

The President. Well, it's so beautiful outdoors, we might just meet outside.

Note: The President spoke at 10:23 a.m. at his home on Walker's Point.

Statement on the Middle East Peace Talks

August 10, 1992

We are pleased to announce that we have received positive responses from all the parties to the bilateral negotiations in the Arab-Israeli peace process to attend the sixth round of talks which will commence in Washington on August 24.

The United States and Russia, as cospon-

sors, welcome this opportunity for the parties to engage in substantive negotiations and to make real progress during this round.

The United States is prepared to continue to play its role as a driving force, catalyst, and honest broker to promote progress in these negotiations.

Nomination of Harry J. Gilmore To Be United States Ambassador to Armenia

August 10, 1992

The President today announced his intention to nominate Harry J. Gilmore, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador of the United States to the Republic of Armenia.

Mr. Gilmore currently serves as Deputy Commandant for International Affairs at the U.S. Army War College. Prior to this, he served in several positions at the Department of State including principal officer at the U.S. Embassy Office in Berlin, 1990–91; U.S. Minister and Deputy Commandant at the U.S. Mission in Berlin, 1987–90; Deputy in the Office of Central European

Affairs at the State Department; Deputy Chief of Mission at the American Embassy in Belgrade, Yugoslavia, 1981–85; Deputy Director for Eastern European and Yugoslav Affairs at the State Department; political officer and deputy principal officer at the American consulate general in Munich, 1975–78; and country officer for Yugoslavia at the Bureau of European Affairs at the Department of State, 1973–75.

Mr. Gilmore graduated from the University of Pittsburgh (B.A., 1960). He was born November 16, 1937, in McKeesport, PA. He is married, has three children, and resides in Carlisle, PA.

The President's News Conference With Prime Minister Yitzhak Rabin of Israel in Kennebunkport

August 11, 1992

The President. Well, I've just spent the best part of the past 24 hours with Prime Minister Rabin, and it has been a true pleasure for Barbara and me to spend this time with the Prime Minister and Mrs. Rabin.

We've known them for many years. As a matter of fact, we're charter members of the former ambassadors club, and we could not be happier than to have them visit us here at Kennebunkport, this very special

place for me and for my family.

Before I say some more about my hours of conversation with the Prime Minister, I want to take this opportunity to say a few things about the relationship between the United States and Israel. This is a relationship that goes back more than four decades to Israel's birth in 1948. This is a relationship that's been tested in times of peace and war, one capable not only of weathering differences but of accomplishing great things. This is a relationship based on a shared commitment to democracy and to common values, as well as the solid commitment to Israel's security, including its qualitative military edge. This is a special relationship. It is one that is built to endure.

Now, we reviewed a great many issues, often in considerable depth, and I want to begin with the peace process. I will let the Prime Minister, obviously, speak for himself, but I do not think he would object to my saying that we agree 100 percent that our goal goes beyond that of ending the state of war. What we seek is real peace, codified by treaties, characterized by reconciliation and openness, including trade and tourism. It must be a comprehensive peace on all fronts, grounded in U.N. Security Council Resolutions 242 and 338, born of direct negotiations.

Two weeks from now in Washington, representatives of Israel along with those of the Palestinians, Jordan, Syria, and Lebanon will resume direct negotiations launched in Madrid last October. I am optimistic that these talks are about to enter a new, more productive phase.

Prime Minister Rabin has persuaded me that Israel's new government is committed to making these talks succeed, and I call upon the Arab parties to respond in kind. The time has come to make peace, not simply to talk of it.

We also spent time discussing the region at large. It is tragic that so much of the history of the Middle East is measured by wars. It's a crime to waste so much of the area's resources, human and material alike, in preparing for wars or waging them. It is time these resources were committed to meeting the needs of people. We thus committed ourselves to work to stem the proliferation of conventional arms as well as

weapons of mass destruction. We agreed to work together on behalf of the multilateral process begun in Moscow earlier this year to promote progress between Israel and her neighbors on issues ranging from water, the environment, economic development, to refugees and security.

The Prime Minister and I focused as well on the international situation, and we agreed that the world must seize the historic opportunity created by reform in Russia and the other newly independent States. We agreed, too, that the world must act to bring to an end this humanitarian nightmare that now exists in what was Yugoslavia.

The Prime Minister and I also devoted a good deal of time to bilateral issues. Let me say that it's a source of considerable satisfaction to me to look back on all that has been accomplished just over the last few years. With the assistance of the United States, Israel has been able to take major strides in breaking out of its diplomatic isolation. Israel no longer is stigmatized so unfairly by a U.N. resolution equating Zionism with racism.

Literally hundreds of thousands of Jews from Ethiopia and from the former Soviet Union now make their homes in Israel; and this, more than anything else, is what the Jewish state is all about. In this regard, I am extremely pleased to announce that we were able to reach agreement on the basic principles to govern the granting of up to \$10 billion in loan guarantees. I've long been committed to supporting Israel in the historic task of absorbing immigrants, and I'm delighted that the Prime Minister and I have agreed to an approach which will assist these new Israelis without frustrating the search for peace. We can thus pursue these two humanitarian goals at one and the same time.

I look forward to sitting down with the congressional leadership and recommending to them that Congress take swift action on authorizing up to \$10 billion in loan guarantees to facilitate Israeli absorption of immigrants. Together with the economic reforms the new Israeli government is committed to, I am confident that these loan guarantees can make a considerable contri-

bution, a critical contribution, to Israel's future. I would hope that other governments with the means to do so would also consider extending loan guarantees for this purpose.

I'd like to say one more thing about my time with the Prime Minister. The meetings were important for what we discussed, but they were also significant for the tone of the discussions. Our time together can best be described as a consultation between close friends and strategic partners, one characterized by trust, warmth, and a commitment to meeting these common challenges. This is strategic cooperation at its very best.

So again, let me just end these remarks by saying how much we've enjoyed having the Rabins visit us at our home here and now, speaking for all Americans, how much we hope the Prime Minister and his wife will be regular visitors to the United States of America.

Thank you, sir.

The Prime Minister. Thank you very much.

Mr. President, let me first thank you wholeheartedly for the kind and warm hospitality bestowed by Mrs. Bush and yourself on my wife and me, as well as our colleagues. It has been a real pleasure to spend with you, with Secretary Baker, General Scowcroft, and your other colleagues, this highly pleasant day. We really appreciate it.

I would also like to thank you for your kind words this morning. Our exchange of views here included a great number of subjects, both of a general character, dealing with international issues and concerns, specific bilateral matters. It was done in a constructive and friendly atmosphere for which we are grateful.

I would like to allude, first, to the human tragedy in Bosnia. We, the Jewish people, having suffered persecution throughout history, can never remain indifferent to such tragedies. The killing must stop. I know that the United States is now making great efforts towards a solution there. We, on our part, are trying to contribute as much as we can in humanitarian aid. Let us hope that those tortured people will find peace.

Mr. President, as you kindly indicated, the basis of the relationship between Israel

and the United States is the unshakable foundation of shared values and hopes. Our joint commitment to democracy and to freedom stands as a permanent, solid rock on which a very special relationship is built.

This relationship, which has seen occasional, temporary differences—differences, views—include our strategic cooperation among other important links developed over many years. We have both reiterated our mutual desire to continue those links, facing the challenges that lie ahead.

Mr. President, we live through troubled times, reflected also in our region. We have supported since the beginning of the Gulf crisis the U.S. and your policy against Saddam Hussein's brutal aggression. The strong approach taken by the United States during the war greatly contributed to the regional sense of security and made a positive contribution to Israel's security as well.

We continue to support a determined policy towards still-existing dangers. We are committed together, Mr. President, to the pursuit of peace in our region. The new government in Israel which I'm privileged to head will do its utmost to promote the peacemaking efforts begun and cosponsored by the United States under the Madrid framework. This framework has been structured to a great extent on the basis of the Camp David accords and took into considerations many of Israel's desires.

On our part, we shall do our best to inject new momentum to the negotiations, both in the bilateral and the multilateral spheres. We shall do so as much as we can on a continued basis while, of course, scrupulously preserving Israel's security against all threats.

We will be glad to attend the coming round of the bilateral negotiations in Washington later this month and through much of the next months. We look forward to fruitful negotiations with the Jordanian-Palestinian delegation, as well as with the Syrian and the Lebanese delegation. It is our hope that our counterparts will share our good will and openness. The chances for a better, peaceful future are there. Let us all take the advantage of them. We also look forward to the multilateral negotiation starting anew in September.

Mr. President, I would like on behalf of my country to express to the United States and to you, personally, our gratitude for your support to the opening of the gates of the former Soviet Union and Ethiopia for the immigration of our brethren who so wished to their homeland, Israel. This role will not be forgotten.

In the same spirit, the U.S. has supported the idea of absorption of these immigrants, enabling them to achieve appropriate housing and employment and rebuild their lives. Your decision now to submit to the Congress a proposed legislation concerning the loan guarantees is a significant step in this direction.

We, on our part, are determined to improve our national economy towards more efficient and privatized system for this and other goals that must be achieved. We have also announced in the basic guidelines of our government a change in the national priorities towards this direction.

We shall also carry as much as possible of the burden, of the financial burden of the guarantees so as to lessen any cost to the American taxpayer. But your readiness to extend them following our discussions means a lot to me and to Israel. And again, thank you very much.

The President. Thank you, sir.

Now we'll be glad to take some questions.

Middle East Peace Talks

Q. Mr. President, can you now envision a time of real peace between Israel and its Arab neighbors? And to what extent has a new government in Israel contributed to this process?

The President. Well, I salute the Prime Minister. He has been very forthright, as he said here in his statement, about wanting to continue the peace negotiations, and absolutely, I think all of us should look optimistically about the chances for peace. There are always obstacles. But the fact that they are coming together across a table, the people that have had ancient enmity, is a very good sign. I think the approach of this new government which is saying, "Let's meet; let's talk," is exactly what it's going to take to achieve the kind of peace that everybody wants.

As you'll notice in my statement, I called

upon Arab governments to be forthcoming in the forthcoming talks. So yes, we are optimistic. We all know there are problems, but we must achieve it.

Q. When can we expect results, sir?

The President. Well, I think we just have to wait now and see how the talks go.

Would you like to comment on that question, sir?

The Prime Minister. Well, we are coming with open-minded—we believe that the negotiations, face-to-face, on the three delegations, the Jordanian-Palestinian, the Syrian, and the Lebanese, can be conducted, the purpose to achieve, when it comes to the Jordanian-Palestinian delegation, the interim arrangement for self-rule to the Palestinians.

The way it is described in principles in the letter of invitation to the Madrid conference, we are open-minded, we are interested to achieve. But in the Middle East, there is a saying that for war, one side is enough; for peace, you need two. We hope we'll have the second partner.

The President. We're going to try to alternate between U.S. and Israeli journalists, if that's all right.

Israel-U.S. Relations

Q. Mr. President, you spoke of a strategic partnership between the two countries. I was wondering if you could elaborate a bit and tell us if you believe Israel has strategic importance to the United States in the aftermath of the cold war.

The President. I do, and I think that when we talk about militarily qualitative edge, that is a longstanding position of the United States. We will continue to uphold it. Israel is a democracy surrounded by countries that aren't, and they have been loyal and staunch friends.

My responsibilities as for President of the United States and the security of this country relate to the fact that nobody knows where the next crisis could come. You rely on friends in a crisis. Israel is not only important as a friend, but they have demonstrated strategic reliability. So I don't care to elaborate any more, but I just would reemphasize the fact that it is not only historic friendship based on democracy, but it is

in the interest of the United States. It is in our security interest to retain the kind of relationship we have militarily and every other way with Israel.

Palestinians

Q. To follow it up, after your discussions with Mr. Rabin, I assume you exchanged views on perhaps the shape of Palestinian self-rule. Would you say that you basically see eye-to-eye on how that should—the terms?

The President. Well, I'd say he made a very clear presentation about this. And I don't know, there might be some differences, but I think basically we recognize that as he approaches the peace table, that is the way to decide what happens. We're not going to prejudge or precondition from the United States standpoint.

Loan Guarantees for Israel

Q. It's been said that you had reached agreement on the basic principles for granting the loan guarantees. Does that mean that the agreement is less than final?

The President. No, I'm going to go forward. I'm going to keep it a little bit—I'm not going to go into a lot of detail right now. I think I owe it out of courtesy to the congressional leadership to go forward with recommended legislation. I will be doing that. I think we're set for this afternoon to do just that, and I think that will give us a chance to—so it's more than just a general agreement, but there's enough specifics here for me to recommend enthusiastically to the United States Congress and to the American people that this is in not only the interest of Israel, but it is in our interest.

Q. Well, what are those basic principles, sir, and how do they relate to this touchy question of settlements?

The President. Well, I've just touched on one of them, that we have a strategic ally. There's a broad humanitarian principle, and that is we would like to be helpful in settling those that have come home, those that have left Ethiopia, those that have left the former Soviet Union, and that's kind of the humanitarian aspect of it.

There's all kinds of implications. A strong Israel, an Israel that is better able to cope

through the borrowings it's making, is in our interest.

Q. Well, what about this basic question of settlements, sir, that's been so touchy between the two countries?

The President. I think that I would let Prime Minister Rabin's words speak, not just the words here but the words that he spoke during his campaign, and then the actions that he has taken. We see a very different approach to settlements, and we salute the Prime Minister. It was not an easy position, and I'm sure there are divisions in Israel on this position. But he took a lot of courage, and he has begun to implement that policy certainly to the satisfaction of the United States.

I would prefer you call on your traveling journalists so I don't overlook anybody, and then, well, if they ask me the question, I'll be glad to try to—

Israeli POW-MIA's

Q. Mr. President and Mr. Prime Minister, did you deal with the problem of the MIA's and POW's, the Israeli ones?

The President. We discussed it, and the Prime Minister just forcefully said to me, "Look, please do everything you can to account for whoever else might be held prisoner." And so he made the case, and I pledged to him to do whatever it is we can. We do not have great influence on solving that problem. We didn't have too much on solving the one where Americans were held. But as long as one prisoner is held, everybody should be outraged and try to do his level-best.

Jerusalem

Q. Mr. President, may I ask you please as to whether you are prepared to recognize a unified Jerusalem as the capital of the sovereign State of Israel and that you will move our Embassy to Jerusalem in your second term?

The President. Let me just say that our policy on Jerusalem remains unchanged. It must never be divided again, and its final status must be resolved through negotiation. And nothing in approach here changes that policy. That's the U.S. policy, and I will just stay with that and not go into anymore detail.

Politics and Foreign Policy

Q. Mr. President, do you feel that the positive tone of these talks and Prime Minister Rabin's warm words here will help in helping you win over American Jewish voters who were alienated by your remarks on September 12th and by the tensions in your relationship with former Prime Minister Shamir?

The President. Well, let me try to be clear on this one, just as I was the other day on Bosnia. We're not talking here about domestic United States politics, nor are we talking about domestic Israeli politics. We're talking about principle. We're talking about doing what is right. We're saluting the policy that we see as very forthcoming and very proper on the part of the Prime Minister and his new government.

So I'd like to try to leave it out of the American election process, and I would readily recognize that isn't easy. On anything you do, whether it's a foreign policy matter or a domestic matter, every question tries to hook it into domestic politics. But I'm going to finesse that because I think what we're talking about here is too important.

New York Post Allegations

Q. Mr. Bush, uncomfortable as the subject is, I would think it's one in which you feel a necessity to respond because you've said that family values, character, are likely to be important in the Presidential campaign. There is an extensive series of reports in today's New York Post alleging that a former U.S. Ambassador, a man now deceased, had told several persons that he arranged for a sexual tryst involving you and one of your female staffers in Geneva in 1984.

The President. I'm not going to take any sleazy questions like that from CNN. I am very disappointed that you would ask such a question of me, and I will not respond to it. I haven't responded in the past. I think it's—I'm outraged. But nevertheless, in this kind of screwy climate we're in, why, I expect it. But I don't like it, and I'm not going to respond other than to say it's a lie.

Israeli Policies

Q. Mr. President, what is the outstanding

achievement you achieved during this 24-hour period with the President?

The Prime Minister. What?

Q. The most outstanding achievement, do you think, to the people of Israel.

The Prime Minister. Well, I believe that the first and the foremost importance of the visit is to try to establish relationship of trust and confidence. From the very beginning, from the visit of Secretary Baker to the region, I made it a point to put the facts, to put everything on the table to avoid in the future any misunderstanding because not stating exactly both our positions, sometimes they can bring differences of opinion. But the real issue is, even when there are differences of opinion, how to work together, Israel and the United States, to achieve our common goals, goals that we agree on.

In what I have said and described here was basically the policies of the new government of Israel. We want, first, to try our best within the framework of the Madrid conference to move in the peacemaking process, not in the peace process.

Second, we changed our national priorities from spending our own money, the Israeli taxpayer, on settlements that I define them in a certain way, and to take them and to shift them to cope with the real problems of Israel, unemployment, et cetera, in Israel.

Thirdly, not to take steps that in accordance to our opinion can interfere with the peace negotiations. These are our decision. We are going to bring about rezoning, reclassification of government assisting to building houses, absorption, that we'll really shift them to what we believe should be.

I presented the new policy to the President, to his colleagues, as I did to the people of Israel, as I did in the Knesset on the July 13 when I presented my government.

Q. Mr. President—

Israeli Settlements

Q. Prime Minister Rabin, during his campaign and after the election, distinguished between political settlements and the security settlements. After your long talks with Prime Minister Rabin, do you agree to that

distinction?

The President. Well, we understand the position. All I will say is that I salute this change. We salute what the Prime Minister is trying to do. We understand his position. He understands our position. And obviously, we would not be going forward with this loan guarantee if we did not salute the change. So I'd just leave it right there.

Palestinians

Q. Mr. President, are you satisfied, generally, with the modalities of autonomy that Mr. Rabin has presented here?

The President. Modalities of the what?

Q. Autonomy for the Palestinians?

The Prime Minister. I didn't present modalities here. [Laughter]

Q. Did you talk about the autonomy?

The Prime Minister. Well, I described Israeli position. It was an exchange, first exchange between the President and me, on the issues that might be brought up in the coming bilateral negotiation and in the multilateral. It was in a form of consultation, not taking decisions. It was exchange of views, and I wouldn't go beyond that. The issues have to be solved, agreed on, between the parties to the conflict.

Q. Mr. President, are you going to ask—

Q. Why didn't you play tennis?

Q. Mr. President—

The President. I did the day before.

Secretary of State Baker

Q. Are you going to ask Secretary Baker to take a different job?

Q. Did you discuss Secretary Baker's imminent departure from the State Department? And I'd like to ask the Prime Minister what impact that will have on the peace talks.

The President. Susan [Susan Spencer, CBS News] is referring to a lot of domestic speculation that the press has written about with such certainty and finality that what she's saying is that Jim Baker will leave the State Department. What I've said—I'm just filling him in and then I'll answer your question—[laughter]—what I've said is that if anything happens in that regard, I'll be sure to let them know. But the answer to your question is, that was not discussed with

the Prime Minister.

Q. Does the Prime Minister feel that that would have a major impact on the peace talks?

The President. Nice try.

The Prime Minister. I don't deal with domestic political American or personal domestic American problems.

Q. Maybe one last question from the Israeli—

The President. This is the final question because Marlin is looking very nervous, and I know we've got some logistics problems here.

Middle East Peace Talks

Q. From both your opening statements, it seems like the onus now will be on the Arabs in the peace talks. My question to Mr. Rabin is: Do you expect this from the Americans? Do you expect them to put more pressure on the Arabs? And my question to Mr. Bush is: Are you actually going to do that?

The Prime Minister. I didn't ask anyone to put pressure on anyone. We exchanged views in a form of consultation about the options, but I didn't ask for any pressure, as I expect that no one on the other side will ask the United States to put pressure on Israel.

The President. One of the major accomplishments in the last few years is getting the parties across from each other at the peace table. That was not done through pressure. Peace will not be brought about through pressure. If the United States can be a catalyst for peace in the process, we want to be one. But no sovereign government is going to be pressured into reaching out and achieving peace, reaching out for and achieving peace. It just doesn't work that way.

In any event, thank you all very much.

The Prime Minister. Thank you.

Note: The President's 139th news conference began at 9:27 a.m. at his home on Walker's Point.