

needs of the country, we can't coordinate the strategy. So it's a delicate matter. And I don't wish to be seen as interfering, but I think when a bank does something that's clearly a plus for the German people and for all the rest of the world, it's not wrong for an American President to compliment it.

NOTE: The interview began at 10:45 a.m. in the Oval Office at the White House. Journalists par-

ticipating in the interview were Graham Fraser, Toronto Globe and Mail, Canada; Alain Frachon, Le Monde, France; Carola Kaps, Frankfurter Allgemeine Zeitung, Germany; Rodolfo Brancoli, Corriere Della Sera, Italy; Osamu Shima, Yomiuri Shimbun, Japan; Jurek Martin, Financial Times, United Kingdom; and Paul Horvitz, International Herald Tribune. A tape was not available for verification of the content of this interview.

Interview With Foreign Journalists July 2, 1993

Economic Summit and GATT

Q. Mr. President, I want, first of all, to thank you very much for this opportunity that, let me tell you, we have not had for several years. So, I thank you.

And first of all I want to ask you, this Tokyo trip, it's for you the first appearance on the international scene. But at the same time, the expectations have never been so low for a G-7 summit. You know the difficulties of the different countries and no trade agreement; Soviet aid, we don't know how much, how it will go. So, sir, what do you really think to accomplish?

The President. Well, let me say, first of all, I think the direction of the G-7 meeting is more important than the declaration. I think you put too much, sometimes, stock in the statement. I think it's very important that as world leaders we recommit ourselves to a strategy of global growth, to a strategy of open trade, to seriously examining the problems we are all having with creating jobs, and to dealing with the common security issues that we face. I predict that we will have a very successful meeting as regards Russia. And I still believe that we can make a lot of headway on the issues of trade and global growth.

You know, what we really need to do with all the economic problems our nations have and the political problems is to remind ourselves that these are still very great countries with enormous possibilities and a great future. And we need to sort of lift the spirits of the people and focus on what we can do instead of what we cannot do.

Security Issues

Q. With regard to the political issues, we still, as you said so many times, Mr. President, we live in still a very dangerous world with so many challenges and crises. For example, you probably knew that today three Italian peacekeepers have been killed in Somalia, a dozen injured. Sir, you go to Tokyo; have you some new ideas on how to confront this dangerous world, the challenges?

The President. Well, first of all, let me say that my trip to Tokyo is a trip to the G-7 but also to Japan and to Asia. So one of the things that I intend to do is to make absolutely clear the United States' continuing commitment to engagement in Asia. I hope that we will have some time to talk at the G-7 about some of our other problems. But I would point out that the greatest security challenge we have faced in my judgment in the last 5 months was the threat to democracy in Russia. And the G-7 met the test. We rallied behind Yeltsin. We rallied behind democracy. We supported a free market economic reform in Russia. And I hope we will do so again at the G-7.

We have not solved the problem in Bosnia, and our nations are somewhat divided about it. It is a very difficult problem. But I do have some ideas about those things that I will be discussing with the other leaders.

Japan

Q. Mr. President, let me start my question with your view on Japan. Since you took office you've mentioned Japan several times. At times you were somewhat stern, expressing its remote-

ness from an open market. At times you were generous for expressing the relationship of the most important bilateral one for the United States. Which of your assessments is true to your feeling?

The President. Both. And let me explain why. First of all, I probably have more admiration for your country in more ways than any President who has ever served. I've had the privilege of traveling to Japan many times. I actively sought Japanese companies to come to my State when I was a Governor. I believe you have a very great country with an even brighter future than your past.

I think that our relationship is based on our ability to stand up for our common security interests, to promote the values of democracy and free markets, and to have a reasonable trade relationship. I think that there are things that we need to do in our trade relationship that will benefit both of us.

I do not want to create American jobs at the expense of Japanese jobs. I think that changing the nature of the trading relationship is in the interest of both countries, and I don't think it's fair for an American President to ask another country to do something that's good for America but bad for the other country. If I didn't think it was good for both of us, I wouldn't push that. But I think we'll work that out.

And the main thing I want to say to the people of Japan is that this period of political turmoil is not a bad thing for Japan. I know it's different from what you've experienced in the last few decades, but Japan has had an astonishing amount of success with the certain political arrangement. But as the global economy changes, as the people of Japan themselves change in their aspirations, the political system will have to alter to reflect that. It is not a bad thing. It is a good thing. And the people of Japan should be, I think, very hopeful about their future.

Q. If I may follow-up, Mr. President, how and how soon this economic present strain be solved do you think?

The President. Well, I think it depends in part on the development of ideas in Japan, both within the government, both elected and civil servant personnel, and among the people themselves. But I think you will see a resolution of this. I'm not pessimistic at all about it, I'm very hopeful that we will work these things out in ways that are good for both countries. I want to emphasize that.

I've seen some of the press reports in Japan of some of my statements as if I want to protect American jobs and take Japanese jobs away. It's far more complex than that. I think that both of us have to undergo changes. Every nation represented in this circle, with the possible exception of Russia, has hounded the United States, has asked the United States for years to do something about our big Government deficit, saying that that caused a big imbalance in global trade. We are doing that. So we are trying to change. And change is not easy, and I think all of us will have to make some changes.

Q. How soon?

The President. I think it won't be long. I think we'll see—my hunch is that the capacity for adjustment in both countries is greater than we sometimes think, and I think we'll resolve this pretty quickly.

Bosnia

Q. Mr. President, may I begin by asking you about Bosnia? There's an impression that the indecisive way in which you have handled this issue is an illustration of the widening gap of trust between America and Europe. You advocated lifting the arms embargo on the Muslims and striking at some Serbian positions. And then you appeared to back away from that. Then you moved to a compromise plan for setting up safe havens. Now, that's a concept which you, yourself, described as a shooting gallery. My question is this: Are you preparing now to wash your hands of this whole affair and possibly to blame the Europeans for the failure?

The President. No. Neither one. Let me, first of all, point out what the United States has done just since I've been President. We spent a great deal of money on humanitarian aid; we have pushed hard for strengthening the embargo against Serbia; we have pushed for a number of other things to try to help resolve the situation that we have all agreed on.

I did not back away from my position, sir. Britain and France and Russia said they would not support that position within the United Nations. The United States cannot act alone under international law in this instance.

Q. It is their fault?

The President. No, they disagreed with me. It's not their fault. They disagreed. We had an honest disagreement about what the right policy to follow was. I expect as we go through time

we'll disagree about other things. I thought I could persuade them that we ought to try this because I was convinced that the reason Milosevic, Karadzic and others were making concessions to try to bring this conflict to an end is because the West was turning the pressure up.

There was an honest disagreement. The leaders of Britain and France and Russia honestly did not believe that lifting the embargo would make things better, would hasten the day of peace. We had an honest disagreement. The German Government agreed with the position I took. But it was an honest disagreement within the most complicated foreign policy problem that any of us have faced in years. I don't seek to place blame anywhere. I don't think that is productive.

When my position did not prevail and when I did not have the power to implement it unilaterally because of the U.N. embargo on arms—

Q. Sure.

The President. —all I could do is do what we did last week. I voted with many of the nonaligned nations in the United Nations, and we didn't win the battle.

Q. But Mr. President—

The President. But then I went back—when you talk about changing my position, what I did was I went back to the British, the French, and the others and I said, "Okay, what can we agree on? We don't want to say, 'Well, we didn't get our way; so we're going to go home.' We will work with you. What can we agree on?" They proposed a course that we then embarked on, and they agreed not to totally rule out lifting the arms embargo at a later date.

So I, frankly, was pleased to try to work with and to support the efforts of Europe in this regard. I didn't point the finger or blame. But we can't deny the fact that there was an honest disagreement. That doesn't mean that we should all give up.

Q. So may I, as a followup, press you on this? You see, as you say, you voted at the United Nations with Djibouti and Morocco and Pakistan and the Cape Verde Islands on this issue about the arms embargo against Britain and France. Now, the impression still, though, is that nothing very much is happening and that it's felt it's very different when the issue, say, is Iraq when the job can be done with unmanned Tomahawk cruise missiles fired from

a safe distance. There seems to be a difference of emphasis there in the urgency in the way these matters are handled.

The President. Well, I disagree with that. The difference is this: that in Iraq we had clear evidence that the government planned a terrorist attack and an assassination of a former President of the United States for actions he took as President. We clearly had the right to take action under international law, clearly.

Secondly, if you forget about that action and you look at other actions against Iraq, they were taken within the framework of the United Nations and United Nations resolutions. The United Nations operates against, if you will—the governing resolution of the United Nations is against the policy that I have advocated in Bosnia. Therefore, it would take a change in the United Nations posture to effect that policy. The United States cannot go out and violate international law or go out on its own. That is not—we have never been for that.

And we are well aware that even though our military establishment is the biggest and we are the most powerful country in the world militarily, we are well aware that when we commit ourselves to working with our neighbors, through NATO, through the U.N., through the Organization of American States, through any other group, that we have to be prepared not to always have our way just prevail overnight. That's all that happened. I care just as much about those Muslims in the heart of Bosnia as I do about any other group of people in the world. I would give anything to somehow bring an end to the ethnic cleansing, to somehow have a resolution of that. And I think that we are still talking to one another and working in good faith and trying to come to grips with that.

I do not believe, if you meant to ask me this, I do not believe that the United States or Europe should send huge numbers of soldiers there to get involved in a civil war on one side or the other. I do believe that we should use as much muscle as we can muster to try to bring a humane end to the tragedy.

But this is a tough problem. I think that's the real answer here. This is not an easy problem. And I don't want to get into finger-pointing or blame-making; that's not the point. And as far as our willingness to commit troops, you know we put troops into Somalia, and I would say to the people of Italy and to the family members of those three soldiers, you have my

gratitude and my deep condolences. But this is a difficult world. A lot of these problems are not going to be easily solved.

Russia

Q. Mr. President, Russian television. It looks like in both of our countries, in the United States and in Russia, what you see over the last few months or maybe in a short time is a growing awareness that, in spite of the fact that the cold war is over, we still have a lot of differences, that our national interests don't coincide as often as somebody would like them to do, to coincide. Now, when you meet President Yeltsin in a few days in Tokyo, on these lines what would your posture be there? How would you address these issues? And let me remind you that our Prime Minister Chernomyrdin was unable to come here because there were some differences unresolved yet.

The President. I would say first, we have a lot more in common than we have which divides us, that I am very proud of the support that the United States and, indeed, that the G-7 gave to the movement toward democracy and the fact that President Yeltsin stood up for the democratic process in Russia. And I'm proud of the courage shown by the Russian people in trying to move toward a market-oriented economy as well as to preserve democracy. And our overriding interests at the G-7 meeting in my judgment is to continue to provide assistance to Russia in that effort. And I will strongly support it.

Now, are we going to have differences of opinion from time to time? Yes, we are. I called President Yeltsin about that matter. We're trying to work it out. I still think we really need this bilateral cooperation. I want the Vice President and Prime Minister Chernomyrdin to meet and to talk about what we can do on cooperating in space, cooperating on nuclear issues, cooperating on environmental issues. And I think that will proceed. I still think all that will be done. But we're going to have differences from time to time. People disagree. That happens in life.

Q. You're talking about support. Can we expect anything significant and concrete at the G-7 concerning the aid to Russia?

The President. I certainly hope so. The United States committed \$1.6 billion at Vancouver. Over half that money has now been obligated. We have another bill moving through our Congress that deals largely with energy and nuclear

issues and environmental issues, as well as student exchanges and the attempt to privatize—assistance to privatize industry in Russia. That's \$1.8 billion. It has passed one House of our Congress overwhelmingly and will pass the other shortly.

The IMF, 2 days ago, released the first \$1.5 billion in authority to Russia. And I think you will see the G-7 agree that we ought all to contribute to a fund to help privatize industry and to start new enterprises and to do things like that. I think this G-7 meeting will be good for Russia.

Q. You think they will be cooperative, the rest of the countries?

The President. Absolutely. We're all having economic trouble, so there won't be probably as much money as I would like because of the economic difficulties that all the nations have. But I think given the problems that the people of these countries have, the commitment to do more for Russia will be clear, substantial, and generous because of all the problems all of our countries have at home.

Economic Summit and GATT

Q. Mr. President, Prime Minister Balladur has warned there will be no world trade agreement unless U.S. penalties on steel are lifted. What can the United States do in Tokyo to try to diffuse the confrontation? And do you think there is any room for a political compromise?

The President. Well, let me say, first of all, the White House had no involvement in that case. That case was developed earlier. We have a process here which is almost like a judicial process in a court for dealing with these things. Clearly, it's legal to have this kind of operation under GATT. So the legality is not in question. If the Prime Minister believes that the facts are different from the facts that were found here, obviously, we can discuss that.

My attitude about that is that all these issues ought to be subject to discussion at the G-7 meetings. I mean, one of the things that really bothers me about some of these meetings in the past is that we have all been so afraid of making a mistake, that we have all of our aides around, and we've got everything written down on paper. And if you spend all your time trying to avoid making a mistake, it's hard to make anything good happen. And so one of the things that I'm really working for at G-7 is a totally open framework where we can honestly share

with each other what we feel and how we can resolve this.

France, if I might say, France has had some truly astonishing economic accomplishments in the last 10 years, many years in which the productivity growth in France was higher than any other European country and higher than the United States' growth. And yet France has had some continuing problems with persistent high unemployment, even with high growth.

So my own view is that it's very much in the interest of France to have a GATT agreement which opens trade and gives the incredible productive capacity of France broader outlets around the world. And I don't want to do anything to stand in the way of that, but we're going to have to work through some of these issues. I think we can.

And I realize how hard it is in France or in any other country with a high unemployment rate to conduct a trade agreement, because people are afraid of change. But when you're in trouble, that's when you need to change. That's the moment when you need to change.

Global Economy

Q. Sir, you've been elected to put America back to work. Do you think the United States has a leadership responsibility in helping the world economy get back to work?

The President. Absolutely. And I do not believe that Americans can go back to work in sufficient numbers until the world begins to work more.

For example, we've created in this country in the last 5 months about 960,000 jobs. That's about the same number we created in the previous 4 years. So it looks pretty good. But our unemployment rate is still quite high here, and the wages are not growing very much. In the last 5 years, two-thirds of our jobs have come from exports, two-thirds. So it is obvious that we can't grow unless Europe grows, unless Japan grows, unless Asia grows, unless Russia becomes a market.

It is not simple generosity. Even though I think it is the right thing to do, it is not simple generosity that prompts me to try to put this money into Russia. I think who is going to be the United States customer in 5 years or 10 years? Who is going to be Europe's customer? Who is going to be Japan's customer? Look at all the people who live in Russia. Look at all the people who live in Ukraine. Look at all

the people who live in the other Republics. My job is not just to go to the G-7 meeting and negotiate for the United States. My job is to try to help us all do something that is good for the world.

U.S. Leadership

Q. Mr. President, during the campaign you talked a lot about American leadership. So far we haven't seen it. Europeans are confused about your direction in foreign policy, Iraq, Somalia, Bosnia. You didn't solve any of these problems really. How would you define your leadership role?

The President. First of all, the central challenge that we have faced since I've been President was the crisis in Russia. And the United States did lead and Europe participated in and Japan participated in an aggressive response from the advanced nations of the world in standing up for democracy and market reform in Russia. That overshadowed every other challenge that we have faced in terms of what it's going to do for our long-term interests.

And let's not be confused about that. Somalia, Iraq, Bosnia, these things are very important. That was the central challenge that will affect our interests. And we did respond, not just the United States, all of us did. And we did the right thing and so far it's had the right consequence.

With regard to Somalia, I frankly just disagree with you about that. I think the United States, under my predecessor—I can't take credit for it—he led the way for a multinational coalition to go into Somalia. We saved hundreds of thousands of lives. We restored order. Children can go to school again. People can eat. They can sleep. There are hospitals. Life is better.

Now, Somalia did not have the infrastructure of a nation. And if we stay there—we are still there; the Italians are there; others are still there—there are going to be problems. Aideed presented us a problem. We did our best to break the back of his military capacity to disrupt Somalia without appearing to go after him personally. And I think that's the right thing to do. I would like it if he were arrested but without trying to just take him out personally. I think we are on the right path in Somalia, but we have to have patience in nation-building.

With regard to Iraq, the action I took in Iraq was specifically designed to respond to the attempt to assassinate President Bush. It was the

right thing to do, I think. There are a whole set of other issues which have to do with Iraq's defiance of the U.N. resolutions. The Security Council issued a very stern warning to Iraq, and I think there will either be more compliance or some sort of appropriate action.

But again, I would say to you if you look at Iraq and you say we didn't solve that, it seems to me that the west did the right thing in not being obsessed with deposing Saddam Hussein. We acted against him because he invaded Kuwait. So he was removed from Kuwait and has been confined in a lot of the mischief he might have otherwise have wreaked. So I don't know if you can tout that as a failure.

Bosnia is a disappointment, but it is the most difficult problem, not only in Europe but in the world. We have honest disagreements among ourselves. I still have every hope that something can be done. And I have said repeatedly that the United States would be prepared to contribute to a genuine effort to maintain the peace if an agreement can be signed.

I had thought, as you know, that lifting the arms embargo would accelerate movement to a genuine peace. I still believe that. Others disagreed. That's the way it is in the world we're living in. But I am prepared to make a contribution to maintaining a genuine settlement in Bosnia. I do not believe the West should send in huge numbers of troops to get involved in trying to fight all three sides in a civil war. That's not what I think we should do.

Germany

Q. The German Bundestag decided today that Germans also can stay in Somalia.

The President. I'm very grateful for that.

Q. Do you expect Germany to make their troops available for peacekeeping and peace-making missions, or is this perhaps the price Germany has to pay for a seat at the Security Council?

The President. Well, as you know, I favor a seat for Germany and for Japan in the Security Council. I think they are great economic powers. I think they have been responsible international political citizens, and they are leaders. I do not think I should involve myself too much in the internal politics of Germany over this issue except to say that as President I am profoundly grateful for the position that Chancellor Kohl has taken on these issues and the willingness of the German people to support involvement

in Somalia, to try to help insofar as they could in Bosnia. And I think it is very hopeful for the future.

I think all of us will have to get into more of these difficult situations like Somalia that have no easy immediate answer if we're going to try to help. If we can reach an agreement in Bosnia and we wind up sending troops there as a result of a peace agreement, there still will be ragged edges to it and difficult moments.

NAFTA

Q. Mr. President, I'd like to turn if I could to the issue of the North American Free Trade Agreement. As you know, there was a U.S. court ruling this week that said that NAFTA could do serious damage to the environment and ordering your administration to conduct an environmental impact review. You've decided to appeal that decision. What happens if you lose the appeal? Are you going to at that point bull ahead with NAFTA and ignore the court order?

The President. Well, in our country we can't ignore court orders. But, first of all, we announced that we would appeal within the hour of the decision. And we believe we will win. We also are exploring other options for compliance that would not delay the treaty, and we are proceeding full-speed ahead.

But the irony of this is that, as you know, this administration has taken some extra time with NAFTA to try to conclude environmental agreements that would make it absolutely clear that the NAFTA agreement would improve the environment on both sides of the border. So this is a delaying tactic but does not square with the facts. NAFTA will help us to improve the environment on both sides of the border. That's what we're negotiating so hard with the Mexicans on, and the Canadians have been supportive of the idea that we ought to try to make sure that there's no environmental degradation. So I still think we can pass it. And we're going to work on it.

Q. In more general terms, I think you'd agree that NAFTA's in considerable trouble in Congress and with American public opinion. At what point are you going to get out and start aggressively selling this agreement, rather than leaving it to Ross Perot and other critics of NAFTA to make the running on it?

The President. Well, first of all, I've had a very consistent and clear public position on it. But I can only undertake one major battle at

a time. And right now, I've got to pass this big budget and economic program. It's a dramatic change from the last 12 years of economic policy in the U.S. It's tough. It's controversial. We're going to do it, I think. But that will be over soon.

Then the second thing is, in order to sell it, we have to define exactly what "it" is, which means that we have to conclude our negotiations on the supplemental agreement. We'll do that soon. And then I'll be out there working hard to sell it. We have the votes, I believe, in the Senate to pass it. We do not have the votes in the House to pass it. I think we can get the votes when we point out it will create jobs, not cost jobs. If we don't do it, it will really be difficult. And all the things people worry about, you know, jobs going to Mexico, that

can all happen today. It has nothing to do with NAFTA.

Q. Mr. President, our time is over. We thank you very much.

The President. Thank you.

NOTE: The interview began at 11:30 a.m. in the Roosevelt Room at the White House. In the interview, the President referred to Slobodan Milosevic, President of Serbia; Radovan Karadzic, leader of the Bosnian Serbs; and Somali warlord Mohamed Farah Aideed. Journalists participating in the interview were Hidetoshi Fujisawa, NHK, Japan; Trevor McDonald, ITN, United Kingdom; Sergei Goryachev, Ostankino, Russia; David Halton, CBC, Canada; Jean-Marc Illouz, France TV II; Jochen Schweizer, ARD, Germany; and Giuseppe Lugato, RAI TV I, Italy.

Letter to Congressional Leaders on Trade With Romania July 2, 1993

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

In accordance with section 407 of the Trade Act of 1974 (Public Law 93-618, January 3, 1975; 88 Stat. 1978), as amended (the "Trade Act"), I am transmitting a copy of a proclamation that extends nondiscriminatory treatment to the products of Romania. I also enclose the text of the "Agreement on Trade Relations Between the Government of the United States of America and the Government of Romania," including exchanges of letters that form an integral part of the Agreement, which was signed on April 3, 1992, and which is included as an annex to the proclamation.

The Agreement will provide a nondiscriminatory framework for our bilateral trade relations and thus strengthen both economic and political relations between the United States and Romania. Conclusion of this Agreement is an important step we can take to provide greater economic benefits to both countries. It will also give further impetus to the progress we have made in our overall diplomatic relations since last year and help to reinforce political and economic reform in Romania. In that context, the United States is encouraging Romania to continue to strive for a democratic, pluralistic society, particularly through the conduct of early, free, and fair national elections.

I believe that the Agreement is consistent with both the letter and the spirit of the Trade Act. It provides for mutual extension of non-discriminatory tariff treatment while seeking to ensure overall reciprocity of economic benefits. It includes safeguard arrangements to ensure that our trade with Romania will grow without causing disruption to the U.S. market and consequent injury to domestic firms or loss of jobs for American workers.

The Agreement also confirms and expands for American businesses certain basic rights in conducting commercial transactions both within Romania and with Romanian nationals and business entities. Other provisions include those dealing with settlement of commercial disputes, financial transactions, and government commercial offices. Through this Agreement, Romania also undertakes obligations to modernize and upgrade very substantially its protection of intellectual property rights. Once fully implemented, the Romanian intellectual property regime will be on a par with that of our principal industrialized trading partners. This Agreement will not alter U.S. law or practice with respect to the protection of intellectual property.

On August 17, 1991, President Bush waived