

regarding air strikes and lifting the arms embargo, why should we think that action will now be taken as a result of your communique?

The President. The discussions that I had at this meeting about Bosnia were almost all, not all but almost all, one-on-one with other leaders. And frankly, I counseled against raising hopes unnecessarily and focusing more on what we might do and saying less until we were prepared to do something.

I will say this: The one new statement that is in this policy that I am absolutely convinced that all the leaders of the other countries meant, that should have some impact on the situation, was the one proposed by Chancellor Kohl which says that, essentially, that if Serbia and Croatia carve up Bosnia in the absence of an international peace agreement to which the Bosnian Government freely subscribes, that the rest of us have no intention of doing any business with either of them if that happens.

That would have a very serious detrimental economic consequence on both Croatia and Serbia. And it had never been said exactly like that before, particularly as it relates to Croatia. So I think that is the new part of this statement.

Yes.

Japan

Q. Mr. President, the last time an American President was in this city the Japanese Prime Minister said he pitied the United States. It was a remark you cited often in the campaign. In your talks with the Prime Minister did you detect any change in that attitude, or did you think there's still pity for the United States?

The President. I did detect a change. But I have to tell you, I have tried very hard to move this dialog into a constructive frame of mind. When I spoke at Waseda University, I acknowledged that one of the reasons that there was such a big trade deficit with Japan in the

1980's was that we had such a huge Government deficit, we needed a lot of Japanese money to pay for our debt, to keep our interest rates down.

In other words, I tried to go beyond the rhetoric and finger-pointing of both sides. I also pointed out, however, that we have now had 10 years of high manufacturing productivity growth, that we really are the high quality, low cost producer of many goods and services, and that we have to recognize we have to have a new relationship.

I think we should focus on things that are positive for both of us and be very, very firm about the need to change. But I don't sense a lot of ridicule here. And as a matter of fact, what I was hoping was that the Japanese would not be too concerned about all the changes going on in this country. A lot of the political changes are without precedent in the postwar era, post-World-War-II era. But they are the inevitable part of growing in a democracy and changing. And I sense a real sense of anticipation and openness here that's perhaps a little greater than it has been in past years and pretty uniformly throughout the people that I met and talked with.

I must say a special word of appreciation to our host, Prime Minister Miyazawa, who, even though his party is facing elections, as you know, in just a few days, displayed a great vigor and willingness to discuss a lot of these issues and to try to bring them to closure, and clearly had to sign off on the market access agreement and had to make some changes to do so in his government's position.

Thank you very much.

NOTE: The President's 22d news conference began at 8:10 p.m. in the garden of the U.S. Ambassador's residence.

Exchange With Reporters in Tokyo July 9, 1993

Aid to Russia

Q. Mr. President, we wanted to ask you about Russian aid. Is there any sense of disappointment that there isn't more cash, less credit, that

this isn't helpful enough to Yeltsin? What is your take on it?

The President. No. As a matter of fact, I think, based on where we were 5 or 6 weeks ago, this is a real success. I'm very pleased.

I came here with the hope of getting \$500 million in a privatization fund to help convert these government-owned industries to private sector industries. And the Europeans have really come forward. I talked to a lot of them in the last week, and it appears to me that we'll have at least \$500 million in that fund and an aid package that will probably be somewhere in the neighborhood of \$3 billion. So that is very good. It's also very good for America. I mean, there's a lot of business to be done in Russia by Americans to create American jobs, business and energy and natural resources, in environmental technologies, in all kinds of consumer operations. This is a huge new market for American goods and services.

It's also good news because it will end—a lot of this money will enable us to continue to denuclearize Russia, that is, to dismantle their nuclear weapons and to help to deal with the aftermath of that. And that is very, very important in terms of making our country and our world more safe and helping us to continue to manage these defense reductions. So I'm very happy about that.

Q. What did President Yeltsin tell you tonight? What was his reaction, do you know?

The President. Well, he's in a good humor tonight, but we just had dinner together. It was a formal dinner, so we didn't have much time to talk business. I'm going to see him tomorrow, and I'm looking forward to visiting with him again. But he is in very good shape now, since the election. The process of political reform is continuing in Russia, and I feel good about it. And also, one thing I really appreciate about President Yeltsin is that he encouraged us to set up an operation in Moscow to make sure that our money was not wasted, which I was very impressed with. And so I've been working for months now to try to get agreement among all these countries about exactly what mechanism we'll have to monitor the expenditure of this money. And we've achieved agreement on that. So I'm very encouraged about that.

Trade Negotiations

Q. Mr. President, do you expect any more breakthroughs at this summit, I mean, in terms of Japanese trade rules and so forth? Or are we just flailing?

The President. No, we're not just flailing. But I don't know. I mean, if that were to happen it would be a good thing, as long as it's a good

agreement for America. But I don't want to raise any false hopes. We were able to get this huge breakthrough on the trade in manufactured goods with these other nations, which could lead to a huge number of new jobs for America. The same thing could happen if we could get a breakthrough in our trade relations with Japan. But our job is to negotiate firmly in the interests of the United States, and we're doing that. And we'll just have to see what happens.

Russian Role in Economic Summit

Q. Mr. President, why is the G-7 not disposed to make themselves the G-8 and include Russia?

The President. Well, I think you will see more and more involvement by Russia over the next couple of years. President Yeltsin's coming here; I expect he'll be with us next year. And I don't think that this group is wedded to any particular membership. But I'm not sure it's the right time to discuss a formal expansion. But he's going to have a major role in this meeting tomorrow, and I expect him to be here next year.

Q. Isn't the statement on Bosnia somewhat disappointing?

Japan-U.S. Relations

Q. Will you have dinner tonight with Mr. Miyazawa? And what do you read into the fact that he wants to see you again for a trade agreement or—

The President. I think they are interested in moving our relationships forward. To me, it was encouraging that he invited me to dinner because we've already been together once. And I think it indicates that the Japanese do understand there has to be some change in the relationship between the United States and Japan, in both our interests.

Whether we can agree on exactly what the shape of that should be at this time, I don't know. And I'm doing the best I can to represent the interests of our country. But as I said in my speech yesterday to the university students, I also believe that the position I've taken is in the best interests of Japan. I know it's in the best interests of Japanese consumers, but it's going to help to stabilize this economy, too, if they can open their markets more and not be driven by the desire to maintain these massive trade surpluses. So we'll work at it. But I was gratified that he invited me to dinner,

and I'm going to go.

Q. Wasn't there something good to tell you?

Q. Wasn't the statement on Bosnia——

Economic Summit

Q. You had expressed some frustration with the sort of formal, stilted nature of these things, sir. Did you feel you're making any progress towards getting them——

The President. A lot. A lot.

Q. How is that working out?

The President. Well, we finished an hour early today, partly because of the extra informality. The reason we finished an hour early today is because we discussed a lot of what was on the agenda today, yesterday, when we had a more unstructured 3-hour meeting and last night during our dinner. And we agreed this afternoon to make next year's session even more informal so that we could focus on a few big things, cut out a lot of the bureaucracy and all the other stuff that goes with these summits, and really try to get a few big things done in a very informal way. So I feel good about it.

Q. Aren't you disappointed on Bosnia, Mr. President? Isn't it sort of a weak statement on Bosnia?

Japanese Crown Prince and Princess

Q. How did you like the Crown Prince?

Q. No, let me just ask—let me ask——

Press Secretary Myers. He's done.

Q. How did you like her?

The President. A lot. I had dinner with her. I liked her a lot. I liked him a lot.

Q. What did you talk about?

Press Secretary Myers. Okay, thanks, you guys. Everybody out. Come on.

Q. Give us some color.

Midwest Flooding

Q. What did they tell you about the flood——

The President. I think they've crested at the upper level. But there will be rolling floods all the way down the Mississippi. We'll just have to see what happens.

NOTE: The exchange began at 11:30 p.m. in the President's suite at the Okura Hotel.

Letter to Congressional Leaders on the Former Yugoslav Republic of Macedonia July 9, 1993

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

On June 18, 1993, the U.N. Security Council adopted Resolution 842, expanding the size of the U.N. Protection Force (UNPROFOR) in the former Yugoslav Republic of Macedonia. The Security Council acknowledged the important contribution of the existing UNPROFOR presence to stability in the region and welcomed the addition of a U.S. peacekeeping contingent to UNPROFOR in Macedonia. I have since ordered the deployment of U.S. Armed Forces to Macedonia for these purposes and am providing this report, consistent with Section 4 of the War Powers Resolution, to ensure that the Congress is kept fully informed about this important U.S. action in support of United Nations efforts in the region.

After the adoption of U.N. Security Council Resolution 795 (1992), which established the UNPROFOR Macedonia mission under Chapter

VI of the U.N. Charter, UNPROFOR deployed a Nordic battalion composed of some 700 military personnel to Macedonia in early 1993. This peacekeeping force has been stationed along the northern Macedonian border with the mandate of monitoring and reporting any developments that could signify a threat to the territory of Macedonia. Norway, Finland, and Sweden have contributed infantry companies to this battalion, which is under the U.N. command of a Danish Brigadier General.

Over the past several days, we have begun implementing plans to augment UNPROFOR Macedonia with U.S. Armed Forces, consistent with Security Council Resolution 842 and as part of the U.S. commitment to support multilateral efforts to prevent the Balkan conflict from spreading and to contribute to stability in the region. At my direction, the Chairman of the Joint Chiefs of Staff through the Commander