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have an ample opportunity to ask us about them later this afternoon.

Thank you.

NOTE: The President spoke at approximately 11:30 a.m. in the Cabinet Room at 10 Downing Street, prior to a meeting with Prime Minister Tony Blair of the United Kingdom.

The President's News Conference With Prime Minister Tony Blair of the United Kingdom in London

May 29, 1997

Prime Minister Blair. Good afternoon, ladies and gentlemen. The President and I have ranged over many subjects in the hours we have had together, and we intend to continue those discussions later today.

We've discussed Bosnia and our continuing efforts to work together in addressing one of the most pressing crises on the international agenda. We've discussed, obviously, Northern Ireland and our determination to do all that we can to bring about the cease-fire that will allow all-party talks to proceed in the best possible climate and that a cease-fire is genuine and credible with all the parties there. We agreed that NATO is and will remain the cornerstone of Europe's defense. And I was grateful, too, for the President's expression of continuing support on Hong Kong. We agreed, too, that Britain does not need to choose between being strong in Europe or being close to the United States of America but that by being strong in Europe we will further strengthen our relationships with the U.S.

President Clinton will have more to say on these and other issues in a moment. But we agreed, too, and have for some time, that this is a new era which calls for a new generation politics and a new generation leadership. This is the generation that prefers reason to doctrine, that is strong in ideals but indifferent to ideology, whose instinct is to judge government not on grand designs but by practical results. This is the generation trying to take politics to a new plateau, seeking to rise above some of the old divisions of right and left. It is what, on my last visit to the United States to meet the President, I described as the radical center of politics.

The soil is the same, the values of progress, justice, of a one nation-country in which ambition for oneself and compassion for others can

live easily together. But the horizons are new; the focus and agenda are also new.

We discussed how this is the generation that claims education, skills, and technology as the instruments of economic prosperity and personal fulfillment, not all battles between state and market. This is the generation that believes in international engagement, in our nations being stronger by being open to the world, not in isolationism. This is the generation that knows that it will fall to us to modernize the New Deal and the welfare state, to replace dependency by independence. This is the generation, too, searching for a new set of rules to define citizenship for the 21st century, intolerant of crime but deeply respectful and tolerant towards those of different races, colors, class, and creed, prepared to stand up against discrimination in all its guises. This is the generation, too, that celebrates the successful entrepreneur but knows that we cannot prosper as a country unless we prosper together, with no underclass of the excluded shut out from society's future. It's a generation that puts merit before privilege, which cares more about the environment than about some outdated notion of class war. New times, new challenges, the new political generation must meet them.

So yes, we discussed the pressing issues of diplomacy and statesmanship and peace in troubled parts of our world. But perhaps just as important was our discussion of this new agenda for the new world in which we find ourselves. We agreed that our priority as political leaders must indeed be education, education, education, flexible labor markets, welfare reform, partnership with business.

In Europe in particular, we need to reduce long-term and youth unemployment, both of which are unacceptably high. The U.S. has been more successful in creating jobs, but it too faces

new challenges in seeking to assure opportunity for all its citizens.

The United States has the presidency of the G-8 in 1997. In 1998, Britain has the presidency both of the European Union and the G-8. We have agreed today to a common agenda and a shared determination to identify what action needs to be taken to tackle the problems we all face, to identify what reforms have worked where, what reforms have failed, and how we can learn the lessons both of success and of failure. As part of this process, Britain will host a G-8 conference of finance and social affairs ministers in the early months of our G-8 presidency next year, and the Chancellor of the Exchequer will be announcing further details today.

We have a shared language. We have a shared outlook on many of the issues that face us. We are determined, too, to share our ideas, our expertise, and our commitment to a new era of cooperation and of understanding.

Thank you.

President Clinton.

President Clinton. Thank you very much, Prime Minister. First, let me say it's an honor and a pleasure to be here today. I've looked forward to this for a long time. I have read countless articles about how Prime Minister Blair and I have everything in common, and I'm still looking for my 179-seat majority. I have been all ears in trying to get the advice about how such a thing might be achieved.

On a more serious note, let me say that one of the most important and meaningful responsibilities of any American President is to carry forward the unique partnership between the United States and the United Kingdom. Over the last 50 years, our unbreakable alliance has helped to bring our people unparalleled peace and prosperity and security. It's an alliance based on shared values and common aspirations.

In the last 4 years, I was privileged to lead the United States in pursuing that partnership. I had a good and productive relationship with Prime Minister Major, and I am very much looking forward to working with Tony Blair. I have asked him in pursuance of this to come to Washington as early as is convenient for both of us, and I expect that there will be an official visit pretty soon. And I know that the people of the United States are looking forward to having him there.

I have been impressed by the determination of the Prime Minister and his Cabinet to prepare this nation for the next century, to focus on economic growth, to make education the number one priority because, without it, you can't guarantee every person in any country the chance to compete and succeed in the world toward which we're moving. I have been impressed by his understanding that in order for the United Kingdom to fulfill its historic leadership role in Europe and the rest of the world, the needs and concerns of the people here at home have to be adequately addressed.

As you know, this corresponds with my own views. Our first task must always be to expand opportunities for our own citizens, to expect them to behave in a responsible manner, and to recognize that we have to maintain a community in which people's differences are respected but in which their shared values are more important.

We talked about how we could work together to shape a peace for the coming generation. We reviewed our efforts to complete the work that began 50 years ago with the Marshall plan: building an undivided, peaceful Europe for the first time in history, through NATO's enlargement through its new partnership with Russia, its new agreement with Ukraine; a strengthened Partnership For Peace; an expanding European Union that reaches out to Europe's newly free nations.

We agreed on the importance, as he has already said, of helping the parties in Bosnia fulfill their commitments under the Dayton accord and continuing our support for all elements of it.

We discussed Northern Ireland. As all of you know, when I visited Northern Ireland 18 months ago, I was profoundly moved by the palpable desire of people in both communities for peace. I applaud the Prime Minister's initial efforts in this regard. There is a sense of hope and reassurance that has been conveyed here. And I know that he is committed in partnership with the Irish Government to bring about a lasting resolution to the conflict.

The goal of this peace process is inclusive talks because they are the ones most likely to succeed. But I have said before, and I'd like to say again, that can only succeed if there is an unequivocal cease-fire in deed and in word. Again, I urge the IRA to lay down their guns

for good and for all parties to turn their efforts to building the peace together.

The concerns we share extend far beyond our borders. Today's global challenges require global responses. Indeed, one of the reasons that we are working so hard to organize NATO in the proper way, to unify Europe in the proper way, is so that our nations will all be prepared to meet the challenges to our security in the new century which cross national lines: terrorism, international crime, weapons proliferation, and obviously, global environmental degradation. More and more, we are focusing our attention on these challenges. Again, we are going to deepen our cooperation between our two nations and in the forums in which we're members. I am very pleased with the proposal that the Prime Minister has made to pursue an economic agenda within the Group of Eight, and I intend to support that.

Let me say, finally, that we discussed Hong Kong, and I commended the United Kingdom to work to implement the word and the spirit of the 1984 agreement. All of us who care about the future of Hong Kong have a stake in making sure the agreement is fully met. We will keep faith with the people of Hong Kong by monitoring the transition to make sure that civil liberties are retained, that democratic values and free market principles are maintained. Those are the things for which the United Kingdom and the United States stand, and those are the things that the agreement guarantees.

This is a hopeful time for the people of the United Kingdom and for the people of the United States. It is a hopeful time for the world. More people live free and have the chance to live out their dreams than ever before in human history. But we face daunting new challenges, and we have to face them together. I say repeatedly to the American people, we may be at the point of our greatest relative influence in the world after the cold war, but we can exercise that influence only if we acknowledge our interdependence on like-minded people with similar dreams. I feel that very strongly here today with Prime Minister Blair, and I intend to act upon it.

Thank you very much.

Prime Minister Blair. Thank you very much, Mr. President.

Right, gentlemen, questions? Michael.

New Generation of Political Leaders

Q. Mr. President, Michael Brunson of ITN [Independent Television News]. As you probably know, during our recent election here, there was a good deal written on both sides of the Atlantic about Mr. Blair being the "Clinton clone," or the "British Clinton." I wonder, now you're here, how the American original thinks that the British version is shaping up. [Laughter]

President Clinton. Well, I have a couple of reactions to that. First of all, a lot of the columns that were written about that were not altogether flattering to either one of us, and I had half a mind to call Mr. Blair during the election and offer to attack him in the harshest possible terms, if he thought it might free him of an unwanted yoke. [Laughter] And now, I also told you today that there is one big difference, and that's the enormous parliamentary majority that the Prime Minister enjoys. So I should be here learning from New Labour instead of the other way around.

Let me just give you a serious answer. I believe that the people—free peoples in the world are interested in democratic governments that work, that have constructive economic policies, that try to reconcile the imperative of growth with the imperatives of family and neighborhood and community, that do not accept the fact that our social problems will always worsen and cannot be made better, that do not promise to do things which responsible citizens must do for themselves but which don't run away from their own responsibilities. That's what I think people want.

And I think that requires us to move beyond—I don't think that it's the end of ideology, but I think it's the end of yesterday's ideology. And I think the more people see the issues framed in terms of attacks of parties on each other and yesterday's language that seems disconnected to their own concerns, their own hopes, and their own problems, the more faith is lost in politics. The more people see the political process is relevant to their lives and their future, the more energy you have. And what I sense in Great Britain today is an enormous amount of energy.

So if you're asking me to rate the beginning, I'd say that's a great thing. It's a great thing when the people of a democracy believe in its possibilities and are willing to work for them. That is about all you can ask. No one has all

the answers, but you want people to believe in the possibilities of a nation and be willing to work for them.

Yes, Ron [Ron Fournier, Associated Press].

Northern Ireland Peace Process and Iran

Q. Sir, you told us this morning that the Northern Ireland peace process is an article of faith in your life. Given that, is there anything more the U.S. can do to nudge the process along? And what's your take on Iran's new President, a moderate cleric who won in a landslide?

President Clinton. Well, let me say, first of all, we have a new British Government that has taken what I think were wise and judicious steps and made statements that I think are clear, unequivocal, and appropriate. There is about to be an election in Ireland. The United States—I have restated what the polestars of our position are today: an unequivocal cease-fire, inclusive talks. But I think before I say or do anything more, as with every peace, this is a peace that has to be made by the parties themselves, and we need to let this unfold a little. But we'll be there, active and involved, along the way.

Now, as to Iran, obviously it's a very interesting development, and for those of us who don't feel privy to all the details of daily life in that country, it's at least a reaffirmation of the democratic process there. And it's interesting, and it's hopeful. But from the point of view of the United States, what we hope for is a reconciliation with a country that does not believe that terrorism is a legitimate extension of political policies, that would not use violence to wreck a peace process in the Middle East, and would not be trying to develop weapons of mass destruction.

I have never been pleased about the estrangements between the people of the United States and the people of Iran. And they are a very great people, and I hope that the estrangements can be bridged. But those are three big hurdles that would have to be cleared, and we'll just have to hope for the best.

Prime Minister Blair. Robin.

Northern Ireland Peace Process

Q. Robin Oakley, BBC. Mr. President, you've appealed again strongly today for the IRA to call a cease-fire. How soon after the calling of an IRA cease-fire would you want and expect to see Sinn Féin in inclusive talks? How long

a verification process would you see as being correct? Would this be a matter of months or weeks or days?

President Clinton. I don't believe I should make a public comment on that at this moment. Tony Blair's government has just come into office. As I said, I think they've taken some very impressive and appropriate steps. There's about to be an Irish election. I think, at this moment, for the American President to start specifying that level of detail would be inappropriate.

Defense Cutbacks and NATO Expansion

Q. Mr. President, Gene Gibbons of Reuters. This may be a time of new politics, but there are some immutable old laws, like the military doctrine of not stretching your forces too thin. Both of you are involved in downsizing your militaries. How do you do that and at the same time credibly make a vast new defense commitment that is involved in NATO expansion?

And the second part of the question for President Clinton, there are reports that NATO enlargement will cost American taxpayers as much as \$150 billion over the next 5 years. What is your estimate of the cost?

President Clinton. Well, first—and I think the Prime Minister and I both should answer your first question—so let me answer the second question very briefly. Our last estimate was—or more than an estimate—in the last defense report we got, the estimate was more in the range of \$150 to \$200 million a year. They are reviewing our defense commitments now.

I should point this out. The cost will be important because for most European countries, the relative costs will be greater than for the United States because we've already done some of the structural things that European countries have to do, most of them. So I do not expect that the larger figure is anywhere close to the ballpark.

Secondly, the security umbrella we have is really no longer dependent upon stationing large armies along the eastern frontier of NATO. What kept any NATO nation from being attacked, in my judgment, was the larger nuclear deterrent that was present during the cold war. Now, we are also trying to reduce that, but keep in mind—see the NATO expansion in the context of the following things: There's an agreement between NATO and Russia about what our relationship is going to be. President Yeltsin just agreed to detarget the nuclear missiles

against all the NATO countries. We will have an agreement on conventional forces in Europe which will further reduce those forces. And after the Russians ratify START II, we will move on to START III which will involve an 80 percent reduction in nuclear forces from their post-cold-war high.

So, in that context, I think the expansion of NATO is quite affordable and really should be seen not only as a cooperative security guarantee but as a cooperative commitment to try to deal with the other security problems of our times, like Bosnia.

Prime Minister Blair. I agree very much with that, and I think what is important is to see NATO enlargement, and indeed, the Joint Council between NATO and Russia, as part of building the security and defense of our countries and, indeed, making sure that the commitments that we have are fully realizable.

Now, we announced just a couple days ago a strategic review of our defense, which is foreign policy led. It's not about downsizing our armed forces, but it is about making sense of the commitments that we have. But I think that NATO enlargement is a very, very important part of bringing in those emerging countries in Eastern Europe and ensuring also, through cooperation with Russia, that we're doing it in a way that preserves the security of the world. And I can't think of anything more important than that. So I don't see these as conflicting objectives. On the contrary, I see them properly implemented as entirely complementary.

Yes, Charles.

European Economy and the President's Visit

Q. Charles Wright, the Evening Standard. Mr. President—[inaudible]—want cooperation—[inaudible]—with Northern Europe there is a conflict—[inaudible]—on the way being pushed by the Prime Minister for more flexible labor markets and a call from Brussels for more social legislation. Is the Prime Minister right to warn against the dangers of this? And secondly, while you're in London, you said you wanted to go out and about a bit. What is it you're looking forward to see most?

President Clinton. Well, I've already seen part of what I want to see most, which is the unique and unspeakably beautiful British spring. I was so hoping it would be sunny today.

Let me say on the other question, there is not a simple answer. The great challenge for

Europe—and more for other countries even than for the United Kingdom because your unemployment rate is already lower than some—but the great challenge you face is how to create enough jobs to be competitive and to promote not only economic growth but to have a good society. A successful society requires that able-bodied adults be able to work. Successful families, successful communities, low crime rates all require that able-bodied adults be able to spend their energies a certain number of hours a day at work, quite apart from the economic considerations.

So the question is, how do you do that? How do you become more flexible? How do you have more entrepreneurs, more flexible labor markets, and still preserve the social cohesion that has made community life strong in Europe, justifiably?

In the United States, we've had enormous success—and I'm grateful for this—in creating jobs—and more in the first 4 years of my term than in any previous 4-year term in history—but we're struggling to come back the other way. We're struggling to find a way to give these working families—make sure they can all afford health care for their children, make sure they can have some time off when there is a baby born or a parent sick. You know, we're trying to deal with the arguments from the other way.

But the imperative of reconciling work and family and providing some social safety net so that the conditions of community can be met while having growth, that is the balance-striking that every advanced economy has to do.

And I think what the Prime Minister has said that I thoroughly agree with is, the one option that is unacceptable is denial. That's the only unacceptable—there is no perfect answer. I would be the last person to tell you that we've drawn the perfect balance. We're better at creating jobs than nearly anybody, but we don't have quite as much family security and support as I'd like to see in the area of child care and family leave and other things.

The one thing there is not an option to do is to deny that this is an issue anymore. The United States wants a higher growth rate in Europe. We don't feel threatened by it. We think it would help us, and we hope you can achieve it.

Prime Minister Blair. If I could just add one thing to that—I mean, I think what is absolutely essential is to realize this is part of the reason

for the G-8 initiative that we want to take. We are all facing, as modern, developed countries, the same challenges. Work is changing. Industry is changing. We live in a new type of world economy. There are different pressures putting together work and family life. Now, what we're all trying to do is to make sure that we can be fully competitive as we need to be in this new economy while preserving the essential foundations of a humane and decent society. Now, that is the very goal. That's why education and welfare are important. That's why the type of different agenda that I think that a different generation of politicians is reaching towards is actually what is necessary not just here, not just in the United States, but all over the developed world. And if we can bring together some of those lessons from the U.S., from Britain, and from Europe, then we'll find better ways of going forward in Europe as well as the U.S.A.

President Clinton. John [John Donovan, ABC News]. I'll take both of you, but only one at a time.

New Generation of Political Leaders

Q. Mr. President, Prime Minister, as you've said already, a lot has been made of the notion that the two of you are similar. My question is—sometimes the press gets a story and keeps going with it; are you just a little bit sick of this story line? How far can this thing go? [Laughter]

President Clinton. Yes, I'm sick of it because he's 7 years younger than I am and has no gray hair. [Laughter] So I resent it. But there doesn't seem to be anything I can do about it.

Prime Minister Blair. Look, I think it's a perfectly healthy thing if we realize that these are common developments the world over. I mean, this isn't just something that's to do with the United States or to do with Britain. There is a different generation of political leaders. I mean, I grew up—was born 10 years after the end of the Second World War. I grew up with Eastern Europe on our doorstep. I never thought that the politics of my type of political aspiration was the politics I saw in Eastern Europe. But what I took from my own political traditions was a belief in community, in justice, in a hatred of discrimination. But I want to apply those types of values in the different world.

Now, if you take the welfare state, which we're trying to reform now here in Britain and which President Clinton has done so much to reform in the United States, we believe in the values of that, but 1997 is not 1947 or 1937. So that's why the New Deal has to be updated for today's world, the welfare state has to be updated for today's world. And in Europe, you'll find the same issues being addressed today.

Q. Mr. Prime Minister, are you the student in this relationship?

Prime Minister Blair. Well, I think we can both learn from each other and develop together. I think this is good. But I would pay tribute to the way that Bill Clinton blazed the trail in this area.

President Clinton. Let me say on that point, as all of you know—all of the American journalists here know—before I became President, I was not a Member of our Congress. I was a Governor for a dozen years. And the Founding Fathers of the United States wrote in the "Federalist Papers" that they expected the States to be the laboratories of democracy, which is an elegant 18th century way of saying that all Governors should be students of one another. They should borrow from each other shamelessly. They should learn from each other without arrogance.

And what I think is—if you get a generation of leaders—and it's not necessarily determined by age; I consider Prime Minister Kok in the Netherlands in this category, a little bit older than we are, the young Prime Minister of Portugal, a little younger than we are, a number of others who are thinking in the same way and trying to move toward the same place and have a common understanding of the kind of changes that are sweeping through the world—then we should fairly be expected to—in fact, our people ought to demand that we do the best we can to learn from each other and cherish that, celebrate that, and say that nobody has got all the answers, but if we can get our countries headed in the right direction, free people usually do the right thing if they're going in the right direction. Eventually, they figure it out.

Northern Ireland Peace Process

Q. Ken Reid, Ulster Television in Northern Ireland. Prime Minister, what role do you envisage the President playing in furthering the peace process? And Mr. President, you were obviously

very disappointed when the IRA cease-fire collapsed. Do you think the other parties should now move forward without Sinn Fein if another cease-fire is not forthcoming?

Prime Minister Blair. I'll answer the first part of your question, Kenneth. The United States has played, and I've no doubt will continue to play, a helpful role. And we obviously are carrying forward the process. We want to make sure that we can get into all-party talks. We've laid down the conditions for that, and I know that the United States is fully behind that. And I think that that is always helpful.

I remember, too, the visit that President Clinton made some 18 months ago, when the huge optimism and hope that he ignited there in the province was tangible. And we want that back again. We want that sense. Peace in Northern Ireland and ensuring that we get a lasting political settlement that endures is what the vast majority of people in Northern Ireland want. This is the great burning frustration of it, that we are so keen to make sure that the voice of that majority that wants a lasting settlement, that doesn't want to do it by anything other than democratic means, is heard.

Now, I believe it's possible that we can move this process forward, but it's got to be done with care. And I'm sure, as they've played a helpful role before, the United States will play a helpful role again.

President Clinton. Obviously, I think that Sinn Fein should participate in the talks. And I think the IRA should meet what I think has to be the precondition. You can't say, "We'll talk and shoot; we'll talk when we're happy and shoot when we're not." And every political process in the world is a struggle for principled compromise, which means when it's over, no one is ever 100 percent happy.

So that is the decision that obviously all of them will have to make. But the people there do not want to be led in a destructive path anymore. I'm convinced the Catholics don't. I'm convinced the Protestants don't. And I'm convinced the young are more insistent than the old. And to trap people in the prison of those past patterns—we talk about changing economic policy—a far greater tragedy is to move into the wonders of the 21st century with the shackles of what can only be characterized as almost primitive hatred of people because they are of different religions than you are.

I promised you next; I'm sorry. Then we'll go on. Go ahead. I apologize. My memory is not what it used to be.

Q. You're older now.

President Clinton. That's right. [Laughter] I've got a cane. [Laughter]

Centrist Politics

Q. John Harris with the Washington Post. As a followup to some of the previous questions and answers, Mr. Prime Minister, your party won election by promising no new taxes and by endorsing many of the privatization policies of your Conservative predecessors. Mr. President, you've just signed off on a budget deal that has tax cuts but basically precludes any large new spending initiatives over the next several years. Both of these compromises have made people within your own parties—a lot of them have great misgivings about them. How can you convince these people that what you've described as the radical center is not really just the dead center and this new pragmatism isn't just another name for old-fashioned expediency?

Prime Minister Blair. Well, I think you can do it very easily, by sharing how it derives from conviction and principle. What we decided to do when we created New Labour was to be honest with people. There were certain things the 1980's got right, an emphasis on enterprise, more flexible labor markets. Fine; accepted; they got it right. There should be no mileage in trying to undo things that are basically right. But there were some very fundamental things that we got wrong, education, the creation of a large pool of people of underclass cut off from society's mainstream, a negative isolationist view of foreign policy—these things we change—overcentralized government. These things we change.

And what is different about it, and I think potentially exciting and radical about it, is that it does try to get past a lot of the divisions of the past. And you got out there, and you talk to people in the street about what concerns them—I often think the people are a thousand miles ahead of the politicians. They know that what matters to them is to get their schools right, their hospitals right, tackle crime in their streets. They know that there are certain things that government can't do about jobs and industry but certain things they can do. They want us to do those things.

Now, I don't think that's a dead center, I think that is a radical center. And it's—the big changes that we were able to make in the Labour Party, we made out of principle. It was electorally necessary, but it was also the right thing to do. If it hadn't been the right thing to do, it would never have taken root in the way that it did.

Now, sure, whenever you make changes, there are people that disagree, and there will be those that say we just want to go backwards. Well, the job of political leadership is to explain to people why that's not sensible, why you should move forward.

President Clinton. First of all, let me just remind you of what it was like when I took office. We had high unemployment, low growth, a country with rising crime, rising welfare, and increasing social division. We now have the lowest unemployment rate in 24 years, the biggest decline in income inequality—something the progressive party should care about—in over 30 years. We have declining crime rates. For every year I've been President, the crime rate's gone down, and our crime bill is fully funded and is implementing that. We've got the biggest decline in welfare rolls in history. And we have fought against the divisive forces of race, religion, and all the other forces that are used to divide people in a complex society like ours.

So I think that what we have done is both progressive and effective. And yes, we have a smaller Government; we have the smallest Government since the Kennedy administration. But we're spending more money on education, more money on medical research, more money on technologies. I think we're doing the right thing. That's first.

Second, on the budget agreement itself, to my fellow Democrats—before they criticize me, I would ask them to read what the conservative Republicans have said about the Republicans for signing off on the budget agreement. One conservative periodical accused the moderate Republicans of being Clintonites, which is a fate worse than death for them, you know, and then said that, "I guess we're all new Democrats now."

Look at what this budget does. You say it has no—it leaves no room for big spending; it has the biggest increase in education in a generation, a big increase in environmental protection. It has enough—\$17 billion to insure half

the kids in America who don't have health insurance.

Now, beyond that, does it allow for big spending, new programs? No, it doesn't. If we want to spend any more money, big money, in the next 3½ years, what do we have to do? We either have to grow the economy or we've got to raise the money. That's what a balanced budget is for. I support that. I support that. I want the American people—if I could—we would come closer to solving our social problems if we can maintain unemployment at or under 5 percent for the next 4 years than nearly anything else I could do.

And I want us to be in a position—as the progressive party—where we can't launch a big new program unless we raise the money for it or grow the economy to fund it. That's the way we ought to do it. That is the fiscally responsible way to do it. So I am happy with that criticism, and I plead guilty, and the results are good.

Prime Minister Blair. I like that. I like that very much, indeed.

Lessons of the U.S. Economy

Q. Mr. Blair, you talked early on about lessons that you can learn from America, and you said that they've been better at creating jobs. I just wondered why you thought they had been better at creating jobs, what lessons specifically we could draw from that—their attitudes to it?

Prime Minister Blair. I think there is a very strong commitment to entrepreneurship there, which is very important. They've pursued, of course, a stable economic management policy. That is very important. And Bill said something there just a moment ago that I think is very, very important, that the progressive parties today are the parties of fiscal responsibility and prudence. You don't do anything for anybody by making a wreckage out of the economy.

Now, I think these are all things that we take to heart. And what is interesting to me is, again, if you look around not just the U.S.A. or what we're doing with New Labour here in Britain, but if you look around Europe, there are center—center-left parties there, again, as the parties of fiscal prudence and responsibility. And what you can do is make changes within the budget.

You see, the questioner a moment ago was saying, "Well, you know, you're not going for big tax increases and all the rest of it"—but

people have had large tax increases. You know, state expenditure has grown to a very large extent. Why has it grown? Well, it's grown here because you've got massive welfare bills that you're paying out, often with people who would like the chance to get back into the labor market if we have the imagination and vision to try and give them the chance to do so, so that they're not any longer reliant on state benefits but are standing on their own two feet, raising their family in some type of decent set of circumstances.

So I think that these elements of job creation, of economic management, of creating the type of enterprises and industries of the future, they're interlinked. And we see those links very, very clearly, indeed.

President Clinton. If I could just say one thing. I would like to give credit where I think credit is due, which is not primarily to me in this. And I think we have been successful in creating jobs for several reasons.

One is, we maintained, earlier than a lot of other countries, a reasonably open economy, not perfectly open but reasonably open, so that we suffered a lot of painful restructuring in the 1980's due to competition. But as a result of that, both our business managers and our working people have dramatically improved their productivity—first.

Second, America is a relatively easy place to start a small business, and we get a lot of our new jobs from starting small businesses.

Third, we have been blessed by having sort of incubators of the future in computers, in telecommunications, in electronics, increasingly in biotechnology. That is important.

Fourth, we've had a good, stable monetary system. I think the Prime Minister did a good thing by—and he'll be criticized for it the first time interest rates are raised, but he did a good thing, I think, by trying to take the setting of interest rates out of politics, because it will create the feeling of stability and make Britain more attractive for investment. That's been a big factor for us.

And finally, we've had good Government policies, which were: reduce the deficit, expand trade, invest in people. So I think all those things, together, will give you a job creation policy.

Prime Minister Blair. We'll take one more each, shall we?

President Clinton. Yes.

Q. Thank you. That was shameless. Ann McFeatters with Scripps-Howard.

President Clinton. That's good.

Bosnia

Q. Mr. President, you have promised to withdraw our troops from Bosnia a year from now. And yet the British Prime Minister's Foreign Secretary says if you do that, the British will withdraw their troops, too, and that could lead to renewed fighting. Is there a dispute between Secretary of State Albright and Defense Secretary Cohen, and are you going to keep your commitment to withdraw?

President Clinton. Well, when we—first of all, when we adopted the second mission, the SFOR mission, after our first full year in Bosnia, we cut all the forces in half and stayed; we said we expected that mission to last about a year and a half. I still accept that.

Here is the problem, the basic issue. I think we would all admit that a lot of the elements of the Bosnian peace process, the Dayton process, are not going as fast as they should. We have just completed a comprehensive review of our policy. We've identified a number of things we want to do better. The Prime Minister and I talked about, for example, the police training and the placement of police there.

If you look at what our military people do today, since we are not presently today actively involved, for example, in escorting and protecting refugee returnees, a lot of that could be done by civilian police, if we were on schedule. We're not on schedule. We're not on schedule in the economic implementation. We're trying to put—very hard, all of our allies—we're trying to put together a team that will get us back up and going.

And so I would agree, to this extent, with the Prime Minister, which is that I don't think we ought to be talking about how we're going to leave. I think we ought to be talking about what we're going to do tomorrow and next week and next month. And if we work like crazy in the next 13 months, do I believe we can fulfill our mission and that they can go forward? Yes, I do. But I think we're going to have to make some very tough decisions. We can't play around with this. We can't just sort of hang around and then disappear in a year and expect the Dayton process to go forward. We have a lot of work to do in the next year. And so what I want to do is stop talking about what date

we're leaving on and start talking about we're going to do on the only date that matters, which is tomorrow.

Prime Minister Blair. I agree with that very strongly, indeed.

Last question.

Advice for Prime Minister Blair

Q. President Clinton, I know you're reluctant to offer advice to our Prime Minister, but could I tempt you? You became—I want to be polite—rather unpopular during your first term after a brief honeymoon. Which mistakes do you think you made that our Prime Minister could avoid?

Prime Minister Blair. Well, he did one thing very right, which was to win again, and I hope I repeat that. [Laughter]

President Clinton. Well, for one thing, it was a brief honeymoon; it lasted about 35 seconds. [Laughter] So, again, I don't know that I have any advice to offer. I think that the errors that we made, or at least the political decisions we made that caused us problems, are fairly well-known.

Also, keep in mind, we have a different system than you do. I had to pass my first economic program with only Democrats, but the Democrats basically got credit for being divided in their support of me when the facts are that they have supported me more strongly than they supported the last three Democratic Presidents before me. But our friends on the other side were opposed in even more unified fashion.

So the things that happened to us were so unique, I hope, to the American political system—I wouldn't wish them on anyone else—that I don't really think it's very instructive for me to give advice.

Prime Minister Blair. If I could, I just say one final thing to you. I think when you heard President Clinton speak about the record that he has achieved in Government earlier, I think that is the reason why he was reelected. And the important thing is that that record stands as testimony to the leadership that he gave.

We'll have one last question then, shall we?

President Clinton. My only advice on that would be to try to keep people focused on the policies and the consequences and that we should all be willing to work on that basis, because real people out there who have to get up every day and wonder how they're going to feed and educate their children and whether

they're safe in their neighborhoods and what the future is going to be like for their kids, they want to know that we're at the task. And so my only advice would be to maintain the same level of concentration in the administration that was shown by all of Labour in the campaign, that relaxing concentration is fatal in this business. It's an important thing, and it's complicated. You got to concentrate all the time.

Representative Richard A. Gephardt

Q. Mr. President—I'm sorry, Rita Braver with CBS News. Bearing in mind your comments on the budget, I was wondering if you had been listening to your own minority leader. He is against you on the budget. He is against you on MFN. He is against you on expansion of NATO on a fast track. And I wondered if you could explain maybe whether you think it's you or he who represents the hearts and minds of the Democratic Party and whether maybe you think it's time for a new minority leader, or maybe you don't really want that Democratic majority you talked about at the beginning of the news conference.

President Clinton. No, I think—for one thing, I think—you know, I disagree with him about the budget and MFN for China, and we've had some trade differences since I came here; otherwise, he's supported me on just about everything. I would point out, however, that well over 60 percent of the Democratic caucus in the House voted for the budget agreement and that 82 percent of the Democratic caucus in the Senate voted for it. We had a higher percentage of Democrats than Republicans voting for it in the Senate, a higher percentage of Republicans than Democrats voting for it in the House, and a two-to-one majority overall.

So that's something—the American people ought to feel comfortable—we had an overwhelming bipartisan agreement. Individual people will have differences on individual issues. They'll see the world in different ways. But I think I did the right thing, and I think we're going to—I think the country will be immensely benefited by it. And I think everybody that voted for it, in retrospect, will be happy and those who didn't vote for it will be pleased that what they thought was wrong with it, wasn't. That's what I think will happen.

Prime Minister Blair. Okay, thank you very much indeed, ladies and gentlemen. And thank you, in particular, to President Clinton.

May 29 / Administration of William J. Clinton, 1997

President Clinton. Thank you.

NOTE: The President's 147th news conference began at 3:05 p.m. in the Winter Garden at 10 Downing Street. In his remarks, he referred to John Major, former Prime Minister of the United

Kingdom; President Boris Yeltsin of Russia; Prime Minister Wim Kok of The Netherlands; and Prime Minister Antonio Guterres of Portugal. A reporter referred to President-elect Mohammad Khatami of Iran.

Message to the Congress on Most-Favored-Nation Trade Status for China *May 29, 1997*

To the Congress of the United States:

I hereby transmit the document referred to in subsection 402(d)(1) of the Trade Act of 1974, as amended (the "Act"), with respect to the continuation of a waiver of application of subsections (a) and (b) of section 402 of the Act to the People's Republic of China. This document constitutes my recommendations to continue in effect this waiver for a further 12-month period and includes my determination that continuation of the waiver currently in effect for the People's Republic of China will sub-

stantially promote the objectives of section 402 of the Act, and my reasons for such determination.

WILLIAM J. CLINTON

The White House,
May 29, 1997.

NOTE: This message was released by the Office of the Press Secretary on May 30. The Presidential Determination of May 29 is listed in Appendix D at the end of this volume.

Statement on the Verdict in the Megan Kanka Trial *May 30, 1997*

This has been a terrible tragedy for the Kanka family and their community. Megan's family took their pain and helped guide the Nation to adopt legislation that is going to protect other

children from those who would harm them. We owe the Kanka family not only our sympathy but a debt of gratitude as well.

Message to the Congress on the Generalized System of Preferences *May 30, 1997*

To the Congress of the United States:

The Generalized System of Preferences (GSP) program offers duty-free treatment to specified products that are imported from designated developing countries. The program is authorized by title V of the Trade Act of 1974, as amended.

Pursuant to title V, I have determined that Cambodia should be designated as a least developed beneficiary developing country under the GSP program because it has taken steps to im-

prove worker rights and the protection of intellectual property. I have also determined, as a result of the 1995 Annual Review of petitions for changes that three products should be added to the GSP list of eligible products and that the competitive need limits on 22 products should be waived. As a result of a review of 1996 imports of GSP products, I have determined that de minimis limits on 79 products be waived and 11 products, whose imports no