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The President's News Conference With President Nursultan Nazarbayev

February 14, 1994

President Clinton. Good afternoon. I'm delighted to welcome President Nazarbayev of Kazakhstan to the White House today. This was our first meeting, and it was a very good one.

As I said, this was our first meeting, and it was a very good one. Over the last year I asked both Vice President Gore and Secretary of State Christopher to visit Kazakhstan during their trips to the region. Both told me how impressed they were by the great progress Kazakhstan has achieved under the strong leadership of President Nazarbayev.

While there are many aspects to the widening relationship between our two nations, one of the most important is our work in nuclear nonproliferation. When the Soviet Union dissolved in 1991, there were four of the New Independent States, Russia, Ukraine, Belarus, and Kazakhstan, who had Soviet strategic nuclear weapons on their territory. One of my highest national security priorities has been to ensure that the breakup of the former Soviet Union did not lead to the creation of new nuclear states. Such a development would increase the risks of nuclear accidents, diversion, or terrorism. That's why when I was in Minsk last month, I praised Belarus for working to eliminate its nuclear weapons and why last month's historic agreement to destroy over 1,800 nuclear weapons in Ukraine is so important.

In the 2 years since Kazakhstan attained its independence, it has shown the leadership to meet its international arms control obligations and to address the most dangerous legacy of the cold war. Kazakhstan signed a protocol in Lisbon making it a party to the START Treaty. In July of 1992, Kazakhstan ratified that accord. And last December, Vice President Gore had the privilege of being in Almaty when Kazakhstan's Parliament voted to accede to the Nuclear Non-Proliferation Treaty as a nonnuclear state.

Today I was honored when President Nazarbayev presented me with his Government's instrument of accession to the NPT. This historic step sets an example for the entire world at a pivotal time in international nonproliferation efforts. It will affect over 1,000 warheads from SS–18 missiles, the most deadly in the cold war arsenal of the former Soviet Union.

This step will also allow Kazakhstan and the United States to develop a full and mutually beneficial partnership. To strengthen that partnership and to support Kazakhstan's economic reforms, I am announcing today a substantial increase in the United States assistance to Kazakhstan from $91 million last year to over $311 million this year. In addition, we are prepared to extend another $85 million in funds for the safe and secure dismantlement of nuclear weapons in 1994 and '95.

President Nazarbayev and I also agreed today to continue our efforts to encourage and facilitate trade and investment between our two nations. We signed a charter on democratic partnership which states our common commitment to democratic values, including the rule of law and respect for individual rights. These values were a source of strength in both our multiethnic societies.

The United States and Kazakhstan will also sign agreements today on scientific cooperation, space, defense conversion, investment protection, and other areas. These are the building blocks of a strong and enduring relationship.

The President's visit here today opens a bright new era for that relationship, and the United States looks forward to being Kazakhstan's friend and partner in the months and the years ahead. We believe we have established the basis for a long-term partnership of immense strategic importance and economic potential for the United States.

President Nazarbayev has shown great courage, vision, and leadership, and we are prepared and eager to work closely with him and with the people of Kazakhstan.

Mr. President, the microphone is yours.

President Nazarbayev. Mr. President, ladies and gentlemen, the—[*inaudible*]—official visit to the United States is a crucial stage

in the development of the Kazakh-American relationship.

Today, President Clinton and I had talks that were held in a cordial and friendly atmosphere. This has been our first personal meeting, and I'm satisfied to state that it has been a fruitful one.

We have discussed openly a number of important issues of mutual interest. At the center of this discussion were the issues related to a further development of the Kazakh-American bilateral relationship, the latest development in the Commonwealth of Independent States and central Asia and strengthening of international security.

President Clinton and I highly appreciate the dynamics of a development of the Kazakh-American relationship. We unanimously have agreed that—[*inaudible*]—enjoy good prospects for a further expansion and deepening of our cooperation in various areas.

The most important one among the documents that were signed today is the Charter of Democratic Partnership between the Republic of Kazakhstan and the United States of America. This document in everyone's opinion marks a principally new phase in our relationship that has given a larger scale—[*inaudible*]—basis. It covers such aspects as politics, economy, military cooperation, science and technology, ecology, health care, and others.

I familiarized President Clinton with the situation in our region. And I'm satisfied with his deep understanding of Kazakhstan's interest to safeguard its security, territorial integrity, and in viability of existing borders, to—[*inaudible*]—stability and to create a favorable environment to follow the path of a democratic development and economic reforms.

These issues are of exceptional importance to us due to the signing of the Nuclear Non-Proliferation Treaty by Kazakhstan as a non-nuclear state. Security guarantees provided by the United States are contained in the charter as well as our participation in multilateral cooperation within the framework of partnership in the name of peace, a program initiated by NATO, strengthened our confidence in the future of Kazakhstan as a sovereign state.

During talks, both parties confirmed their interest in an increased contribution that American businesses can make and to develop the economy of Kazakhstan. The conditions that are necessary for this to happen are there. We believe that American companies that have partaken in this—[*inaudible*]—could determine one of a more promising and mutually beneficial trends in our cooperation. The list of such entities has been submitted to the American business community.

We also believe that the setting up of the Kazakh-American Business Council for Economic Cooperation and to the central Asian funds for small business development with the headquarters at Almaty will also contribute to obtaining the aforementioned objectives. An entirely new aspect of our cooperation will develop when American companies take part in a conversion of the defense industry in Kazakhstan. And agreements have been made to set up a bilateral committee that will deal with these issues.

I'd like to express my gratefulness personally and on behalf of my delegation for the hospitality and warm reception and for the fact that all the problems that were discussed found deep understanding. I believe that the strategic relationship in economy and politics between the United States and Kazakhstan will serve the cause of democracy and economic reforms and will also help establish a just order of—[*inaudible*]—former Soviet Union.

I have invited President Clinton to visit Kazakhstan officially, the times of which will be agreed on through diplomatic channels.

Thank you.

Bosnia

Q. Mr. President, Bosnian Serbs have withdrawn only 28 of the 500 heavy guns from around Sarajevo. Will NATO carry out its threatened air strikes if any of those guns remain in place by the deadline? And also, do you foresee expanding the demilitarization formula to other areas of the former Yugoslavia?

President Clinton. The latter issue is something that would have to be discussed between ourselves and our allies and the leadership of the U.N.

Let me answer the former question first. I expect that the terms of the NATO agreement will be followed. Keep in mind, the Secretary-General of the United Nations asked us to take action. We agreed to take action. All along the way, the United States made it clear that if we were going to take this step, we had to be prepared to take the step. And we were assured all along the way that our allies in NATO and that the Secretary-General agreed. So I don't believe there is a fundamental misunderstanding on that point.

Let me say, we also have some people here from the press with President Nazarbayev, so I'll try to alternate with this lady, I think, in the back.

NATO Membership

Q. How acceptable is the idea of Kazakhstan's integration into NATO?

President Clinton. Well, first, let me say, I'm grateful that Kazakhstan has agreed to participate in the Partnership For Peace. The whole idea of the Partnership For Peace is to give countries that are not in NATO, that were part of the Warsaw Pact or part of the former Soviet Union or were just simply neutral and not in NATO, the opportunity to participate in military planning and exercises and to increase a level of confidence and security on the part of those countries. No decision has been made by NATO yet about when other new members will be let in. I think there will be some more new members let in, but the thing we're most anxious to do is to move this year—this year—with some joint training and exercises and planning.

Kazakhstan Oil

Q. For all the good feeling between your two countries, is the United States going to block the proposed pipeline between Kazakhstan and Iran—block international financing?

President Clinton. Why don't you let President Nazarbayev respond? We talked about that.

President Nazarbayev. That certainly is the question that must be addressed to me. Kazakhstan, particularly western Kazakhstan, is a very powerful oil area. According to the estimates, there are about $25 billion—[*inaudible*]—of oil and gas—[*inaudible*]. The first American company, Chevron, that a contract with it was signed last April, has already started producing oil and selling that in international markets. The traditional ways of transporting oil went through Russia and Novorossisk and the Black Sea. In the first place, that's still the priority for us, and we're going to adhere to that and use the existing facilities—and we've got—[*inaudible*]—agreement with the Russian Government.

However, because they—[*inaudible*]—is used for political speculation, naturally Kazakhstan, Turkmenistan, that are oil-bearing states, are actively seeking alternative ways. We've got a number of alternatives, the first one of which is to build a pipeline south of the Caspian Sea through Iran and—[*inaudible*]—into the Mediterranean, as well as through the Caspian Sea from the Caucasus and—[*inaudible*]—Mediterranean. The third one is through Iran into the Persian Gulf. All these projects are being examined at the moment, and a feasibility study is being made. And no final decision has been taken yet.

President Clinton. I think the—from my perspective, if I might just follow up, I was impressed with the fact that President Nazarbayev said his first priority was to try to get adequate access to the pipeline that goes through Russia. And we discussed what we might do together to pursue that goal, and I think we should first.

Yes, ma'am.

Future World Order

Q. ——at least one of the options of the possible—[*inaudible*]—forecast as to the outcome of the division of the world today? At least as far as the two—[*inaudible*]—are concerned that existed in the past, what is the world's division going to be?

President Clinton. If I knew that, I would be a far smarter man than I am. All I can tell you is that we hope is that the world will not be polarized in the way it has been in the past. We understand fully that neither the United States nor any international organization has the power to wipe all the troubles from the world, that as long as there are civil wars and people are fighting one an-

other based on differences of race or religion or ethnic group or for political reasons, those things will probably occur as long as human beings inhabit this planet. But we hope the end of the cold war gives us a chance to develop a partnership with people all around the world based on shared values and shared commitments to democracy and to economic opportunity and to respecting borders, neighbors' borders, so that we can focus on fighting things that we all disagree with, including the proliferation of dangerous weapons and terrorism.

That is what I hope will happen. That is why the idea behind the Partnership For Peace is to give us a chance to have a Europe which is not divided for the first time since nation states have occupied the territory of Europe. We're doing our best.

Andrea [Andrea Mitchell, NBC News].

Japan-U.S. Trade

Q. Mr. President, your own economic report today indicates that our trade, our exports with Japan, would improve by only $9 to $12 billion of the total amount of our trade deficit, if all the barriers were dropped. In that case, why are we considering sanctions? Shouldn't we begin looking at our own problems of productivity?

President Clinton. Well, no——

Q. And what is the state of your thinking regarding sanctions and whether this could lead to a trade war?

President Clinton. First of all, $12 billion is a lot of money, even today. Secondly, it's not a question of American productivity. We now know that American productivity is at least as high as that of anyone else in the world. Let me explain what that means—the $12 billion—the trade deficit would drop by $12 billion if all the barriers were removed.

What that means is that in order for us to move closer toward balance, two other things would have to happen which have not happened in this country because of the closed system which has existed. We would have to customize some products for the Japanese people in the Japanese market that would be available then to that market. And secondly, we would have to dramatically step up our efforts to market and to pierce that market. Then you're looking at much more than $12 billion per year. So, I think that that's a very significant thing, much more than $12 billion once those two changes begin to be made.

Also keep in mind the Japanese people today spend 37 percent more than Americans do, for example, on average for consumer products and services, so that—you've got to factor that in. If they actually were paying normal prices for products, goodness knows how much more they might buy and what that would do to the trade relationships of the United States or Europe, for that matter. This is a very important thing. I can only say what I have said already today which is that we have reached no decisions. This is what Prime Minister Hosokawa and I described as a period of reflection.

The story today about the cellular telephone issue is purely coincidental. That is, that's been an issue now for nearly 5 years I think. And the deadline for making a finding of fact, not deciding what action will be taken but for making a finding of fact, just happens to fall tomorrow. But it is, while it's coincidental, it is a problem which is illustrative of our general problem. There is no question that Motorola provides a world-class product, fully competitive in quality and price on that.

Anyone else who's here with President Nazarbayev have a question? Yes, please. Yes, go ahead.

Central Asia

Q. Mr. President, how does the United States view Kazakhstan among other central Asian republics, and what place does it give to Kazakhstan within this framework?

President Clinton. The United States believes that Kazakhstan is critically important to our interests and to the future of democracy and stability in central Asia because of its size, because of its geographic location, near China as well as Russia, as well as so many other countries that are important in that area, because of its immense natural wealth, because of its progress in promoting reforms and because of its strong leadership. So it's a very, very important country to us and a very important part of our future calculations.

Japan-U.S. Trade

Q. Mr. President, given the strong position you took with your visitor from Japan the other day, are you not now really in a situation where given the expected finding of fact tomorrow, you just about have to impose sanctions?

President Clinton. Well, I'm going to make a decision within a few days. We need to clarify what America's approach is going to be now within the next several days. But I think that what's happened in the cellular telephone case is a classic example of what the problem is. There are a number of options open to us, including some that have not been widely discussed that may offer a great promise here.

And let me also say for those of you who worry about a trade war and other things, this is a battle that is raging not just in the United States and in Europe and in all other parts of the world that have been exposed to the mercantilist policies of Japan, this is a battle that is raging in Japan. And there are a lot of people in Japan who want to take a different course and may be strongly encouraged by the fact that we did not conclude a phony agreement one more time but instead are trying to have an honest progress to a better relationship.

In the interest of equal representation——

U.S. Investment in Kazakhstan

Q. My question actually is for both of you, sort of a follow-up on the oil issue question. President Nazarbayev, your country is going to be receiving substantially more aid from the United States. I'll ask you bluntly if U.S. oil companies will be receiving more preferential treatment in developing your oil fields. Mr. Clinton, I'll ask you if that was a key negotiating point?

President Nazarbayev. I've already mentioned that the first company to start work in Kazakhstan was Chevroil, that's conducted negotiations with the former Soviet Union for about 4 years. And after the collapse of the Soviet Union, we have been able to complete those negotiations in the course of only 6 months. International expertise has been made with respect to this project, and it's considered to be an internationally acceptable one.

The second consortium was put together in western Kazakhstan and such American companies as Mobil Oil, British Petroleum, Agip, total altogether about six major oil companies that are going to explore the depository fields. That exceeds Tengiz by 6 times. An answer—[*inaudible*]—come up with a feasibility study, the priority will in the first place be given to those companies, and the major company among them is Mobil Oil.

This is why I believe that these are very serious contracts that we have signed, altogether about 70 American companies working in Kazakhstan—[*inaudible*]—oil and gas. They also involve gold and silver mining, manufacturing of nonferrous metals, and processing of agricultural—[*inaudible*.] For the first time Philip Morris bought the entire stock of a tobacco manufacturing plant, and I believe that's a good start.

President Clinton. The short answer to your question is no, there was no quid pro quo. Perhaps I can give a brief but somewhat lengthier explanation because I think it's an important question.

We decided to increase our aid because we thought the money would be well spent, because we see the progress of reform, we see the long-term commitment, and we see the enormous strategic significance in this country and in this President. To be fair on the aid, it might be correctly stated the other way around, that is, instead of our conditioning their aid on any kind of special deal for our people, what we saw was that our people had the confidence, that is our energy companies had the confidence in other companies to go there and invest. I think there are now 70 American companies with investments in Kazakhstan.

So in that sense, they have sent us a message, and they have told us that they believe this is a stable, secure, long-term, positive environment and that we ought to be part of helping to make it so.

Thank you very much.

NOTE: The President's 47th news conference began at 1:56 p.m. in the East Room at the White House. President Nazarbayev spoke in Russian, and his remarks were translated by an interpreter. The tape did not include the translation of President Nazarbayev's remarks.

Interview With Michael Jackson of KABC Radio in Los Angeles, California

February 14, 1994

Mr. Jackson. Good afternoon to you there, sir.

The President. Hello, Michael, how are you?

Mr. Jackson. I must tell you, Mr. President, when people heard that you were coming on this morning, their already broad beams grew broader. People are very, very delighted that you've taken the interest, sir, and the direct concern that you have with the suffering out here. But it's an inspiring morning.

Good morning, sir.

The President. Good morning. It must be inspiring. The courage, the determination demonstrated by the school's administration, faculty, and students to get the campus back in operation so quickly, just a month later, is very impressive. I want to compliment President Blenda Wilson and everyone else who worked on it. I think she's there along with Cal State University Chancellor Barry Munitz. And I just have heard so much about it.

FEMA spent a lot of time out there. I think Dick Krimm's with you there——

Mr. Jackson. Yes, he is. He will be on shortly.

The President. —and we've had so many reports from Henry Cisneros and Federico Peña and all the people I've had out there and all the people from California who work at the White House who have been out there.

I couldn't believe that you sustained $300 million worth of damage. And all of your 53 buildings were damaged, and you're back open a month later. It's a real tribute to you. So I'm glad to hear the California spirit alive and well. I can hear it in the background from all the clapping and everything.

Mr. Jackson. It's here.

The President. The Vice President is coming out to Northridge on Wednesday to inspect the damage. And I hope you'll all go see him. He's younger and has less gray hair than I do, so more college students should like seeing him. [*Laughter*]

Mr. Jackson. Did he write that comment, Mr. President?

The President. No, no, but he might have. I mean, he's got a pretty good sense of humor about it. We kid each other a lot. And his sense of humor is great, especially if the jokes are at my expense. [*Laughter*]

Federal Aid to California

Mr. Jackson. Mr. President, why does it take an earthquake, a disaster of this magnitude to get such a generous response from Washington? I mean, shouldn't some of the Federal aid and assistance be available to people who are dislocated by, for example, the closure of so many cold-war-related industries here in California?

The President. Absolutely. Absolutely, it does. It should happen. Since I have been in office, we've worked very hard to dramatically increase the amount of assistance in terms of job training and in terms of alternative development of jobs for use of defense technologies, for commercial purposes, and in helping communities put themselves back together.

I came in here with a real philosophy that we ought to be spending a lot of money every year on defense conversion and on other things that dislocated people who wanted to work. So last year we spent $500 million on defense conversion. This year we're going to spend much more. And we need to do more.

Now, keep in mind, one of the things that constrains us now is the enormous Government deficit, which the Congress is normally willing to suspend in the case of an emergency. So that's one of the reasons these things happen more quickly. But we are moving toward investing more in communities and in workers and in new technologies. And it shouldn't take a natural disaster to get us to plan for and take care of the fundamental needs of our people.

Natural Disasters

Mr. Jackson. Mr. President, Mother Nature really has socked it to us and given most of the Nation a devastating few months. As you read and study the reports and you watch the news, do you have an overall comment that you'd care to make about the way that citizens impacted by hurricanes, blizzards,