENIOR ADMINISTRATION OFFICIAL: I think we have made very clear our view that the Serbs and the Croats are the ones who should show greater flexibility here. We have not -- and I doubt
very much that Secretary Christopher endorsed all the proposals of the Bosnian

Q He didn't ask for flexibility from the Muslims.

SENIOR ADMINISTRATION OFFICIAL: But I doubt very much that he endorsed all the proposals of the Bosnian government, which is what you call the Muslims.

SENIOR ADMINISTRATION OFFICIAL: I think perhaps another way to explain this is that we have consistently stayed away from taking a position on any kind of specific issue --

SENIOR ADMINISTRATION OFFICIAL: It's not for us to decide.

SENIOR ADMINISTRATION OFFICIAL: It's not for us to decide.

SENIOR ADMINISTRATION OFFICIAL: It's not our decision. It's going to have to be a judgment made by the parties to the negotiation. And as these kind of demands or requests by the Bosnian government are put forward and negotiated, various kinds of options can arise. So it is necessary for everybody to engage in a good faith negotiation to see if it's possible to find a solution that's acceptable to all the parties. In that sense, this certainly applies to everybody sitting around the table.

Q In your view, did this meeting accomplish anything, or was it just a chance for the President to show that he was interested in the issue? It doesn't seem like there was any kind of movement on anything.

SENIOR ADMINISTRATION OFFICIAL: It's President Izetbegovic who asked for the meeting, which is something we were happy to do. I wasn't --

Q Because you thought it could accomplish something or just because you thought it would be nice for the President to have his picture taken with him?

SENIOR ADMINISTRATION OFFICIAL: One hopes both. By nice to have his picture taken with him -- if it's something that President Izetbegovic feels is helpful. It's certainly something we wanted to do and to be supportive.

I did not hear President Izetbegovic's meeting with you just after the session with the President, so I assume you asked him if he felt the meeting accomplished something, and I don't know what his answer would have been. And I wouldn't presume to speak for him.

Q To put it in other words, do you think the Muslims have any reason to be more optimistic now after this meeting?

SENIOR ADMINISTRATION OFFICIAL: I think they may be about our seriousness in wanting to make an agreement work if there is one. And that -- I don't want to put words in President Izetbegovic's mouth; I hope you asked him this question. Certainly in the brief encounter with the press before the meeting started, and then again at the beginning of the meeting, the point he wanted to stress first, in public and in private, was his desire to have the United States help implement a settlement if one is arrived at, that the kind of settlement he has been negotiating toward -- not everything he might have hoped, but it is one that he will see as the best alternative available to him and that he would want very much to have the United States in NATO enforcing it. That seemed to be his prime -- but I really hate to put words in his mouth.

SENIOR ADMINISTRATION OFFICIAL: Let me just add to that very briefly that throughout this negotiation the co-chairmen have
said as well as President Izetbegovic that for this agreement to have meaning, that the parties indeed can reach an acceptable agreement, there will have to be serious implementation and enforcement. And to the extent that this negotiation is a serious one, and President Izetbegovic goes back to these talks with the intent of trying to find an acceptable solution, I think clearly in his mind an important aspect of that is knowing what the prospects are for serious implementation and enforcement. And, as you could see from his remarks, I think that was clearly high on his mind and one of the reasons that he wanted to talk to the President.

SENIOR ADMINISTRATION OFFICIAL: You should ask him, but if I had to guess what he most wanted out of the meeting, that's the impression I got.

Q But he got no specific -- he got the promise the U.S. would take part in guaranteeing it, but no specific way in which the U.S. would take part. It was it a -- very broad generalities in an hour-long discussion this is his number one issue. Did he get any specific guarantees of what our guarantees are going to be?

SENIOR ADMINISTRATION OFFICIAL: I had the impression he was quite satisfied with what he heard on that point. But you really ought to ask him.

Q Can you tell us what --

SENIOR ADMINISTRATION OFFICIAL: No.

SENIOR ADMINISTRATION OFFICIAL: You heard the President, I think, during the photo op talk at some length about that.

Let me just make sure there's one point of clarification here, because when the President -- President Izetbegovic uses the word "guarantee," by that he means implementation.

SENIOR ADMINISTRATION OFFICIAL: Right.

SENIOR ADMINISTRATION OFFICIAL: Just so that that's --

Q Can we go back to the Congress angle for a second?

Q I want to ask a question about the Congress angle as well. I mean, there are two ways you can look at it. And if I were President Izetbegovic and I had been listening to the debate recently on Somalia and I were looking at what President Clinton said today in his four separate mentions of the question of congressional support and congressional backing, I would see this as an additional condition and potential limitation on the American ability to help implement a peace agreement. Does the addition of this condition of congressional approval mean it is less likely that the United States will send 20,000-plus peacekeepers to Bosnia if a peace agreement is reached?

SENIOR ADMINISTRATION OFFICIAL: You'd have to ask President Izetbegovic if he sees it as an additional condition. It was not the impression I got.

Q Do you see it as --

SENIOR ADMINISTRATION OFFICIAL: No, I don't. It's our system. It's the way things work here. I did not get the impression -- and I really hate to try to guess what his reaction was -- but I did not get the impression that he was dissatisfied. In fact, quite the contrary.

Q Well, we are under the impression that this is a further condition -- that President Clinton had laid out previous conditions on the implementation, that Secretary Christopher did --MORE
viable, enforceable, serious commitment. Now we have the additional condition of congressional support. Should we read it that way as an additional condition and lowering the possibilities?

SENIOR ADMINISTRATION OFFICIAL: You can read it obviously as you like; but I didn't.

Q You say not, but previous administrations and so far this one have said their compliance with War Powers didn't require prior approval for enforcement of the U.N. resolution. The President seemed to say today -- he didn't say it required it, but he said he would seek it -- he would want it before he did this. And it seems to be a change. And if it's not a change, this would be a real good time to make that clear, I think.

SENIOR ADMINISTRATION OFFICIAL: You were taking notes on his exact words, and I wasn't.

Q We have a transcript -- the White House transcript.

SENIOR ADMINISTRATION OFFICIAL: Exactly. I thought he was talking about congressional support. And he, at one point, said they had --

Q -- to do it, the Congress would have to agree?

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q If the President feels that the agreement by the parties meets all the conditions that he's laid out previously regarding contribution of U.S. support and maybe troops, but by his own measurements there is no congressional agreement or support, will that, in the administration's view, constrain the United States from contributing?

SENIOR ADMINISTRATION OFFICIAL: I think you're reading more into this than you should. I'm guessing at what the President meant, which is also perilous, but somewhat less perilous than guessing at what President Izetbegovic meant. I think he was saying what he took to be the obvious, that we would need and he would try to get congressional and public support for this step. This would be a major step, as we've always known.

Q -- contained if you didn't get that support?

Q -- vote in Congress? He's talking about a consensus that he gets the feeling that Congress, through its leadership, supports sending U.S. peacekeepers to Bosnia?

SENIOR ADMINISTRATION OFFICIAL: I wouldn't want to speculate as to how he would want that support to be registered. I think that would be -- since I don't know, it would be very unwise and I could mislead you.

Q Was Mr. Izetbegovic concerned that --

Q -- position on the War Powers Act?

SENIOR ADMINISTRATION OFFICIAL: No, it does not affect the War Powers situation.

Q Does this administration acknowledge as a Democratic administration, consistent with the Democratic leadership and the House under the previous Republican administrations, the notion that the War Powers Act does apply to a situation like this?

SENIOR ADMINISTRATION OFFICIAL: That's not an issue I work, but I do not -- so far as I know, the position has not changed on the War Powers Act.
Q Is there a concern here that the parties might come up with an agreement that does not meet the fair and enforceable criteria that the President has laid out and that, therefore, the Congress might not support participation and the President might not support participation?

SENIOR ADMINISTRATION OFFICIAL: I suppose that's possible. We have always said that it's really not for us to say; it's for the parties themselves to decide, given the options open to them which, in the case of the Bosnians, are few and tragic, what is the best course for them. And if an agreement can be reached that seems to us to be viable, by which we mean enforceable, some sign that the parties really mean to comply with it, unlike the London Accords and the numerous cease-fires that have been signed and immediately disregarded, that we would be willing, working through NATO and the U.N., to help implement and enforce it.

Q Is there something emerging that might not meet that criteria?

SENIOR ADMINISTRATION OFFICIAL: Not in my mind. And I would be very surprised if the Bosnian government signed an agreement that did not meet that criteria.

Q -- discussion of the time frame involved in a peace agreement?

SENIOR ADMINISTRATION OFFICIAL: No, there was not.

Q They never once sat down and said this --

SENIOR ADMINISTRATION OFFICIAL: In this meeting no; it didn't come up at all. No, it didn't come up at all.

Q Did President Izetbegovic raise the idea of setting a deadline for lifting the siege of Sarajevo and moving the artillery as he's discussed before?

SENIOR ADMINISTRATION OFFICIAL: Obviously he would like the world to do more. He'd like more outside military intervention. But he did not press us on things that he knows are not possible for us. In fact, he expressed understanding that the United States would not act unilaterally, and that appreciation for the fact that we had brought our allies and the U.N. as far as we have on the NATO air warning, which has had significant success in ending the strangulation of Sarajevo and the other safe havens. It has not, and we never expected it could, bring about a rollback of Serbian conquest. That is, you know, the shelling has diminished enormously and most of the convoys are now getting through. The situation is far from perfect.

Q He raised it but he didn't press it?

SENIOR ADMINISTRATION OFFICIAL: He raised in general terms what more the world might do, but he has a clear understanding of the limits of what he can expect from outside military intervention.

Q You said that these non-U.N. peacekeepers would be under U.N. authorization. Is it your position that that authorization already exists? And, if not, how do you think it would be passed? Would there be another Security Council resolution? And once that it happened, would Boutros-Ghali then be out of it completely and have no further say in the matter?

SENIOR ADMINISTRATION OFFICIAL: I wouldn't want to speculate about the role of U.N. political authorities in the implementation of a settlement. There would be a lot more to implementation than the military part of it -- of civil
administrators, et cetera. I would imagine the U.N. would have a very large role in aspects of it.

What we have always anticipated -- and don't lock us into this, because the situation can change -- but a Security Council resolution endorsing a settlement that all three parties had signed, and mandating some kind of peacekeeping implementing force which NATO could be asked to organize. There are different ways it might be done, but that's one way it might be done.

Q Would you dispute the conclusion that there was far more agreement between the two Presidents on what needs to be done once a peace agreement is reached than on what needs to be done to get to a peace agreement?

SENIOR ADMINISTRATION OFFICIAL: Well, there certainly was agreement on what would need to be done once an agreement is reached, but I don't think you should exaggerate or have any sense of great disagreement about what should be done in the meantime. Lifting the arms embargo came up, on which they both agree. President Izetbegovic understands that we simply could not get that resolution to the Security Council.

Q But did he ask that it be lifted in other ways?

SENIOR ADMINISTRATION OFFICIAL: He didn't press us to make another try. No, he did not.

Q So how did he bring it up then?

SENIOR ADMINISTRATION OFFICIAL: I honestly don't remember exactly how it came up in the conversation --

Q You see, what I'm trying to fathom is outside Izetbegovic said the talks were both very productive and very frank. And when you get into very frank, that usually means we don't agree on every point. And as he elaborated, it seemed -- he seemed to indicate that while he wanted more robust action by the United States and the West to get to an agreement, he really didn't get more out of Clinton than Clinton had said in the past.

SENIOR ADMINISTRATION OFFICIAL: They were very frank in the sense of being very sober. President Izetbegovic, as I said, has a very clear understanding of the limits of outside military intervention and the limits of -- and he said that he did not expect unilateral American military action. He knows the limits of what NATO is prepared to do and the U.N. is prepared to authorize. Obviously he wishes -- as I would wish if I were in his situation -- that the world were doing more for him. Certainly he would like to see the arms embargo lifted, as would President Clinton. But he made clear he knows that that's not in our power to do.

Q You said the Bosnia operation would be so big that only NATO could manage it. How big are you talking about? And how big the U.S. contingent?

SENIOR ADMINISTRATION OFFICIAL: If I knew exactly the stage of NATO contingency plannings, as the contingency plans have adjusted as the negotiations -- they keep changing as the negotiations evolve. If I knew, I probably shouldn't say. And the size of the American contingent -- that, too, is something to be decided later.

Q You can't give any idea, any ballpark figure?

SENIOR ADMINISTRATION OFFICIAL: No.

Q -- any cutoff where the U.N. could handle and above which NATO would have to handle it?

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SENIOR ADMINISTRATION OFFICIAL: No. I probably would get it wrong if I tried to guess.

THE PRESS: Thank you.

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7:30 P.M. EDT