

Letter to Congressional Leaders Transmitting a Report on Haiti April 10, 1995

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

Attached, pursuant to section 3 of Public Law 103-423, is the sixth monthly report on the situation in Haiti.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Strom Thurmond, President pro tempore of the Senate.

The President's News Conference With Prime Minister Benazir Bhutto of Pakistan April 11, 1995

The President. Please be seated. Good afternoon. It's a great pleasure for me to welcome Prime Minister Bhutto to the White House. I'm especially pleased to host her today because of the tremendous hospitality that the Prime Minister and the Pakistani people showed to the First Lady and to Chelsea on their recent trip.

I've heard a great deal about the visit, about the people they met, their warm welcome at the Prime Minister's home, about the dinner the Prime Minister gave in their honor. The food was marvelous, they said, but it was the thousands of tiny oil lamps that lit the paths outside the Red Fort in Lahore that really gave the evening its magical air. I regret that here at the White House I can only match that with the magic of the bright television lights. [*Laughter*]

Today's meeting reaffirms the longstanding friendship between Pakistan and the United States. It goes back to Pakistan's independence. At the time, Pakistan was an experiment in blending the ideals of a young democracy with the traditions of Islam. In the words of Pakistan's first President, Mohammed Ali Jinnah, "Islam and its idealism have taught us democracy. It has taught us the equality of man, justice, the fair play to everybody. We are the inheritors of the glorious traditions and are fully alive to our responsibilities and obligations." Today, Pakistan is pursuing these goals of combining the practice of Islam with the realities of democratic ideals, moderation, and tolerance.

At our meetings today, the Prime Minister and I focused on security issues that affect Pakistan, its neighbor India, and the entire South Asian region. The United States recognizes and respects Pakistan's security concerns. Our close relationships with Pakistan are matched with growing ties with India. Both countries are friends of the United States, and contrary to some views, I believe it is possible for the United States to maintain close relations with both countries.

I told the Prime Minister that if asked, we will do what we can to help these two important nations work together to resolve the dispute in Kashmir and other issues that separate them. We will also continue to urge both Pakistan and India to cap and reduce and finally eliminate their nuclear and missile capabilities. As Secretary Perry stressed during his visit to Pakistan earlier this year, we believe that such weapons are a source of instability rather than a means to greater security. I plan to work with Congress to find ways to prevent the spread of nuclear weapons and to preserve the aims of the Pressler amendment, while building a stronger relationship with a secure, more prosperous Pakistan. Our two nations' defense consultative group will meet later this spring.

In our talks the Prime Minister and I also discussed issues of global concern, including peacekeeping and the fight against terrorism and narcotics trafficking. I want to thank Prime Minister Bhutto and the Pakistani officers and soldiers who have worked so closely with us in

many peacekeeping operations around the globe, most recently in Haiti, where more than 800 Pakistanis are taking part in the United Nations operation.

On the issue of terrorism, I thank the Prime Minister for working with us to capture Ramzi Yusuf, one of the key suspects in the bombing in the World Trade Center. We also reviewed our joint efforts to bring to justice the cowardly terrorist who murdered two fine Americans in Karachi last month. I thanked the Prime Minister for Pakistan's effort in recent months to eradicate opium poppy cultivation, to destroy heroin laboratories, and just last week, to extradite two major traffickers to the United States. We would like this trend to continue.

Finally, the Prime Minister and I discussed the ambitious economic reform and privatization programs she has said will determine the well-being of the citizens of Pakistan and other Moslem nations. Last year, at my request, our Energy Secretary, Hazel O'Leary, led a mission to Pakistan which opened doors for many U.S. firms who want to do business there. Encouraged by economic growth that is generating real dividends for the Pakistani people, the United States and other foreign firms are beginning to commit significant investments, especially in the energy sector. I'm convinced that in the coming years, the economic ties between our peoples will grow closer, creating opportunities, jobs and profits for Pakistanis and Americans alike.

Before our meetings today, I was reminded that the Prime Minister first visited the White House in 1989 during her first term. She left office in 1990, but then was returned as Prime Minister in free and fair elections in 1993. Her presence here today testifies to her strong abilities and to Pakistan's resilient democracy. It's no wonder she was elected to lead a nation that aims to combine the best of the traditions of Islam with modern democratic ideals. America is proud to claim Pakistan among her closest friends.

Madam Prime Minister.

Prime Minister Bhutto. Mr. President, ladies and gentlemen: I'd like to begin by thanking the President for his kind words of support and encouragement.

Since 1989, my last visit to Washington, both the world and Pak-U.S. relations have undergone far-reaching changes. The post-cold-war era has brought into sharp focus the positive role that Pakistan, as a moderate, democratic,

Islamic country of 130 million people, can play, and the fact that it is strategically located at the tri-junction of South Asia, Central Asia, and the Gulf, a region of both political volatility and economic opportunity.

Globally, Pakistan is active in U.N. peacekeeping operations. We are on the forefront of the fight against international terrorism, narcotics, illegal immigration, and counterfeit currency. We remain committed to the control and elimination of weapons of mass destruction as well as the delivery systems on a regional, equitable, and nondiscriminatory basis.

Since 1993, concerted efforts by Pakistan and the United States to broaden the base of bilateral relations have resulted in steady progress. In September 1994, in a symbolic gesture, the United States granted Pakistan about \$10 million in support for population planning. This was announced by the Vice President at the Cairo summit on population planning. This was followed by the Presidential mission led by Energy Secretary Hazel O'Leary, which resulted in agreement worth \$4.6 billion being signed. And now, during my visit here, we are grateful to the administration and the Cabinet Secretaries for having helped us sign \$6 billion more of agreements between Pakistan and the United States.

During the Defense Secretary's visit to Pakistan in January 1995, our countries decided to revive the Pakistan-United States Defense Consultative Group. And more recently, we had the First Lady and the First Daughter visit Pakistan, and we had an opportunity to discuss women's issues and children's issues with the First Lady. And we found the First Daughter very knowledgeable. We found Chelsea very knowledgeable on Islamic issues. I'm delighted to learn from the President that Chelsea is studying Islamic history and has also actually read our holy book, the Koran Shariah.

I'm delighted to have accepted President Clinton's invitation to Washington. This is the first visit by a Pakistani Chief Executive in 6 years. President Clinton and I covered a wide range of subjects, including Kashmir, Afghanistan, Central Asia, Gulf, Pakistan-India relations, nuclear proliferation, U.N. peacekeeping, terrorism, and narcotics.

I briefed him about corporate America's interest in Pakistan, which has resulted in the signing of \$12 billion worth of MOU's in the last 17 months since our government took office. I

urged an early resolution of the core issue of Kashmir, which poses a great threat to peace and security in our region. It has retarded progress on all issues, including nuclear and missile proliferation. A just and durable solution is the need of the hour, based on the wishes of the Kashmiri people, as envisaged in the Security Council resolutions. Pakistan remains committed to engage in a substantive dialog with India to resolve this dispute but not in a charade that can be used by our neighbor to mislead the international community. I am happy to note that the United States recognizes Kashmir as disputed territory and maintains that a durable solution can only be based on the will of the Kashmiri people.

Pakistan asked for a reassessment of the Pressler amendment, which places discriminatory sanctions on Pakistan. In our view, this amendment has been a disincentive for a regional solution to the proliferation issue. Pakistan has requested the President and the administration to resolve the problem of our equipment, worth \$1.4 billion, which is held up. I am encouraged by my discussions with the President this morning and the understanding that he has shown for Pakistan's position. I welcome the Clinton administration's decision to work with Congress to revise the Pressler amendment.

Thank you, Mr. President.

The President. Thank you.

Terry [Terence Hunt, Associated Press].

Pressler Amendment

Q. Mr. President, you both mentioned the Pressler amendment, but I'm not sure what you intend to do. Will you press Congress to allow Pakistan to receive the planes that it paid for or to get its money back?

The President. Let me tell you what I intend to do. First of all, I intend to ask Congress to show some flexibility in the Pressler amendment so that we can have some economic and military cooperation. Secondly, I intend to consult with them about what we ought to do about the airplane sale.

As you know, under the law as it now exists, we cannot release the equipment. It wasn't just airplanes; it was more than that. We cannot release the equipment. However, Pakistan made payment. The sellers of the equipment gave up title and received the money, and now it's in storage. I don't think what happened was fair

to Pakistan in terms of the money. Now under the law, we can't give up the equipment. The law is clear. So I intend to consult with the Congress on that and see what we can do.

I think you know that our administration cares very deeply about nonproliferation. We have worked very hard on it. We have lobbied the entire world community for an indefinite extension of the NPT. We have worked very hard to reduce the nuclear arsenals of ourselves and Russia and the other countries of the former Soviet Union. We are working for a comprehensive test ban treaty. We are working to limit fissile material production. We are working across the whole range of issues on nonproliferation. But I believe that the way this thing was left in 1990 and the way I found it when I took office requires some modification, and I'm going to work with the Congress to see what progress we can make.

Kashmir

Q. Mr. President, what was your response to Pakistan's suggestion that the United States would play an active role in the solution of the Kashmir issue?

The President. The United States is willing to do that, but can, as a practical matter, only do that if both sides are willing to have us play a leading role. A mediator can only mediate if those who are being mediated want it. We are more than willing to do what we can to try to be helpful here.

And of course, the Indians now are talking about elections. It will be interesting to see who is eligible to vote, what the conditions of the elections are, whether it really is a free referendum of the people's will there. And we have encouraged a resolution of this. When Prime Minister Rao was here, I talked about this extensively with him. We are willing to do our part, but we can only do that if both sides are willing to have us play a part.

Helen [Helen Thomas, United Press International].

Nuclear Nonproliferation

Q. Madam Prime Minister, why do you need nuclear weapons? And Mr. President, don't you weaken your case to denuclearize the world when you keep making exceptions?

Prime Minister Bhutto. We don't have nuclear weapons. I'd like to clarify that, that we have no nuclear weapons. And this is our decision to demonstrate our commitment to—

Q. But you are developing them?

Prime Minister Bhutto. No. We have enough knowledge and capability to make and assemble a nuclear weapon, but we have voluntarily chosen not to either assemble a nuclear weapon, to detonate a nuclear weapon, or to export technology. When a country doesn't have the knowledge and says it believes in nonproliferation, I take that with a pinch of salt. But when a country has that knowledge—and the United States and other countries of the world agree that Pakistan has that knowledge—and that country does not use that knowledge to actually put together or assemble a device, I think that that country should be recognized as a responsible international player which has demonstrated restraint and not taken any action to accelerate our common goals of nonproliferation.

The President. On your question about making an exception, I don't favor making an exception in our policy for anyone. But I think it's important to point out that the impact of the Pressler amendment is directed only against Pakistan. And instead, we believe that in the end we're going to have to work for a nuclear-free subcontinent, a nuclear-free region, a region free of all proliferation of weapons of mass destruction. And the import of the amendment basically was rooted in the fact that Pakistan would have to bring into its country, would have to import the means to engage in an arms race, whereas India could develop such matters within its own borders.

The real question is, what is the best way to pursue nonproliferation? This administration has an aggressive, consistent, unbroken record of leading the world in the area of nonproliferation. We will not shirk from that. But we ought to do it in a way that is most likely to achieve the desired results. And at any rate, that is somewhat different from the question of the catch-22 that Pakistan has found itself in now for 5 years, where it paid for certain military equipment we could not, under the law, give it after the previous administration made a determination that the Pressler amendment covered the transaction, but the money was received, given to the sellers, and has long since been spent.

Q. But will you get a commitment from them to sign the Non-Proliferation Treaty?

The President. I will say again, I am convinced we're going to have to have a regional solution

there, and we are working for that. But we are not making exceptions.

Let me also make another point or two. We are not dealing with a country that has manifested aggression toward the United States in this area. We're dealing with a country that just extradited a terrorist or a suspected terrorist in the World Trade Center bombing; a country that has taken dramatic moves in improving its efforts against terrorism, against narcotics, that has just deported two traffickers—or extradited two traffickers to the United States; a country that has cooperated with us in peacekeeping in Somalia, in Haiti, and other places.

We are trying to find ways to fulfill our obligations, our legal obligations under the Pressler amendment, and our obligation to ourselves and to the world to promote nonproliferation and improve our relationships across the whole broad range of areas where I think it is appropriate.

Prime Minister Bhutto. May I just add that as far as we in Pakistan are concerned, we have welcomed all proposals made by the United States in connection with the regional solution to nonproliferation, and we have given our own proposals for a South Asia free of nuclear weapons and for a zero missile regime. So we have been willing to play ball on a regional level. Unfortunately, it's India that has not played ball. And what we are asking for is a leveling of the playing field so that we can attain our common goals of nonproliferation of weapons of mass destruction.

Kashmir

Q. Mr. President, why has the United States toned down its criticism of India's human rights violations in Kashmir—why has the United States toned down its criticism of India's human rights violations in Kashmir?

The President. I'm sorry, sir. I'm hard of hearing. Could you—

Q. Why has the United States toned down criticism of India's human rights violations in Kashmir?

The President. There's been no change in our policy there. We are still trying to play a constructive role to resolve this whole matter. That is what we want. We stand for human rights. We'd like to see this matter resolved. We are willing to play a mediating role. We can only do it if both parties will agree. And we would like very much to see this resolved.

Obviously, if the issue of Kashmir were resolved, a lot of these other issues we've been discussing here today would resolve themselves. At least, I believe that to be the case. And so, we want to do whatever the United States can do to help to resolve these matters because so much else depends on it, as we have already seen.

Self-Employed Health Insurance Legislation

Q. Mr. President, a domestic question on the bill you signed today for health insurance for the self-employed. Other provisions in that bill send a so-called wrong message on issues like affirmative action, a wrong message on wealthy taxpayers. Why then did you sign it as opposed to sending it back? Were you given any kind of signal that this was the best you'd get out of conference?

The President. Well, no. I signed the bill because—first of all, I do not agree with the exception that was made in the bill. I accept the fact that the funding mechanism that's in there is the one that's in there, and I think it's an acceptable funding mechanism. I don't agree with the exception that was made in the bill. And it's a good argument for a line-item veto that applies to special tax preferences as well as to special spending bills. If we had the line-item veto, it would have been a different story.

But I wanted this provision passed last year, and the Congress didn't do it. I think it's a downpayment on how we ought to treat the self-employed in our country. Why should corporations get a 100 percent deductibility and self-employed people get nothing or even 25 percent or 30 percent? I did it because tax day is April 17th, and these people are getting their records ready, and there are millions of them, and they are entitled to this deduction. It was wrong for it ever to expire in the first place.

Now, I also think it was a terrible mistake for Congress to take the provision out of the bill which allows—which would have required billionaires to pay taxes on income earned as American citizens and not to give up their citizenship just to avoid our income tax. But that can be put on any bill in the future. It's hardly a justification to veto a bill that something unrelated to the main subject was not in the bill. It is paid for.

This definitely ought to be done. It was a bad mistake by Congress. But that is not a jus-

tification to deprive over 3 million American business people and farmers and all of their families the benefit of this more affordable health care through this tax break.

Pakistan-U.S. Relations

Q. Mr. President, don't you think that the United States is giving wrong signals to its allies by dumping Pakistan, who has been an ally for half a century, in the cold after the Iran war?

The President. First of all, sir, I have no intention of dumping Pakistan. Since I've been President, we have done everything we could to broaden our ties with Pakistan, to deepen our commercial relationships, our political relationships, and our cooperation. The present problem we have with the fact that the Pressler amendment was invoked for the first—passed in 1985, invoked for the first time in 1990, and put Pakistan in a no-man's land where you didn't have the equipment and you'd given up the money. That is what I found when I became President. And I would very much like to find a resolution of it.

Under the amendment, I cannot—I will say again—under the law, I cannot simply release the equipment. I cannot do that lawfully. Therefore, we are exploring what else we can do to try to resolve this in a way that is fair to Pakistan. I have already made it clear to you—and I don't think any American President has ever said this before—I don't think it's right for us to keep the money and the equipment. That is not right. And I am going to try to find a resolution to it. I don't like this.

Your country has been a good partner, and more importantly, has stood for democracy and opportunity and moderation. And the future of the entire part of the world where Pakistan is depends in some large measure on Pakistan's success. So we want to make progress on this. But the United States (a) has a law and (b) has large international responsibilities in the area of nonproliferation which we must fulfill.

So I'm going to do the very best I can to work this out, but I will not abandon Pakistan. I'm trying to bring the United States closer to Pakistan, and that's why I am elated that the Prime Minister is here today.

Prime Minister Bhutto. And I'd like to say that we are deeply encouraged by the understanding that President Clinton has shown of the Pakistan situation vis-a-vis the equipment and vis-a-vis the security needs arising out of

the Kashmir dispute and also that Pakistan is willing to play ball in terms of any regional situation.

We welcome American mediation to help resolve the Kashmir dispute. We are very pleased to note that the United States is willing to do so, if India responds positively. And when my President goes to New Delhi next month, this is an issue which he can take up with the Prime Minister of India. But let's get down to the

business of settling the core dispute of Kashmir so that our two countries can work together with the rest of the world for the common purpose of peace and stability.

The President. Thank you.

NOTE: The President's 92d news conference began at 1:50 p.m. in the Cross Hall at the White House. In his remarks, he referred to Prime Minister P.V. Narasimha Rao of India.

Statement on Signing Self-Employed Health Insurance Legislation

April 11, 1995

Today I have signed into law H.R. 831, the "Self-Employed Health Insurance Act," that extends permanently the tax deductibility of health insurance premiums for the self-employed and their dependents.

The Tax Reform Act of 1986 (Public Law 99-514) provided a 25 percent tax deduction for health insurance premiums for the self-employed and their dependents. However, this deduction expired on December 31, 1993. This Act reinstates the 25 percent tax deduction for health insurance premiums for 1994 and permanently increases that deduction to 30 percent beginning in 1995.

I strongly support the permanent extension of this deduction. This Act will permit 3.2 million self-employed individuals to claim this deduction for health insurance premiums on their income tax returns, beginning with returns filed for 1994. By making this deduction permanent, we are treating the self-employed more like other employers—as they should be.

The increase in the deduction to 30 percent is a step in the right direction. In 1993, in the Health Security Act, I proposed an increase in the deduction to 100 percent. Increasing the amount of the deduction will make health insurance more affordable for self-employed small business people who are today paying some of the highest insurance premiums in the Nation.

In approving H.R. 831, however, I must note my regret that the bill contains a provision that repeals, as of January 17, 1995, the current tax treatment for the sale or exchange of radio and television broadcast facilities and cable television

systems to minority-owned businesses (so-called "section 1071 benefits").

My Administration has undertaken a comprehensive review of affirmative action programs, including certain aspects of the section 1071 benefits. The Act has unfortunately preempted the Administration's ability to examine section 1071 in the context of this comprehensive review.

I am also concerned that, in repealing section 1071 benefits, a highly objectionable provision was added to H.R. 831 in conference. This provision will permit certain pending applicants to receive section 1071 benefits, while denying them to other pending applicants. This is a perfect example of where a President could use line-item veto authority to weed out objectionable special interest provisions. I urge the Congress to appoint conferees and move forward expeditiously with line-item veto legislation that provides authority—this year—to eliminate special interest tax and spending provisions.

Finally, I regret that the conferees on the part of the House of Representatives objected to including in H.R. 831 a provision that would have closed a tax loophole for the wealthy. This provision, which was in the Senate-passed version of the bill, closely resembled a provision I proposed in my FY 1996 Budget. The provision would have prevented wealthy Americans from avoiding their U.S. tax obligations by renouncing their citizenship.

Despite these concerns, I am signing H.R. 831 because of the very important benefits this