

July 9 / Administration of William J. Clinton, 1994

dom Square in Riga, Latvia, waving American flags and looking to us with hope and admiration. We should see ourselves as they see us, a nation of doers, of optimists, a nation with a future, leading the world to a future of peace and prosperity.

Visiting Eastern Europe reminds us of the remarkable changes that we must deal with every day. The global economy has the power

to remake our lives for the better, if we make those changes work for our people. If we move forward with our successful strategy for economic growth, we'll do just that.

Thanks for listening.

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

Exchange With Reporters on North Korea in Naples, Italy July 9, 1994

The President. Good morning.

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

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

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

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

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

NOTE: The exchange began at approximately 9:15 a.m. at the Hotel Vesuvio. A tape was not available for verification of the content of this exchange.

Statement on the Death of President Kim Il-song of North Korea July 9, 1994

On behalf of the people of the United States, I extend sincere condolences to the people of North Korea on the death of President Kim

Il-song. We appreciate his leadership in resuming the talks between our Governments. We hope they will continue as appropriate.

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

The President. Thank you very much. First, I would like to thank Prime Minister Berlusconi for his able leadership of this meeting over the last day and an evening and to say that Secretary

Christopher and Secretary Bentsen will also be here to answer your questions in a few moments.

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

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

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

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

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

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

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

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

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

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

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

To that end, the communique commits us to focus on two questions in Halifax next year. First, we will ask how we can assure that the global economy of the 21st century provides the

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

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

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

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

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

North Korea

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

The President. Well, I can tell you what we've learned today. We have learned today that, apparently, the North Koreans desire to continue

on with the summit with South Korea and that, while they did ask that we suspend our talks with them, they asked that our representatives stay in Geneva. And we agreed to do that. So we believe that they will stay with their policy and stay with their course, that this reflects the feelings of the leadership in North Korea and not simply the feelings of Kim Il-song.

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

Q. And Kim Il-song's son?

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

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

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

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

Q. Mr. President, as a gesture of this new openness and willingness to work, are you going

to offer to send an official U.S. delegation to the funeral, and have you got any idea of who would be in such a delegation?

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

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

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

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

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

South Korea

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

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

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

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

Economic Summit

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

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

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

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

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

So I felt very good about that, because there were some here who thought we should not be so explicit about what we were going to do for fear that we might not be able to do

it if a reform program did not take place. Well, everybody understands that. We can't just throw money at a problem, we have to have a reform program.

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

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

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

Are they adequate for the problems we face today and tomorrow? And if not, how do we need to change them? This is a very practical thing. You see it here when we—you see the first example of it here when tomorrow Russia comes here as our partner in a G-8 for political purposes. But that's just one example of a whole slew of questions that have to be asked and answered if we're going to get from where we are to where we want to be 20 years from now. So I would say all those things make a lot a sense to me.

In terms of the trade issue, every member of the G-7 except one affirmatively said they agreed with my trade proposal. One country said that this could complicate—if we raise another trade issue now, that approval of GATT in his country was not a foregone conclusion and approval of GATT in one or two other European countries was not a foregone conclusion and we shouldn't do anything that would impair the near certainty that we can drive through GATT approval in all the major countries this year. I clearly agree with that. That has got to be our number one goal. So I still felt very good about this G-7 summit.

Japan-U.S. Trade

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

On another track, we've twice threatened trade sanctions, once on textiles with China; we got immediate results, once on cellular phone with Japan; we got immediate results. Is there a lesson there? Is it time for us to start acting on our interests and not waiting for Japan to finally get a government that can deal with us in a serious way?

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

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

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

I think we may be able to make some progress on the framework talks. But I agree that we also have to pursue specific issues.

Press Secretary Myers. Last question.

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

North Korea

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

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

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

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

hood, and to ourselves, as long as North Korea maintains its commitment to freeze the important elements of its nuclear program, the reprocessing and the refueling. And so we are proceeding ahead on both fronts, as I think it should.

Q. [*Inaudible*]*—nuclear weapons—*

The President. We are engaging in the talks. One of the issues in the talks is what's happened to the fuel since 1989. That's the subject of the talks and part of the request for the inspections. What has been reported in the press, varying opinions of intelligence agencies, represents their best judgment, their—I don't want to use the word "guess," but there are differences of opinion based on best judgment. No one knows that for sure. That's what the talks are for, in part.

Terrorism in Algeria

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

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

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

Thank you very much.

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