Case Number: 2017-0413-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title: POTUS Trip to Brussels, Belgium; Prague Czech Republic; Moscow, Russia; Kiev, Ukraine; Minsk, Belarus; and Geneva, Switzerland (January 8-16, 1994) [1]
Staff Office-Individual: Press-Crowley, Philip J. (PJ)
Original OA/ID Number: 3460

Row:	Section:	Shelf:	Position:	Stack:
42	5	7	3	V

MAY CONTAIN DOCUMENTS CLASSIFIED
UP TO ~~TOP SECRET/CODEWORD~~

NATIONAL SECURITY COUNCIL

BOX INVENTORY

OFFICE: NSC PRESS **STAFF OFFICER:** CROWLEY

PREPARED BY: NATALIE WOZNIAK **DATE:** 1/5/2001

BOX NUMBER	FILE TITLE(S) OR DESCRIPTION(S)
	President's Trip to Brussels, Belgium; Prague, Czech Republic; Moscow, Russia;
	Kiev, Ukraine; Minsk, Belarus; and Geneva, Switzerland
	(January 8-16, 1994)
	President's Trip to Rome and Nettuno Beach, Italy; London, Cambridge, Oxford and
	Portsmouth, United Kingdom; and Normandy and Paris, France
	(June 1-8, 1994)
	President's Trip to Riga, Latvia; Warsaw, Poland; Naples, Italy (for G-7 Summit);
	and Bonn and Berlin, Germany
	(July 5-12, 1994)
	END

DO NOT WRITE BELOW / RECORDS MANAGEMENT USE ONLY

Reviewed by: _____

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: [illegible] Date: 2/6/19
2017-0413-F

3460

MAY CONTAIN DOCUMENTS CLASSIFIED
UP TO ~~TOP SECRET/CODEWORD~~

MAY CONTAIN DOCUMENTS CLASSIFIED
UP TO ~~TOP SECRET/CODEWORD~~

Date: _____

BOX NUMBER

MAY CONTAIN DOCUMENTS CLASSIFIED
UP TO ~~TOP SECRET/CODEWORD~~

THE WHITE HOUSE

Office of the Press Secretary
(Brussels, Belgium)

For Immediate Release January 9, 1994

REMARKS BY THE PRESIDENT
TO THE TRAVEL POOL

Au Vieux Saint Martin Restaurant
Brussels, Belgium

Q Mr. President, how do you think your speech was received tonight?

THE PRESIDENT: Oh, very well. I mean, you know, we consciously picked a very small room and the Europeans are normally much more polite when speeches are given like that. It was a serious speech. But a lot of the students came up to me afterwards and said that they were pleased to know that we were thinking about their future and that they found the ideas basically things they agreed with. I was very encouraged --

Q Mr. President, can you tell us about the Ukraine?

THE PRESIDENT: -- and then after I got out into the crowd in the Place there was much more sort of overt enthusiasm. And the Prime Minister and others were saying, you know, that's the way we are. We're restrained in speeches, but these people are glad to see you. Look at the Place.

Q What can you tell us about the Ukraine, Mr. President? Do you think they're -- are you close to an agreement or do you have an agreement? Can Kravchuk sell it? Might we go to Kiev?

THE PRESIDENT: All I can tell you tonight is that we worked very, very hard to bring, all -- the three of us together -- and we've made a terrific amount of progress. And at least when I left to go to the speech I was not in a position to make an announcement.

Q But you think it might be possible that this could happen and that Kravchuk could sell it?

THE PRESIDENT: Well, I don't want to -- presumably, Mr. Kravchuk wouldn't agree to anything he didn't think he could sell. I think -- I feel -- I'm proud of the work that's been done and I appreciate very much the attitude that Kravchuk and Yeltsin have brought to this whole endeavor. But I don't think I can say any more tonight. I don't even want to --

Q Do you think Eastern European countries are going to be reassured by the Partnership For Peace?

THE PRESIDENT: I hope so.

Q giving Russia veto?

THE PRESIDENT: I think they need to know this is not a question of veto power. But keep in mind there are certain responsibilities inherent in being in NATO, first of all, that NATO allies all remind each other of all the time. And what I said tonight I want to reemphasize. What I want to do is to leave open the possibility of creating the best possible future for Europe, where they all have the chance to be democracies, they all have a chance to be market economies, they all have a chance to respect one another's securities and to support it, and to do it in a way that also permits us to do the best we can if the best future is not open to us.

That's what the Partnership For Peace does. It's not giving anybody a veto on future NATO membership.

Q But what do you say to people who say that NATO isn't relevant if it can't guarantee the peace, let's say, in Bosnia?

THE PRESIDENT: Well, that was never the purpose of NATO. The purpose of NATO was to guarantee the peace and security of the countries that were member nations. And when the United States asked NATO to approve some actions in and around Bosnia, it was the first time we'd ever done anything out of the area of the NATO members themselves.

So we're working on this. It's not been established yet that anyone is capable of solving a civil war in another country. That's not been established yet.

Q air strikes will be discussed tomorrow? Air strikes possible tomorrow?

THE PRESIDENT: Good night, everybody.

END

THE WHITE HOUSE

Office of the Press Secretary
(Brussels, Belgium)

For Immediate Release January 9, 1994

REMARKS BY THE PRESIDENT
UPON DEPARTURE FROM HOTEL DE VILLE

Grand Place
Brussels, Belgium

6:47 P.M. (L)

THE PRESIDENT: Thank you all for coming out tonight. Thank you for waving the flags. I'm sorry we didn't have more room inside, but I'm glad we could show the speech on the screen.

Let me say that I have been in this place many times. I've been here as a student. I've been here as the governor of my state. I never imagined I would actually be here as President and you would be here to say hello. You have already heard my speech, I have really nothing else to say except I'm delighted to be here. We are here to build a new and stronger future for Europe and a better partnership between Europe and the United States, and I hope all of you will support that.

Happy new year, and thank you very much.
(Applause.)

END6:48 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Brussels, Belgium)

For Immediate Release January 9, 1994

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY WITH
JEAN-LUC KLAES, PRIME MINISTER OF THE BELGIANS

Conrad Hotel
Brussels, Belgium

1:55 P.M. (L)

Q Mr. President, do you think that Bosnia should be at the top of the agenda for the NATO consideration?

THE PRESIDENT: Well, we'll discuss that and a number of other things. We have a lot of issues to discuss. But the Prime Minister and I will discuss that and several other issues. As you know, he's just ended a tour in the -- of six months in the presidency of the EU and, in my judgment, he and Belgium did a superb job. They were very instrumental in the successes we had last summer in the G-7 meeting, which laid the foundation for the adoption of the GATT Round. So we're going to talk a little about that, too.

Q Mr. President, are you finding it difficult to engage in diplomacy after your personal loss?

THE PRESIDENT: No, I'm glad to be -- I'm glad to be here. My family and my friends and my mother's friends, we had a wonderful day yesterday, and I'm doing what I should be doing. I'm glad to have the opportunity to be here and go back to work.

THE PRESS: Thank you.

END1:56 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Brussels, Belgium)

For Immediate Release January 10, 1994

PRESS BRIEFING
BY
SECRETARY WARREN CHRISTOPHER

Conrad Hotel
Brussels, Belgium

7:35 P.M. (L)

SECRETARY CHRISTOPHER: Good evening. The President has made a rather full statement. I'm here mainly to take your questions about the President's day. It was really an unusual day in which he achieved two very important diplomatic breakthroughs that, in my judgment, will increase the security of the United States and the security of the world as a whole.

Before taking your questions I want to make just a few remarks. They will be very brief because I want to be very careful not to put any of you to sleep. (Laughter.)

By adopting the Partnership For Peace NATO took an historic step; I think, clearly, one of the most NATO meetings perhaps in all the history of NATO. By its action today, NATO almost instantaneously became relevant in the post-Cold War world.

This was a United States' initiative which we have been working on all year, and it was endorsed unanimously and enthusiastically by all the members of NATO.

The second breakthrough today was the announcement by the President which you've just heard, the trilateral agreement between Russia, Ukraine and the United States. The significance of this agreement, I think, is you really have to let it sink in on you. This agreement means that it will eliminate over time 175 intercontinental ballistic missiles with about 1,500 warheads that have been pointed, targeted at the United States up to this time. Clearly, one of the most important nonproliferation steps that have been taken in years.

I'd point to the symbolic significance of these two steps. They're, in a way, two sides of a coin. The Ukraine step is reflective of the end of the Cold War. It's clearing up some the remnants of the Cold War and the nuclear danger that we confronted for such a long time.

On the other hand, the step taken in NATO today is the beginning of a new era with NATO looking to incorporate over time in a process the emerging democracies to the East. There are two other major initiatives today, both U.S. initiatives -- the Combined Joint Task Forces, which will allow NATO to adapt to the new world by permitting NATO forces to be used in other

structures with European countries' forces.

The other initiative is an initiative to place nonproliferation at the core of the NATO effort, a very important new initiative to make NATO relevant in this post-Cold War period.

I just say in conclusion that sitting there in the room today, one could see and feel the reemergence of U.S. leadership in this post-Cold War period. This was President Clinton's summit. He called the summit. He developed the three initiatives, which were enthusiastically and unanimously endorsed. And I believe, in the judgment of those in the room, he made the strongest most powerful statement today. So it was a good day for President Clinton.

And I'd be glad to respond to any questions that you might have.

Q Mr. Secretary, the President essentially said Mr. Kravchuk -- worrying about the Ukrainian Parliament -- is a man of his word. But you and your predecessor both had some unhappy experiences with the Parliament not following through. Why should we assume that this time the Parliament, which is so divided and has so many parties, will indeed ratify the agreement?

SECRETARY CHRISTOPHER: Well, I don't want to pose as an expert on Ukrainian politics. We have -- we will have the solemn undertaking of the government of Ukraine. But I say that they are very strong incentives for Ukraine to proceed with this. First, they'll receive security guarantees. Second, they'll receive a very substantial amount of Nunn-Lugar funds for the dismantlement of these nuclear weapons. And third, they stand to receive a very substantial amount of compensation for the highly enriched uranium.

In the present stringent conditions in Ukraine, I would think that would be a major incentive, but we'll have to let that work its way out. We have the commitment from President Kravchuk, and we're going to take that and we're going to also recognize, as I say, these three strong reasons why this agreement is in the interest of Ukraine as well as in the interest of the United States and Russia.

Q Sir, is it your understanding that he actually has to get it through the Parliament or will he be able to take his own executive action?

SECRETARY CHRISTOPHER: The latter. My understanding is he can do this by executive action.

Q Mr. Secretary, could you please tell us a little bit more about what went on in the meeting? You say that the President reasserted U.S. leadership. Most of what we saw here, at least what we got from the remarks of the President, had to do with Bosnia, and yet the President came out here and said, well, there still seems to be a lot of disagreement, we have to meet more on that. What is going on in Bosnia right now, and where do you think this is going to go?

SECRETARY CHRISTOPHER: Well, the President's statement today was by no means devoted to Bosnia. Most of it was devoted to the Partnership For Peace and the Combined Joint

Task Forces and the new look of NATO to the East. He added the provisions, or the paragraphs, on Bosnia. But he delivered the entire statement with a good deal of power and force, and I think all of his NATO colleagues were struck by how much force he brought to his statement today. I think it was that that left the strong impression on the room.

With respect to Bosnia, it was a reaffirmation of the August 9th statement, but under circumstances where you could just feel the President's force behind it. I think it impressed those in the room. It was a serious statement by a serious Alliance. They're going to be discussing it further tonight, but I think that's the main significance, that the President made a special point of reaffirming the events of the decision taken on August 9th. And as you've no doubt seen from the transcript, he was very pointed in saying members of NATO should not endorse this declaration, should not approve the declaration unless they mean what it says; unless they intend to carry out the August 9th resolution. And the significance of the statement to that end was certainly not lost on the members of NATO.

Q And some didn't. And some didn't. So how forceful could he have been?

SECRETARY CHRISTOPHER: Well, I just have some question about your facts. The discussions are ongoing. They're going to be discussing it tonight. It was discussed around the room, but they all -- they've all unanimously endorsed the declaration which contains the paragraph that the President called attention to.

Let me clarify that. The President called attention to the sentences in the declaration that are a reaffirmation of the August 2nd and August 9th action of NATO. And he told the members of NATO they shouldn't reaffirm that unless they were serious. So the most I can say about the Bosnia situation tonight is it was a serious statement by a very serious Alliance.

Q Can you tell us about his conversation with President Mitterrand and whether they are now in agreement on Bosnia?

SECRETARY CHRISTOPHER: President Mitterrand made a statement before President Clinton made his statement. I was not in the bilateral between President Mitterrand and President Clinton today. I had something else that I needed to do at that moment, so I can't tell you the sense of that bilateral. But my understanding is that it's an ongoing discussion which will be continued tonight.

Secretary General Woerner very explicitly said he was reserving tonight for a discussion of key topics they didn't have time to get to today, particularly Russia and Bosnia.

Q Mr. Secretary, on the Ukraine agreement, what is the timetable for dismantling there? Is there a deadline, specific, precise deadline in that agreement? And secondly, what are the security guarantees? Do they go beyond what simply is implicit in the Nonproliferation Treaty?

SECRETARY CHRISTOPHER: With respect to the timing, I can't give you any more on that now. There may be something more by the time we get to Moscow, but I don't have anything more for that tonight.

And the security guarantees are fairly technical stuff, but they are those contained in the CSCE Charter, and they basically indicate that -- and also the Nonproliferation Treaty -- that nuclear states such as the United States and Russia will not use their nuclear arsenals against countries that give up their nuclear weapons.

Q Mr. Secretary, is the United States now a guarantor of the borders of Ukraine?

SECRETARY CHRISTOPHER: The security guarantees do relate to that subject and provide assurance in that connection.

Q Mr. Secretary, isn't this agreement meaningless without a time frame? It could take the Ukraine 10 years, 15 years, 40 years unless you tell us a set period of time about over which they --

SECRETARY CHRISTOPHER: I didn't say there as no time frame. I simply said that I was not able to give you anything on that tonight. And I might --

Q determines its strength, does it not? If it's a small period of time as compared to --

SECRETARY CHRISTOPHER: I would agree with you the time frame is important, but that doesn't mean that I can give you the specifics on it tonight.

Q Mr. Secretary, can you be more specific about the assurances in connection with guaranteeing Ukraine's borders? You said that there were assurances in the language. Can you specify?

SECRETARY CHRISTOPHER: There will be a backgrounder after I finish here, and you get more detailed information on that subject at that time.

Q Mr. Secretary, do you have an understanding from President Kravchuk that he has assurances from his parliamentary leadership that he won't be overridden on this agreement?

SECRETARY CHRISTOPHER: No, we only have the assurances of the government of Ukraine at the present time. And it's an action that we're told can be taken by the executive branch of the Ukrainian government. As I say, I do not want to pose as an expert on Ukrainian government structure.

Q Mr. Secretary, at any point will the United States provide nuclear fuel for reactors in the Ukraine? And if so, would any of that -- could any of that be used at Chernobyl?

SECRETARY CHRISTOPHER: Well, the United States will not be providing them nuclear fuel. It will come from the work that's going to be done in Russia. With respect to Chernobyl, the United States is working with Ukraine to try to upgrade the quality of their nuclear reactors, to get rid of or improve the dangerous old reactors, let me just say, I hope it won't be used in such reactors, but that really depends upon our capacity to be effective with them in working with them to improve the effectiveness and quality of their reactors.

Q So there will be no interim supplies from the United States?

SECRETARY CHRISTOPHER: No, the United States' role in this -- and you'll hear more about this from some of the people that follow me -- the United States is basically providing facilitation in the form of financing.

Q On the Partnership For Peace, one more question. Since this agreement was signed today, have you been in touch personally with the leaders of any of the Visegrad republics, and what was their response, and are they all now on board on this?

SECRETARY CHRISTOPHER: Rita, I've had a busy day, and I haven't been in touch with anybody before coming over here. My present understanding is that Slovakia and Hungary are committed to joint the Partnership For Peace. And I believe there is a statement issued by Poland today along the same lines.

I've got confidence that by the time we leave Prague all the members of the Visegrad countries will have signed up. And I think a great many other countries will promptly sign up. But it will depend upon their own governmental processes. But the expressions of interest coming from Central and Eastern Europe, as well as the new independent states, indicate a very high degree of acceptance.

Thank you very much.

THE PRESS: Thank you.

END7:47 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Brussels, Belgium)

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIALS

January 9, 1994

The Conrad Hotel
Brussels, Belgium

8:40 P.M. (L)

MR. GEARAN: The President arrived, having slept on Air Force One for five hours, to begin his day here. He arrived in Brussels, having spent time, as you know, in Arkansas, and has been then discussing with all of us informally the services that were held for his mother. Many of his friends from around the country, his college roommates, friends and colleagues from around the country came into Hot Springs for the services. And he greatly appreciates certainly the outpouring of sympathy that has been extended to him from across the country and, indeed, across the world.

His return here to Brussels -- as he mentioned, he was here initially as a Governor, and returned several times in the interim. In our stop before we arrived here, the impromptu stop -- he had been here in 1989 for the National Governors Association, leading a delegation of 10 governors -- had stayed in the area of the cafe that he went to and wanted to stop by for an impromptu cup of coffee.

Upon arrival, he met alone at Laeken Castle for nearly 30 minutes with King Albert II. According to Belgian protocol, all meetings with the King are held in strictest confidence and discussions are never divulged in public -- something we may want to continue when we return back to the States.

The bilateral meeting that he had was attended by Secretary Christopher; the Chief of Staff Mack McLarty; and Tony Lake, the National Security Advisor. They discussed the Partnership For Peace, the combined joint task force, the European economic integration in Zaire. The President and the Prime Minister then met separately for 15 minutes or so, although the topics they discussed were generally the same.

The President was able to rest for a couple of hours this afternoon before reviewing his speech that he reviewed with Tony Lake and others. And I think he would believe that after another good night's sleep this evening he is anxious to join the NATO meetings with our other 16 allies tomorrow.

We will now get right into both tomorrow and an overview of today's events with my colleague.

Q Is this on the record?

SENIOR ADMINISTRATION OFFICIAL: No, this is, once again, your friendly Senior Administration Official.

Q Why?

SENIOR ADMINISTRATION OFFICIAL: Because that's the only name I know to answer to after all these months.

If you -- maybe another -- Helen, for you another ground rule also, which is that if you agree with what I say and think it makes sense, that's what the President believes; and if you don't agree with what I say, it's sleep deficit and you can throw it away.

Let me say something first very -- I'll be very brief -- about the speech. It was laying out not only a preview of the NATO Summit, but the general theme for the trip as a whole. And that is a vision of a new security in Europe. This is a moment of extraordinary strategic challenge and opportunity. And as the President said, he believes we need to move towards a new security in Europe.

As he said, the old security was based on a defense of our bloc against their bloc. The new security seeks the military and economic and democratic integration of all Europe. And the speech laid out in those three areas practical ways to work towards that integration.

Let me pick up a bit of an argument I was having with a friend afterwards. It is much easier to achieve a consensus about the old security than it is about the new security. It's much easier to summon people to the ramparts against a clear central danger, as during the Cold War, than it is to lead them down the avenues of integration, as must be done in the post-Cold War era. But the President will try, and he has laid out a vision for doing so.

It's really wrong, also, it seems to me, to speak only of this as a time of opportunities, because if we fail to pursue that vision of integration, then we will face very real new dangers in Europe over the coming years. A Europe that is redivided and insecure, a Europe that has failed to seize the economic opportunities before it, and a Europe in which the democratic tide to the East has started to ebb rather than flow. So you will hear repeatedly the President call on the Europeans and on Americans and on our friends to the East to pursue this vision of integration.

As in the Partnership For Peace, we will be preparing for dangers while we try to seize opportunities. Or, to paraphrase the President, we must prepare for the worst to try to build for the best.

Let me say something very quickly about the schedule for tomorrow and the issues that will be discussed, and then my colleague will talk about the economic side and the prospects for economic growth and integration.

Tomorrow's events will begin with a meeting between the President and NATO Secretary General Woerner. He will then meet with our military commanders in Europe. And then the formal proceedings of the NATO summit will begin. There will be three

working sessions at NATO headquarters Monday morning, Monday afternoon and again on Tuesday morning. And there will be two more informal discussions that will take place during lunch and again over dinner. And at the end of the summit on Tuesday morning, then the President will hold a press conference at NATO Headquarters.

During the course of the discussions -- and I've talked to many of you about the substance of this at length, and I won't repeat it here -- but the general issues that will be raised all as a part of trying to adapt NATO to the new strategic landscape in post-Cold War Europe will be, first of all, to launch the Partnership For Peace -- and we can talk about that a little bit more later if you wish -- secondly, to take steps within NATO to support the development of a European security and defense identity in a way that reaffirms NATO as the linchpin of current and future European security; third, through the creation of combined joint task forces to create more flexible military structures for potential post-Cold War missions and to create, then finally, a new framework within NATO to help counter the proliferation of weapons of mass destruction.

My colleague is here -- and again, since you've heard me, many of you so often, on the Partnership now -- who could talk more about that as we get into your questions. But first, my colleague on economic opportunities before us.

SECOND SENIOR ADMINISTRATION OFFICIAL: Thank you. I think I'm older than you -- I get to be more senior than he does because I'm older. (Laughter.)

The President, of course --

Q Is this on background or on the record?

SECOND SENIOR ADMINISTRATION OFFICIAL: Oh, this is background. I think the same rules apply. It's just I was referring to my age. (Laughter.)

The President, on Tuesday, of course, meets with the leaders of the European Union. Much of that discussion -- certainly not all, but much of it will be on the economic issues we face, including trade. As you know, we worked together with the European Union to reach a market access agreement in Tokyo, and then, of course the successful conclusion of the Uruguay Round. But we had the implementation process coming, which is critical. It involves everything from market access in goods to market access in services.

Now I have an hour and a half on services. I know Bob Novak wanted me to do that tonight, and so I'm going to do that. You'll have to sit here and listen to every word I have to say about that. (Laughter.)

But that is part of the three -- the triad the President talked about tonight. It's political and it's military and it's economic. And they are mutually interdependent, and it's the way in which the President has talked about since his American University speech on February 26th of last year, how we're going to meet the third great challenge this century, which is in the post-Cold War world. It's not just economic or not just military or not just political, it's all three. And you heard that theme again tonight, which I think is not only visionary but also critically important.

It's not just the -- as my colleague said quite eloquently, not just the opportunities we have, it's all the responsibilities each of us have -- the United States taking the leadership, but also the European Community or Union, and the Japanese coming along with us to take their share of the responsibilities we meet this challenge of the post-Cold War world.

And so trade and economics obviously plays a vital part of this. The follow-up to the Uruguay Round is a critical part of that situation. And so his meetings on Tuesday with President Delors and others will help to push that forward.

Q How close is the U.S. to an agreement with Ukraine on the withdrawal of their nuclear weapons?

SENIOR ADMINISTRATION OFFICIAL: We have made, over the recent weeks, a great deal of progress -- and, indeed, over the last few days. We are not quite there yet. This is a tremendously important issue for obvious reasons. And we want to be very careful that we do not allow ourselves to be driven by any artificial deadline into achieving less than the most complete and best agreement possible. And we will not do so.

So as I said, I think we are almost there. There remains time to get it done, and we will have to see what happens.

Q And is it still a possibility it could be done to allow the initialing of some kind of agreement either in Moscow or in Kiev if the President stops --

SENIOR ADMINISTRATION OFFICIAL: It's possible, but we will have to see how we go over the next day or so.

Q Are you waiting to hear back from them? Are you now in the position of waiting to hear back?

SENIOR ADMINISTRATION OFFICIAL: It's, as you know, a three-way negotiation and messages are passing on all parts of the triangle.

Q Is a London report of a deal of we give $12 billion and in return we get enriched uranium -- is that the way it's going?

SENIOR ADMINISTRATION OFFICIAL: Without my blackboard here, it's very hard to describe it, because there are -- when you look at the finances involved, there are different aspects to it -- some private money being paid for uranium; some government underwriting of the deal; some financial transactions between Russia and Ukraine. It's very complicated. And what I'd rather do is wait and see when and if we get a deal to talk you through it then.

Q How close is NATO to ordering air strikes in Bosnia?

SENIOR ADMINISTRATION OFFICIAL: This is a very serious situation. The NATO warning against the strangulation of Sarajevo remains very real. We have been in touch with the Serbian government and other parties to encourage them to understand the seriousness of the situation. I don't anticipate

that there would be any action within the next few days. But we have reminded the parties of the seriousness of the moment.

Q Is this a warning that you've given them in the past 24 hours?

SENIOR ADMINISTRATION OFFICIAL: It's been an existing warning all along. And we are reminding them that that warning remains alive.

Q Has the U.S. made a judgment whether the Serbs have transgressed, have gone past the limits set forth by NATO in August? Has the U.S. come to a conclusion?

SENIOR ADMINISTRATION OFFICIAL: If you look at the pattern of fighting around Sarajevo and of the artillery action against Sarajevo, it's tended to come in spikes -- increases and then diminishing again and then a lower period and then another spike. We have clearly, in the recent days, seen a number of those spikes. I would note that the situation there now is still not as grave as it was at the time of the warning. But we are watching to see if this is simply another spike or something worse.

Q Isn't that gamesmanship? I mean, how long does it go on? Every time you give a warning, they lower --deescalate for a while.

SENIOR ADMINISTRATION OFFICIAL: Well, the other part of that is to proceed with efforts to encourage a settlement that can put an end to that pattern, and that the European Union is working on with our support. And I think you will see in the communique a strong, serious statement about Bosnia.

Q With all due respect, why should they listen or respect any of these warnings? Why should a new warning from us or NATO have any relevance to the Serbian government, given the track record of the past few months?

SENIOR ADMINISTRATION OFFICIAL: Well, if you look at, again, as I just said, the pattern of behavior in the past, there has been a response when we have reminded them of the seriousness of the situation. I should also note that I believe, based on reports I just got, that the airfield in Sarajevo has now reopened.

Q As I understand it, as you well know, what happens is you issue a warning and then they stop and then the warning abates and they do it again. That's been going on, as your office has been telling us, for sometime. I understand that the French have specifically asked for air strikes, and that the Dutch Foreign Minister suggested air strikes, and that others in the Community -- in NATO -- have suggested air strikes and that the United States has been opposed. Is that true?

SENIOR ADMINISTRATION OFFICIAL: I'm not aware of a formal request by another government at the summit.

Q How about an informal one?

SENIOR ADMINISTRATION OFFICIAL: Informal also. I'm not aware of a request at the summit tomorrow to take such an action.

Q not have the summit and not in Brussels -- such requests were made?

SENIOR ADMINISTRATION OFFICIAL: Not that I'm aware of.

Q Under the U.N. agreement, could fuel rods supplied by the United States be used in Chernobyl? Under the Ukrainian -- any sort of Ukrainian deal?

SENIOR ADMINISTRATION OFFICIAL: Let me reserve that until we have any deal, if we do, to talk about.

Q Is this now a matter of President Kravchuk getting an agreement from his Parliament or parliamentary leaders -- is that all that's left that's left to do?

SENIOR ADMINISTRATION OFFICIAL: No, I think this is issue among -- discussion among all three still. That would not be accurate.

Q When you say you expect no action over the next couple of days, does that mean you expect no decision by NATO on air strikes? Is that what you mean?

SENIOR ADMINISTRATION OFFICIAL: I don't want to rule out a decision, although I'm not aware of one that is about to be made because let's see what happens. A fair question.

Q Back to the Ukraine for just a moment. If you reach an agreement, does it have to go back to Parliament again? In other words, are you back in the same situation where you seem to have reached an agreement and Parliament can spike it again? What would an agreement need?

SENIOR ADMINISTRATION OFFICIAL: Again, let me save that for when and if we have an agreement. As you know, there are elections in late March, in fact, for a new Parliament in Ukraine. And we can talk about when it becomes, and if it becomes relevant.

Okay? Good. Thanks very much.

THE PRESS: Thank you.

END9:00 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Brussels, Belgium)

For Immediate Release January 10, 1994

REMARKS BY THE PRESIDENT
TO THE TRAVEL POOL

Grand Place
Brussels, Belgium

THE PRESIDENT: As you know, we had a good, long dinner tonight. And we talked about only two subjects; we talked about Russia and Bosnia. We spent the first half, perhaps more than half the dinner on Russia. And I basically gave a report about what I would be doing in Russia, and they gave me their advice about what we could do to strengthen the process of reform, create a system of support for people who had been dislocated economically, how we could build a better partnership with Russia and have the kind of future we want, with Russia being a great nation, but a nonaggressive one.

And it was very, very helpful. I mean, they had very keen insights and a lot of them had just been there, so it was helpful.

Then we talked about Bosnia at some length. And I urged that we stay with the present communique, the present policy, which gives us the right to ask the U.N. for permission to use air strikes if Sarajevo continues to be shelled. We discussed some other options and agreed that we would have another discussion tomorrow about it.

So I can't say that there was any conclusion reached except that I do believe we'll stay with our present policy. I think the language in the communique will stay in, and we'll have some other discussions about it tomorrow morning.

Q Was there an agreement to ask the U.N. permission to use air strikes?

THE PRESIDENT: No. Because under the procedure what would happen is one of the member states would have to ask the North Atlantic Council, our military group, to review it to say it was appropriate, and then to go to the U.N. So I think, plainly, we know that if the language stays in there and if the shelling continues, there will have to be some action taken.

So I think you can tell by what happens tomorrow, if we keep the language, which I hope and believe we will, then it's basically up to the behavior of those who are shelling Sarajevo, principally the Serbs. We'll just have to see what happens.

Q With regard to Russia, is there a larger economic plan envisioned?

THE PRESIDENT: Well, what they talked about today

was -- first of all, we have quite a large plan. We've got to dislodge some of the money that we've committed that has tied up in the international institutions. They all believe that we needed a combination of two things -- we need to try to speed up the privatization, because in the end that was the real guarantor of reform. And Russia has done a phenomenal job of privatizing industries. Thousands just in the last year.

And, secondly, that we needed some sort of social support network -- an unemployment system, a retraining system, a system to train people to manage and operate businesses and banks that will enable people to deal with the dislocations that are coming. And that's basically what we talked about.

Q Thank you, Mr. President.

END

THE WHITE HOUSE

Office of the Press Secretary

(Brussels, Belgium)

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIALS

January 10, 1994

Conrad Hotel
Brussels, Belgium

7:50 P.M. (L)

SENIOR ADMINISTRATION OFFICIAL: You've been hearing a number of statements, and so I won't make a long statement by way of introduction. But I would like to pick up on a couple of the points that have been made by the President and the Secretary of State with respect to the importance of what has happened today with respect to the Clinton administration's overall nonproliferation policies.

In the first instance in NATO, in addition to the Partnership For Peace, an initiative of the United States as we sought to transform the NATO Alliance. Another initiative that hasn't gotten quite as much attention but is also critical as we see NATO's evolution, and that is that NATO will work together and find ways in the new world to not only promote our overall nonproliferation goals around the world, but to prepare within the NATO planning structure and force structure for the possibility that diplomacy might fail and that our forces might find themselves in situations in which dangerous weapons have proliferated.

And so a key element of our overall nonproliferation policy has bringing that as a priority to NATO as it transforms itself and evolves into the new world.

And then, secondly, and more dramatically, the announcement that we've made today that this Friday the three presidents of Ukraine, Russia and the United States will be signing an agreement whereby our overall nonproliferation goals with respect to Ukraine will be confirmed and bring about the success of our efforts over the past year to gain the implementation of the Lisbon Protocols by Kazakhstan, Belarus and now Ukraine.

And so let me then just pick up briefly on the framework that will comprise this agreement; that we will put in place a framework for Ukraine that will include continuing a process that's already underway, and that is the deactivation of nuclear weapons on Ukraine territory. At the same time, the United States, Russia and the United Kingdom will provide security assurances for Ukraine when Ukraine becomes an adherent

to the Nonproliferation Treaty; and, finally, assistance in the dismantling of their nuclear weapons and then compensation for the nuclear materials that these weapons currently hold.

And we can go into some of the details of how it is that the various elements of that framework will be carried out. But it is a framework that does include many details. It's been a complex negotiation. We are prepared to announce that an agreement will be signed by the three presidents on Friday, and at this point what we'd like to do is just share with you that overall framework.

Thank you. Let me ask my colleague to follow up with a few brief comments.

SECOND SENIOR ADMINISTRATION OFFICIAL: I think it's important to remember when you look at this overall agreement that there's been quite a bit of activity going on on several fronts over the last nine months or so. We've had bilateral activity going on between Russia and Ukraine that brought them really a very long distance toward working out the overall framework of the deal -- compensation going to Ukraine in the form of fuel rods, movement of weapons back to Russia for their elimination. The overall structure of the deal was really worked out in a bilateral context between Ukraine and Russia, but they got only so far and did not bring it to a final resolution.

So the United States, in the early fall, came into the mix and began -- really at the request of both President Yeltsin at the Tokyo Summit back in the summer and President Kravchuk -- became involved in a trilateral process to try to drive the deal through to conclusion. And over the last couple of months we have been working very intensively with both sides to drive the deal through to conclusion.

Now, that's on the specifics of the particular deal that we're talking about now. But you've got to remember, too, that it's nested in the overall Lisbon Protocol commitments of Ukraine and Kazakhstan and Belarus, Russia and the United States, for that matter. That deal was signed in May 1992. It was put together as an overall framework under which those countries -- Kazakhstan, Belarus and Ukraine -- could become parties to the NPT and nonnuclear weapon states at the earliest possible time. So we are looking now at essentially yet another package of deals or arrangements that makes that more concrete and brings it into reality.

Q Do you have any idea of the value of the uranium, the reprocessed uranium, that will be sold for reactors and split between Russia and Ukraine -- because, you know, wild figures have been thrown around, like $12 billion?

SENIOR ADMINISTRATION OFFICIAL: That $12 billion number is the value of the entire HEU deal. That is the contract between the United States and Russia over a period of approximately 20 years it'll stretch out. And in that time period there will be a regular sale of blended-down uranium, and the United States will then take that uranium, process it into fuel rods and resell it on the market for such fuel rods. So that is the amount for the total contract over time.

Now, as far as the value of what will go to Ukraine, that it's a combination of fuel rods for Ukrainian nuclear power

reactors. And I have to say that this is a key element that was worked out between the Russians and Ukrainians. This is something the Ukrainians want very much because they are energy poor, their resource base for energy is poor overall, but they do have some actually very modern power plants in addition to the Chernobyl-style reactors, which we all know about. But they see that as a way to begin to develop an independent energy resource base. So it was very important for them.

In terms of the overall value calculated over time, it's a little bit difficult to say because the market fluctuates and so forth. But I think we're looking at a number around a billion dollars approximately.

Q But $20 is not only --

SENIOR ADMINISTRATION OFFICIAL: Yes, twelve billion --

Q I mean, the $12 billion, yes, is a --

SENIOR ADMINISTRATION OFFICIAL: Yes. And another important thing to remember is as far as the HEU deal is concerned, from the very outset, we've made it clear that compensation arrangements had to be worked out not only with Ukraine but with Kazakhstan and Belarus as well. And that's an important part of all these pieces coming together during this week. It's a remarkable confluence of events.

SENIOR ADMINISTRATION OFFICIAL: Let me just add one point on that, and that is what had earlier been said by the Secretary, and that is that the compensation through this highly enriched uranium contract is a commercial enterprise with no cost to the American taxpayer. It's been worked out with that as its key principle. And so this is done without any cost to the American taxpayer.

Q Have you calculated the cost for the dismantling?

SENIOR ADMINISTRATION OFFICIAL: We actually have looked at that. You're aware that we've said for sometime now that Ukraine would receive at least $175 million in Nunn-Lugar funds. We've gone back and taken a look overall at what the cost would be for dismantling. And it is difficult to estimate once again because you're talking about working in Ukraine on the ground there with a very different kind of economic structure and so forth. But we are looking at, I think, beginning from the floor of $175 million and looking across a range that will take us somewhat higher than that but not a whole lot higher than that.

Q Could you tell us if there's any -- do you plan to increase at all the $155 million in economic aid for Ukraine as a result of this? Is anymore money going to be asked for?

SENIOR ADMINISTRATION OFFICIAL: What we've said is that our efforts in making good on the Lisbon commitments would set the stage for a broadening and deepening of our economic relationship with Ukraine. And that's very much part of why we spent the energy that we have to get this particular agreement. So it does open up a whole new relationship.

Q No, no, no -- but what -- but right now it's

$155 million that was committed last October. Is there anything more on the plate --

SENIOR ADMINISTRATION OFFICIAL: At this point we are not going to say that there's anymore but -- in specific terms, but we're definitely that we're opening up a new relationship.

Q How long do you expect it to take to implement the agreement, and when do you expect that Russia will be the sole remaining superpower in the former Soviet Union?

SENIOR ADMINISTRATION OFFICIAL: If I could just -- before we get to that question, I'd like to add one final point on this economic assistance question. As my colleague said, we are starting now a process, a very intensive process of working together with the Ukrainians on their whole spectrum of economic reform. It's been a real problem because up to this point they haven't really dived into reform, economic reform, in the same way that the Russians have, for example. So we are definitely willing to work with them, and we'll work with them intensively.

I can also tell you the $155 million is a floor, and we're willing to go above that. They have to show us some evidence that they are ready to move energetically on reform. We are willing to work with them on that. There will be a high level Ukrainian economic delegation coming at the end of January to Washington. And my colleagues on the NSC and elsewhere in the government will be working with them very closely.

Q Have you said when Kravchuk is coming or whether you're going to invite him on Wednesday?

SENIOR ADMINISTRATION OFFICIAL: He will be coming to Washington at some point in the near future. We have not set a date precisely yet.

Q timing question, please?

Q Could I restate my question, please?

SENIOR ADMINISTRATION OFFICIAL: Why don't I say I've heard the question, and that has to do with timing. And I think -- let me just begin by saying the most important part of the agreement that will be signed on Friday is a commitment on the part of Ukraine now to put in place a process by which the deactivation of their missiles, which is currently underway, will be added to a commitment to begin to move those weapons to Russia in the framework of the compensation, assistance and security assurances that I've talked about.

What has been blocking that, our efforts with Ukraine, is that fact that we couldn't get a process underway. We couldn't get the steps to be taken to have this start to work. And so, at this point, that's what the success is, plus a commitment that all the nuclear weapons will return to Russia. So focused on the fact that we get the process underway, we get the most dangerous weapons moving out of Ukraine, and we have a commitment that all will finally go away.

Q you have a commitment on timing?

Q ten years, two years?

Q question, please, on deactivation?

SENIOR ADMINISTRATION OFFICIAL: Yes, sure.

Q No, we were just discussing --

Q Can we stay on timing until we the answer?

Q Yes, we want an answer on the timing.

SENIOR ADMINISTRATION OFFICIAL: You have an answer.

Q Are you going to accelerate the deactivation now that you have this new agreement? And is there some way in which you're going to change deactivation mechanically so that you could speed it up?

SENIOR ADMINISTRATION OFFICIAL: Well, you know that the deactivation and the flow of funds from the United States has just began because we've signed all the implementing agreements. So we are prepared to move the assistance into Ukraine as quickly as possible. The funds have been appropriated, obligated, they're ready to go. So we will move consistent with how long it takes to actually carry out those particular activities.

Q Wait a minute -- timetable?

Q So there's no timetable.

Q There is no timetable.

SENIOR ADMINISTRATION OFFICIAL: There is a sequencing plan that begins with, or would begin with the signing of this agreement by the three presidents and that's what this agreement's about.

Q Over what period of time? Over what period of time, please? There apparently is no timetable.

Q Could you answer the question?

Q Is there a timetable? Is there an outside limit within which or before which this must be done?

Q And you just can't tell us, or what?

Q What is the problem here?

Q I mean, it appears as if you signed -- to get an agreement, you've signed something in which there is no assurance they will ever be a nonnuclear country because there's no date that they --

SENIOR ADMINISTRATION OFFICIAL: There's a commitment for all the nuclear weapons to be removed from Ukraine consistent with their obligations under the Lisbon Protocol.

Q When?

SENIOR ADMINISTRATION OFFICIAL: Which is seven years from the time of ratification.

Q Can I ask you about the warhead total, please? The President spoke of 1500 warheads. You know, I know this is

175, 176 missiles, but that doesn't get 1240 up to 1500. Was he speaking roughly, and it's really about 1240 warheads? Can you settle that, please? You don't have to -- -- so that's going to --

SENIOR ADMINISTRATION OFFICIAL: The sum, 1500 --the total overall is 1800, and that includes both ICBM warheads and bomber warheads and --

SENIOR ADMINISTRATION OFFICIAL: Air-launched cruise missiles --

SENIOR ADMINISTRATION OFFICIAL: -- air-launched cruise missile warheads.

Q And they've agreed to take care of all of them?

SENIOR ADMINISTRATION OFFICIAL: They're all coming out.

Q What precisely is the security guarantee that the United States will give to -- if Ukraine is invaded, do we go to war for Ukraine?

SENIOR ADMINISTRATION OFFICIAL: First of all, we see these as security assurances within the framework of the CSCE commitments to the sovereignty of borders, and to a commitment on the part of the members of the CSCE to undertake no economic coercion with respect to the other members. And so we will restate those two particularly critical assurances for Ukraine, and in addition, make the commitments as nuclear powers with respect to obligations under the Nonproliferation Treaty. So these are security assurances, and these are assurances consistent with our obligations within those two treaties. There are no new guarantees or obligations as part of this agreement.

SENIOR ADMINISTRATION OFFICIAL: I can see as soon as I answered the question before, I seemed to have no other interest in questions --

Q Just to be sure that I understand this -- I'm sorry if I'm having trouble following you, but as they take away the missile capability, they get the aid, or do they get the aid irrespective of whether they take away the missile capability once this -- and you've now said it kicks in after ratification over seven years, and we don't know exactly how fast it's going?

SENIOR ADMINISTRATION OFFICIAL: Well, actually the assistance for dismantling kicks in now, because they have signed all the agreements necessary, all the so-called Nunn-Lugar implementing agreements as well as the umbrella agreement. And so we are now at a point where we can begin to move forward with them.

That means that quite a bit of technical work has gone on to define exactly how we will be working with the Ukrainians in terms of destroying the missiles, in terms of dealing with the propellant in those missiles, in terms of all the other technical steps that need to be taken to make this happen.

And don't forget, they have had a very active program of deactivation. I really have to say that President Kravchuk has shown a great deal of leadership here, because since

the summer they have had a very active program of early deactivation. We essentially went to them and said, look, the United States and Russia are both beginning to implement the START I Treaty. Is it not time that Ukraine also begin a process of early deactivation.

And, indeed, President Kravchuk stepped up to that and he began to deactivate SS-19 missiles. We are now moving into a period where SS-19s, SS-24 missiles, in fact, the commitment is, as we've said tonight, to all of the nuclear weapons in Ukraine. And we really expect an intense, even in the first year we expect to see an intense movement of warheads from Ukraine to Russia. And I think that that is very important because we have, as Dr. Davis said, been essentially at an impasse, a stalemate. There's been no movement. The Rada and the Executive Branch have been at an impasse, and we've been trying to move the process forward and do so in a positive way that makes sure Ukraine benefits, that makes sure Ukraine gets the compensation she deserves. And we are very satisfied that we have been able to do that and we give a lot of credit to the Ukrainian government and to President Kravchuk.

Q Back on timetables, is it seven years from next week's signing, seven years from ratification by the Rada, or seven years from the end of some open-ended process that we don't know how long it will take?

SENIOR ADMINISTRATION OFFICIAL: It's from the time that they make a commitment to the START I Treaty.

Q Did the President sign if the Rada ratifies, or the Ukrainian government, or what instrument?

SENIOR ADMINISTRATION OFFICIAL: I think it's at this point important to understand that the Rada has dealt with the START I Treaty and looked at the kinds of requirements that would be necessary for it to be carried out in detail. And among those conditions that they've called them -- we've not actually called them conditions, but those conditions included the kinds of steps that you see in this framework agreement.

So in the context of the ratification, the government of Ukraine now is prepared to commit to carry out not only its commitments under the Lisbon Protocol, but to begin that process immediately and to get beyond their own deactivation to the removal of those warheads back into Russia. And that's what's so critically important about the agreement that we've signed.

Q What do you consider the date of ratification?

SENIOR ADMINISTRATION OFFICIAL: On November 18th, the Ukrainian Parliament voted to ratify the START I Treaty. As you're aware, they imposed a number of conditions on that ratification. We were very concerned about it afterwards. We went back to President Kravchuk. The President, in fact, called him within a few days of that vote and expressed our very strong concern about it.

But I have to say, President Kravchuk already had a strategy in place for addressing this situation. He said, look, we have to address the concerns of the Parliament. And he said, I'm willing to do that. Working together with the United States, working together with Russia, we'll deal with -- some of their

main concerns had to do with compensation, for example. He said, "Then I will be resubmitting the package, the Lisbon Protocol package, which includes START I as well as the NPT part of it, to the Rada.

Now, as you're aware, they're in an election period now -- between now and March, they're going to be voting -- getting ready to vote for a new Rada. He said he expects to resubmit the package in March or shortly thereafter for another vote. I expect, based on what I have been hearing from some Ukrainian parliamentarians, that they will be satisfied with what they have seen emerge from this deal.

Q Secretary Christopher said this could be done by executive action. It sounds otherwise from your description.

SENIOR ADMINISTRATION OFFICIAL: We believe that the framework provided by this agreement permits the government of Ukraine to sign an agreement between his government, the United States and Russia to carry out those commitments under the Lisbon Protocol. So when he signs this agreement he is signing it for the government of Ukraine.

Q So the meter doesn't begin running on time until it goes back to the Rada and it is ratified again, is that correct?

SENIOR ADMINISTRATION OFFICIAL: From the time of the signing of this document, we would assume that those commitments would be in place.

Q Assuming doesn't mean that that will be so just because they were signed, does it?

SENIOR ADMINISTRATION OFFICIAL: Governments signing these agreements make the commitment on behalf -- sorry -- Presidents signing these agreements make commitments on behalf of their governments.

Q But it doesn't start the timetable running, does it?

SENIOR ADMINISTRATION OFFICIAL: I certainly think the time -- the commitments under this agreement began from the time of signature on Friday.

Q A sequencing question rather than a timetable question. You said this would take the most dangerous weapons out first. Does that mean it explicitly says the 24s come out before the 19s?

SENIOR ADMINISTRATION OFFICIAL: That means it says the most dangerous weapons are coming out as this process gets underway.

Q One follow-up to that please? Are there any provisions in the security guarantees that would provide for NATO to sell conventional weapons to Ukraine or to give Ukraine any of the leftover conventional weapons that NATO has from the CFE Treaty?

SENIOR ADMINISTRATION OFFICIAL: It is not part of this agreement.

END8:13 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 10, 1994

TEXT OF A LETTER FROM THE PRESIDENT
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT PRO TEMPORE
OF THE SENATE

January 8, 1994

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

Six months ago I provided you with my initial report on the deployment of a U.S. peacekeeping contingent as part of the United Nations Protection Force (UNPROFOR) in the former Yugoslav Republic of Macedonia. I am now providing this follow-up report, consistent with the War Powers Resolution, to ensure that the Congress is kept informed about this important U.S. contribution in support of multilateral efforts in the region.

As a significant part of U.N. efforts to prevent the Balkan conflict from spreading and to contribute to stability in the region, the U.N. Security Council adopted Resolution 795 (1992) authorizing the presence of UNPROFOR for peacekeeping purposes in Macedonia. In early 1993, a Nordic battalion was deployed to Macedonia with the mission of monitoring and reporting developments along the northern border that could signify a threat to the territory of Macedonia. Consistent with U.N. Security Council Resolution 842 (1993), the United States augmented the UNPROFOR Macedonia peacekeeping force with a combat-equipped U.S. Army contingent. The U.N. Security Council extended the UNPROFOR mandate in Resolution 871 (1993). Our U.S. Armed Forces personnel have served with distinction in Macedonia continuously since their arrival in early July 1993.

The peacekeeping operations in Macedonia have been conducted safely and effectively, and I am certain that you share my pride in and appreciation for the superb efforts of the Americans who are contributing so much to the UNPROFOR Macedonia mission. Unsurprisingly, the U.S. Army personnel received high praise from the U.N. Commander, Danish Brigadier General Thomsen, for their outstanding professionalism and capabilities, which enabled them quickly to assume an integral role in the force. Upon receiving orientation and training on the mission at UNPROFOR headquarters in Skopje, the U.S. unit began conducting observation and monitoring operations along the northeastern section of the Macedonian border with Serbia. The U.S. contribution has thus enhanced UNPROFOR's coverage and effectiveness in preventing a spillover of the conflict, and has underscored the U.S. commitment to the achievement of important multilateral goals in the region.

As always, the safety of U.S. personnel is of paramount concern. U.S. forces assigned to UNPROFOR Macedonia have encountered no

hostilities, and there have been no U.S. casualties since the deployment began. The mission has the support of the government and the local population. Our forces will remain fully prepared not only to fulfill their peacekeeping mission but to defend themselves if necessary.

On December 14, 1993, elements of the U.S. Army Berlin Brigade's reinforced company team (RCT) assigned to UNPROFOR Macedonia began redeploying to Germany as part of the normal rotation of U.S. forces. Lead elements of a similarly equipped and sized RCT began arriving in Macedonia on December 27, 1993. The approximately 300-person replacement unit -- Task Force 1-6, from 1st Battalion, 6th Infantry Regiment, 3d Infantry Division (Mechanized), Vilseck, Germany -- assumed the mission on January 6, 1994.

The U.S. contribution to the UNPROFOR Macedonia peacekeeping mission is but one part of a much larger, continuing commitment towards resolution of the extremely difficult situation in the former Yugoslavia. I am not able to indicate at this time how long our deployment to Macedonia will be necessary. I have continued the deployment of U.S. Armed Forces for these purposes in accordance with section 7 of the United Nations Participation Act and pursuant to my constitutional authority as Commander in Chief and Chief Executive.

I am grateful for the continuing support of the Congress for U.S. efforts, including the deployment of U.S. Armed Forces to Macedonia, towards peace and stability in the former Yugoslavia. I remain committed to consulting closely with the Congress on our foreign policy, and I look forward to continued cooperation as we move forward toward attainment of our goals in the region.

Sincerely,

WILLIAM J. CLINTON

# # #

THE WHITE HOUSE

Office of the Press Secretary
(Prague, Czech Republic)

For Immediate Release January 11, 1994

PRELIMINARY DRAFT OF
PREMARKS BY PRESIDENT CLINTON

First Courtyard
Prague Castle
Prague, Czech Republic

6:50 P.M. (L)

PRESIDENT CLINTON: Thank you very much. First, I want to express my thanks to President Havel for his warm welcome. I'm coming back to Prague only for the second time in my life. I was here 24 years ago in this same week, in a very different role in life.

I've been deeply impressed by the progress made by the Czech Republic, and was deeply impressed by the meeting I had today with the President and the Prime Minister and with other leaders of the government. I reaffirmed the fact that the security of this Republic, and of the nations of Central and Eastern Europe are important to the security of the United States and to Europe and to the Atlantic Alliance; that the Partnership For Peace is the beginning of a genuine security relationship which can lead to full membership in NATO; and that we must also be mindful of the economic dimension of security.

For it's difficult for nations to pursue good policies and to reflect democratic values unless they can also offer the hope of success for the people -- to the law and try to contribute to the welfare of the society. So we've talked about these things, and I look forward to talking tomorrow with all the leaders who will be here together in perhaps somewhat -- what we -- I am very -- President Havel supports --

QUESTION ASKED IN CZECH

THE PRESIDENT: That issue has not been resolved, so since it was not discussed -- I suppose it's theoretically possible. NATO is a security alliance in which all the members will -- to assume certain responsibilities for the welfare of the entire group. One of the things I want to emphasize about the Partnership For Peace is that the security relationship that will permit, immediately, the military commanders of NATO to begin to work with the military leaders of each country involved in the Partnership to look at the Ukraine, to look at -- exercises, to deal with the whole range of issues which will help to move toward --

Q President Havel, sir, can you tell us how concerned are you about the rise of ultranationalists and communists in the parliamentary elections in Russia? Does that

cast a cloud over this region?

PRESIDENT HAVEL ANSWERS

END6:53 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Moscow, Russia)

For Immediate Release January 13, 1994

REMARKS BY THE PRESIDENT CLINTON AND PRESIDENT YELTSIN IN OFFICIAL GREETING CEREMONY

St. George's Hall
The Kremlin
Moscow, Russia

9:16 A.M. (L)

PRESIDENT YELTSIN: Mr. President of the United States of America, it gives me great pleasure to welcome you as a most honored guest of the Russian Federation. You begin this day's official business in the famous and legendary Georgian Room of the Grand Kremlin Palace, which has names of some of Russia's best sons inscribed on its walls. And I believe that this is a good omen for the coming discussions that we're going to have.

I very well remember the first meeting that we had in Vancouver where we laid the foundations for U.S.-Russia partnership and also for our personal rapport and friendship. And I believe that we have every reason to think that the coming discussions will be even more profound, more practical and more sweeping in nature.

I also believe that you will take back from your visit to Russia a very good memory. And I'm sure that as you meet people here, they will also remember you very well and your stay here. So, Mr. President, welcome to Russia. Welcome to Moscow.

PRESIDENT CLINTON: Thank you. Well, Mr. President, I am delighted to see you again and deeply honored to be in this magnificent hall, which is a great testimony to the rich history, the leadership and the greatness of your nation -- the greatness that has been demonstrated again by the remarkable changes over which you have presided in the last two years.

I have just come from a set of historic meetings that we'll have a chance to talk about, meetings which make it clear that Russia and the United States must work together to build a new future for Europe on which a new future for our entire world depends.

I believe that together we can work to lead a new security for Europe based on democratic values, free economies, the respect for nations for one another. We will be discussing the specific things we can do to keep the economic reform going in Russia and to help the Russian people to realize the benefits of the courageous changes that have been going on; to use the Partnership For Peace to develop mutual security all across Europe and for the first time in all of history to have a Europe that is not divided by an artificial line between peoples; and to

work toward the historic agreement that you and I will sign with President Kravchuk on Friday to make the world a safer place with fewer nuclear weapons.

These are the ways in which, under your leadership, your nation is defining its greatness. And I am very pleased to be here to work on these things with you. (Applause.)

END9:21 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Prague, Czech Republic)

For Immediate Release January 12, 1994

REMARKS BY THE PRESIDENT IN PHOTO OPPORTUNITY WITH PRESIDENT KOVAC OF SLOVAKIA

Library
U.S. Ambassador's Residence
Prague, Czech Republic

11:06 A.M. (L)

Q President Clinton, what's been the reception so far to what you have brought to these nations?

THE PRESIDENT: So far, so good.

Q No objections, sir?

THE PRESIDENT: We've had three different conversations, of course, and this will be the fourth. And each of them, although leaders can characterize them for themselves, but I have been very pleased so far.

Q Have they raised security issues with you, that they are worried that if there should be some kind of resurgence in Russia that they feel protected, or are they still worried about this?

THE PRESIDENT: No one has said that they expect something like that in the near future. What no one knows is whether the future of Europe will be like its past or if it will be different.

Q Are you saying that all have accepted the Partnership so far?

THE PRESIDENT: You'll have to ask them when we do the press conference.

THE PRESS: Thank you.

END11:07 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Kiev, Ukraine)

For Immediate Release January 12, 1994

REMARKS BY PRESIDENT CLINTON
AND PRESIDENT KRAVCHUK

Kiev Airport
Kiev, Ukraine

9:50 P.M. (L)

PRESIDENT KRAVCHUK: Ladies and gentlemen, let me open this news conference and give the word to the President of the United States, Mr. Clinton.

PRESIDENT CLINTON: Thank you very much. I have just completed my first meeting with President Kravchuk, and I am delighted that we have met under such promising and historic circumstances. I was also delighted to be able to wish the President a happy 60th birthday on this auspicious occasion.

President Kravchuk, President Yeltsin and I are ready to sign on Friday an agreement committing Ukraine to eliminate 176 intercontinental ballistic missiles and some 1,500 nuclear warheads targeted at the United States. This breakthrough will enhance the security of Ukraine, the United States, Russia, and the entire world.

Ukraine is a nation with a rich heritage, enormous economic potential and a very important position in European security. The ties between our two nations have deep roots. From America's birth to the present day, Ukrainian immigrants have helped to shape my nation's history.

Our meeting this evening begins a new era in our relations. The agreement President Kravchuk and I will sign with President Yeltsin opens the door to new forms of economic, political and security cooperation. Our meeting tonight centered on three important issues. First, we discussed the strategic importance

First, we discussed the strategic importance for this region and the world of the nuclear agreement. I commend President Kravchuk for his courage and his vision in negotiating this agreement.

Second, I was able to issue a personal invitation to Ukraine to participate fully in the Partnership For Peace launched at this week's NATO Summit. By providing for specific and practical cooperation between NATO and Ukrainian states and their forces, this Partnership can foster an integration of a broader Europe and increase the security of all nations. I'm very pleased by the expression of interest in participating that came from President Kravchuk and his government today.

Third, President Kravchuk and I agreed today to expand and enhance the economic ties between our nations. This is a

difficult time of transition for Ukraine, but Ukraine is blessed with abundant natural resources and human talent. Because so many of its neighbors are moving toward market economies and democracy as well, I believe Ukraine's most promising future lies with reform and with integration with those burgeoning economies. To assist in the reform effort, I am today announcing the establishment of an enterprise fund for Ukraine, as well as Belarus and Moldova, a fund which will help to capitalize new small businesses and provide assistance to existing firms that seek to privatize.

Over the last year the United States has also provided $155 million in assistance to Ukraine. We are prepared to increase our support substantially as Ukraine moves toward economic reform. Under such circumstances, I also believe the international community would be able to provide significant support and investment to Ukraine, and I am prepared to work hard to see that that support and investment comes to pass.

To begin this work, we will be pleased to welcome to Washington later this month a senior Ukrainian economic delegation. I believe that Ukraine can play a major role in the future of Europe, a Europe whose security is not based on divisions, but on the possibility of integration based on democracy, market economics and mutual respect for the existing borders of nations.

I'm looking forward to seeing President Kravchuk in Moscow on Friday and to welcoming him to Washington for an official visit in March. I want to thank the people of Ukraine for having me here and treating me so warmly, if only briefly. And I would like to close by asking the President permission to come back and actually see the beautiful city of Kiev at some other time. I have sampled its wonderful food and I'm now ready for the sights.

Thank you very much.

PRESIDENT KRAVCHUK: Ladies and gentlemen, I am happy to greet the President of the United States, Mr. Clinton, and his accompanying persons in Ukraine. I'm sorry that this visit is quite short, but I hope and I'm confident that Mr. President will be able to visit Ukraine once again, so to say, in a full-scale and will be able to show him the Ukraine as it is. And I invite you, Mr. President, to visit Ukraine whenever it is convenient for you.

This is a short visit, a few hours only, but to my mind it is worth several days of negotiations if it's taken into consideration the wide range of issues which have been discussed. And we would be glad to inform the world that those problems were worth its attention.

I think the most urgent problem and the most important problem for the whole world now is the problem of nuclear weapons. And we have approached its solution. And I'm sure that this day and the forthcoming days open the way for the world for disarmament and for the elimination of nuclear weapons. And Ukraine will be committed to its obligations and Ukraine will be the state which will not stand in the way to disarmament.

A lot of time was devoted to discussing the bilateral relations between the Ukraine and the United States. And I'm glad that the President of the United States and the United States support our country in this time of our hardships. And I'm sure that this sort of cooperation and support is real support of all

independent states which have emerged on the basis of the former Soviet Union.

I'm sure that the charter for cooperation and friendship between our states, which is now being finished up by our experts, will be a new stage in the development of our relations. For us, it is very important that there is an understanding from the part of the President of the United States of urgency of the support to Ukraine in carrying out its economic reform and support its reforming processes. I am happy that the President of the United States will support our country in such international financial structures as the International Monetary Fund, the World Bank, European Bank for the Reconstruction and Development.

We understand that we have to be decisive in carrying out reforms, and we are ready for that. And we are happy with the development of our trade relations and that new prospects are opening up.

We support the initiative of the United States, its program which is called the Partnership For Peace, which we consider to be the universal formula which enables the participation of all countries. We understand that this program does not solve all the problems of security, but anyhow, it gives the possibility of all states to participate.

I'd like to greet once again Mr. President here in the Ukraine, and I would like to point out that in all issues we have discussed we have found joint, common viewpoints. This meeting was short, but it was very important and fruitful and it opened a new stage in the development of Ukrainian-American relations, which I am confident will be long-term and reliable.

Thank you for your attention.

If you don't mind, Mr. President, I'll have the office now of the Press Secretary. (Laughter.) I give the possibility to ask questions of our guests, American journalists.

QWhat exactly must your Parliament now do to ratify this agreement? And exactly how long will it take for Ukraine to become a nonnuclear nation?

PRESIDENT KRAVCHUK: You know, the philosophers say that everything changes in the world, even you cannot step in the same river twice. So I hope that our Parliament becomes cleverer in the course of its life and it sees the reality of the present days, and it will understand the essence of these relations and the wish of the three states. And when they will understand it, they will support the implementation of these agreements.

QUkraine sympathizes with you and your wife, Hillary, but anyhow, there's a question here. There is a decision of the Parliament, the Ukrainian Parliament on disarmament. According to mass media, you told that there will be a financial technological assistance. But your words were that you will render technical assistance. Is that true?

PRESIDENT CLINTON: Well, I will attempt to answer the question as I understand it. First of all, Ukraine is already due some compensation for the tactical nuclear weapons it has already dismantled. And I have discussed with the President the quickest way of reaching an agreement on how much is due and how it can be

delivered.

Secondly, under the so-called Nunn-Lugar bill, Ukraine is entitled to a substantial amount of money to help to dismantle the offensive strategic nuclear weapons, which can be used for not only dismantling the weapons, but for some of the defense conversion needs of Ukraine as well.

But over and above that, the United States is committed to rendering economic assistance to Ukraine to help start new enterprises, to help fund privatization, and to help make this painful transition to a new economy. And we are further committed to helping convince other nations and the international financial institutions to help as well.

Finally, as part of our agreement, of course, Ukraine will be compensated for the highly enriched uranium that is a part of nuclear weapons. And that is a strictly commercial arrangement because that uranium can be turned into fuel rods for commercial purposes and electric power plants.

QThank you, and happy birthday, President Kravchuk. President Clinton, as President of the United States you do not have the luxury at home to ignore events overseas, and perhaps the reverse is true. Former President Carter was one today who came out and suggested the time had come for an independent counsel to take a look at the Morgan Guaranty Savings and Loan situation. He and many other Democrats are looking to you for an indication of whether that's appropriate. Is it?

PRESIDENT CLINTON: I have nothing to say about that on this trip, except that they have been -- most of them have been denied the facts that are already in the public record before they made their comment, largely as a result of the way this thing has been discussed. But I have nothing else to say about that.

PRESIDENT KRAVCHUK: Thank you for your greetings, and I'd like to note that there is a gentlemen sitting over here who mentioned the wife of Mr. President, Hillary. So, once again, I would like to give a word to a woman. And I hope I'll receive another portion of greetings.

QSometimes financial programs, but they elect implementors. Where's the guarantee that these programs will be implemented?

PRESIDENT KRAVCHUK: If this is a question to me, I would answer that the guarantees are inside the Ukraine. The way we work, the way they will have the attitude to us. So these are the guarantees.

PRESIDENT CLINTON: If I might add just one point. Sometimes in discussions with nations, financial guarantees do not materialize because they are dependent on decisions made by other parties, usually the World Bank or the International Monetary Fund. In this case, every part of our agreement depends only upon the three Presidents and their governments to keep their word. And I told -- the first thing I said to President Kravchuk tonight is that I would do everything I could to make sure that all three of us did exactly what was in the agreement. And I am confident that we will.

PRESIDENT KRAVCHUK: I'm sorry, as a Press Secretary I would ask for some more questions, but here is a protocol, so the last question, please.

QMr. President, Mr. President Clinton, you mentioned the PFP, the Partnership For Peace. And there are some people who say that Russia has been using a type of passive imperialism in order to keep countries of Eastern Europe and Central Europe out of NATO for the time being. Do you -- by threatening destabilization. Do you agree with that? And I would be very interested in what President Kravchuk has to say.

PRESIDENT CLINTON: No, I don't. The short answer to the question is, I do not agree with that, although President Yeltsin himself has expressed reservations about NATO membership for other countries if Russia is excluded. You know, he has expressed an interest in being a member himself.

The leaders of NATO concluded that they should not offer membership at this time to any country because they weren't sure any country was ready to assume the responsibilities of membership and because they didn't want to exclude anyone else.

The Partnership For Peace offers a genuine concrete military security cooperation -- joint planning, joint training, joint operations -- to all the former states -- all the state of the former Soviet Union and to all of the members of what was the Warsaw Pact. And we are genuinely interested in reaching out to all these nations.

I can assure you that no one has a veto over NATO membership. It is anticipated that the Partnership For Peace will lead to NATO membership for many of those who participate in the Partnership who want to go through and assume the responsibilities of membership, ultimately.

That's how I see it. President Yeltsin only said that he didn't, at this time, want another line drawn across Europe, he wanted to have a chance to be part of an integrated European security network in which every nation would have to respect the territorial boundaries of every other state.

PRESIDENT KRAVCHUK: Mr. President Clinton, and I'll give one more question to the Ukrainian side.

QThe question to President Clinton: What assurances of security will the United States give and Russia give to Ukraine after it will have the nonnuclear status?

PRESIDENT CLINTON: Well, first of all, what goes with the Nonproliferation Treaty adherence is the absolute security that no one who has nuclear weapons will ever use them against any nation that is part of the NPT. That is the first security.

But let me make two other points, which I think are more important at least as a practical matter to Ukraine's security. Number one, the Partnership For Peace gives Ukraine the opportunity to work with the military forces of the United States and all of NATO in planning and working together and in establishing patterns of conduct which clearly will increase the security of this nation.

Second, and perhaps even more important, Ukraine's decision to become a nonnuclear state opens the possibility of receiving significant economic assistance not just from the United States, but from the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development, the G-7 nations

and other nations who understand the greatness of this nation, its strategic importance and its economic potential. And I believe that in the 21st century, it will be difficult for any nation to be secure unless it is economically strong.

So perhaps that is the most important thing of all -- the whole range of possibilities that are now open to Ukraine because of this courageous decision by the President.

PRESIDENT KRAVCHUK: Ladies and gentlemen, we would compensate what we haven't time to do, when we'll be implementing our program. And you will be compensated with an objective description of the role and the processes in Ukraine. And now the best thing for us to do is to wish Mr. President Clinton bon voyage.

PRESIDENT CLINTON: Let me say this in closing: If he did not have such a very important job, I would invite President Kravchuk to the United States to run my press conferences. (Laughter and applause.)

END10:30 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Moscow, Russia)

For Immediate Release January 13, 1994

PRESS BRIEFING BY
SECRETARY OF STATE WARREN CHRISTOPHER
AND SECRETARY OF THE TREASURY LLOYD BENTSEN

The Radisson Hotel
Moscow, Russia

3:57 P.M. (L)

MR. GEARAN: Good afternoon. The format for this briefing will have Secretary of State Warren Christopher followed by our Secretary of the Treasury, Secretary Bentsen. For your informational purposes, at the end of the day, towards 10:00 p.m. or so, we'll have an additional background briefing on events for the balance of the day for all of you to -- we'll post an exact time and let you know at the appropriate time.

Let me just give some -- at the beginning, some general impressions from the President on his day here in Moscow in his meetings this morning with President Yeltsin.

He sees President Yeltsin as being very confident, very much on top of the job here. He sees that -- he believes the President can figure a way to work with the parliamentary body and the challenges that lie ahead; that he's committed to reform, and that he expressed his enthusiasm for the Partnership For Peace.

In terms of President Yeltsin's team and the other officials that our delegation met with, the President saw them as very positive and very engaged in the work that they're doing, not particularly obsessed with their political opposition, and upbeat and confident. Overall, he saw this as very reassuring for the United States and, indeed, for the cause of freedom and democracy all over the world.

Finally, in terms of the visit to the church, there are some questions from those members of the pool that were not able to go into the small church. For those of you who have seen the pool report I'm sure noted that this was a Russian Orthodox church that was burned under Stalin and used as a public restroom and recently rebuilt in the last two years. The President had heard about it and read about it and expressed an interest to going there. He has a very strong interest in the role of religion in -- the role that religion has played in democracies in this region.

While he was in the church, the priest allowed him to light a candle in a special place where they have for loved ones that are deceased. The President was very appreciative of that because he related to us that he had wanted to find a place to say a prayer for his mother.

Let me introduce the Secretary of State, Warren Christopher.

SECRETARY CHRISTOPHER: Good afternoon. It seems like I've seen a number of you not too many hours ago. We're about one-third of the way through our stop here in Moscow and I thought I'd give you a preliminary readout, although obviously it's only a very early readout.

We came here with essentially four purposes: First, it was an opportunity for President Clinton and President Yeltsin to renew their acquaintance after about six months after the Tokyo summit, a good opportunity for them to bring each other up to date.

Second, it was an opportunity for President Yeltsin to give President Clinton a report on developments here in Russia from an economic standpoint and a political standpoint as well. Third, it gave President Clinton an opportunity -- the trip did -- to report on the stops he's already made in Europe, Brussels, Prague and Kiev. And, finally, the purpose was to enable the two leaders to discuss foreign policy issues, particularly Ukraine.

Just a few words about the one-on-one session. It lasted about an hour and 20 minutes, perhaps a little more than that. I'm going to take off the subjects they discussed without trying to get into the substance. No doubt, the Russians will at some point want to characterize the substance as well.

First, the Russians indicated an unstinting commitment to the reform process; indeed, an intensification of the reform process. They discussed this in the context of the need for greater concern over the social consequences of the reforms. Secretary Bentsen will be obviously going into much greater detail on the economic discussions that have been had today.

Second, there was a discussion of the Partnership For Peace, which is really the conceptual continuity between the stops that we've had in Brussels, Prague and here. This Partnership For Peace provides a concept for the integration of Europe as a whole, the new architecture for European security in the future.

The third subject discussed was Ukraine, where President Clinton thanked President Yeltsin for the cooperation that has been afforded by Russia to enable the agreement to be reached which will be signed tomorrow.

In the larger economic meeting, President Clinton also acknowledged and thanked Prime Minister Chernomyrdin for the very strong support he has given to the completion of the agreement between the three -- the trilateral agreement. Throughout the course of the last week Prime Minister Chernomyrdin has been very helpful in finalizing this highly-significant agreement.

The fourth subject they discussed was President Clinton's reporting on efforts he is making in the G-7 to obtain further multilateral support for economic reform here in Russia. And finally, President Yeltsin gave President Clinton a rather thorough report on his appraisal of the political situation here in Russia.

The one-on-one meeting was followed by a rather detailed and lengthy economic meeting which Secretary Bentsen, who will be the principal person speaking this afternoon, will report to you on. Tonight we will be having a working dinner devoted largely to foreign policy, where I'm sure these subjects, among others, will come up: security in Europe; the Russian relationships with their neighboring countries of the new independent states; nonproliferation, that to include both Ukraine and North Korea; Bosnia; and finally the military-to-military cooperation between the two countries. As you probably already know, Under Secretary Risner and General Ryan are here representing the Defense Department.

That is a skeletal outline of what the two leaders and their colleagues have done up to this point. I had about an hour and fifteen minutes with Foreign Minister Kozyrev in which we devoted our discussion to the Partnership for Peace and to Bosnia. I would say up to this point we have had an extraordinarily productive meeting -- still a considerable distance to go, but it is reassuring to be back here in the presence of the Russian leaders and find them undeterred by any events, indeed, redoubling their efforts to move forward with the reform process both on the economic side and on the political side, and very important to me, on the foreign policy side.

Thank you very, much. And here is Secretary Bentsen.

SECRETARY BENTSEN: Well Russia certainly is a critical juncture, but I sense their commitment to reform is going right ahead. There's not going to be any hesitation on that one. There was unanimity of opinion in that regard.

President Clinton and President Yeltsin had a discussion about how far the progress had gone thus far; and it's really substantial. If you take a look at the situation where inflation was at 30 percent at the beginning of this, and now it's at 12 percent; if you look at the budget deficit as compared to the GDP, starting out at 20 percent and now at 9 percent; if you look at dollar wages rising three-fold in that same period of time, after President Yeltsin and Deputy Prime Minister Boris Fyodorov described Russia's impressive economic record, President Clinton said that that was a real achievement and that message just has to get out to the world to understand how much progress has been made in reform thus far.

I told President Yeltsin that in my capacity as Secretary of the Treasury I'd traveled quite a bit around this world, and of the economic teams that I had seen, that his was one of the best. President Clinton and President Yeltsin certainly agreed that Russia had a very strong economic team, and that there was no turning back from fighting inflation and continuing to privatize. President Clinton promised that as long as Russia keeps reforming, we'll work with the G-7, with the IMF and the World Bank to get that support as rapidly to them as possible.

President Clinton assured President Yeltsin of the strong support the West has for the reforms that are being made, and we do not want this momentum to slow. President Clinton also agreed with President Yeltsin that more attention has to be paid to easing some of the hardships that we've heard about. We talked about finding ways to cut back on the red tape and to get some of this aid and support to them faster. And I think that

the support implementation group can play a very important part in that. And, as you know, the new director flew in with me yesterday and is now on that job.

We discussed how Russia and the international financial institutions can cooperate more effectively so we can have more reform and more support. And we also discussed trade and investment issues. Now, before the large bilateral, I met with Mr. Fyodorov and the First Deputy Prime Minister, Mr. Gaydar. The three of us had a good talk about the wide range of economic subjects. I found both Fyodorov and Gaydar quite eager to carry on those reforms, and even to accelerate them. And that's the way it has to go. I also assured Mr. Gaydar that the West wants to see foreign assistance advance as fast as the reforms advance.

When Mr. Fyodorov and I were talking about how privatization is going, he told me that some of the people in Russia used to line up, queue up for bread and now that they're queuing up for vouchers for businesses, shares in business, and that those things had increased in the last few months six times.

And, finally, Secretary Christopher and I met with the new American Chamber of Commerce, and told them how we're urging the Russians to create the kind of body of contract law that will encourage investment from the private sector.

With that, I'd welcome any questions you have.

Q Mr. Secretary, thank you. Did you or anyone else bring up with the Russians the problems created by government corruption and the cynicism that that engenders among the public?

SECRETARY BENTSEN: No, that was not -- I don't recall that being discussed, Johnny.

Q Secretary Bentsen and Secretary Christopher both, what is your view of the LDP Party, the way the United States should treat them, and why wasn't the representative of the party invited to the reception this evening?

SECRETARY CHRISTOPHER: Well, we didn't invite Mr. Zhirinovsky because his actions and his language and his statements do not make him fit to be in a meeting or invited by the President of the United States. The invitations were issued on an individual basis, and the individual was invited on that basis.

Q Mr. Secretary, could I just follow up on that? This person you're saying then will not be coming as a representative of the party? And I guess the question is, are we to understand that the President does not have a problem with the philosophy of the party, it's only a problem with the person of the man Zhirinovsky?

SECRETARY CHRISTOPHER: I don't want to get into trying to characterize or judge the party at this point, simply reiterate what I said, that we felt that it was not appropriate for the President of the United States to be inviting a person who has made the statements and whose conduct has been the conduct of Mr. Zhirinovsky. The other individual was invited because we thought he could make a contribution to the meeting.

More broadly, I think when you see the guest list tonight you'll see that it's really quite eclectic in its selection, a wide range of people invited, which is exactly what President Clinton intends.

Q Mr. Secretary, when you had the discussion of the need to ease the social pain in the country, did you also discuss the need to ease that pain within the military, not in the institutional sense but the personal sense, for all of these young troops and officers who have no housing and so on?

SECRETARY BENTSEN: We did not discuss that specific part of it. We did talk about the fact that the World Bank has some $500 million ready to assist insofar as easing some of the social burdens that have taken place, some of the hardships. They were particularly interested in funds for retraining, for worker dislocation, and in turn, for some of the equity funds to go into some of the major industries that are not competitive anymore, to try to see that we get some equity capital in those and to make them productive. Those things were discussed and we have funds for that purpose.

And if you look at what we had insofar as the revitalization, reorganization in that fund, part of it was supposedly dedicated for that. In addition to that, you're seeing $100 million now set up -- and Mr. Blumenthal is the director of that -- to assist in the modernization and the productivity and the creativity insofar as industry to make it more productive.

Q Since restiveness within the military is obviously going to be a continuing concern, do you anticipate that you're going to have to concentrate on this specifically, since so many --

SECRETARY BENTSEN: I would assume on that one that the government of Russia would be leading that.

Q Could you please give us a sense of how central you or Secretary Christopher believe Boris Yeltsin's participation is to reforms? It's hard for some of us watching this trip to decide whether President Clinton is here supporting Mr. Yeltsin personally or supporting the concept of reform. And could you give us a sense of how those two things interrelate?

SECRETARY BENTSEN: Well, I think they very much interrelate insofar as the support for President Yeltsin and for reform. I think one of the very pleasing things to me was to see the continued commitment by President Yeltsin to reform and in talking to Gaydar and to talking to Fyodorov, they felt in some instances it had to be accelerated and that some of the pain that they had was by not going fast enough on reform.

One of the cruelest taxes of all is inflation, if you're talking about pensioners or you're talking about middle income people. And if you want to see business investment made you have to have a stable economy, or American business, a foreign business is not going to invest. So it is a primary responsibility.

Q That doesn't answer the question about the President's -- where the President's commitment is. Does Mr. Clinton feel a certain personal commitment to Boris Yeltsin here? Is that one of the things he's trying --

MR. BENTSEN: Well, I certainly think he is committed to trying to help him in this regard, because he is carrying out the kinds of policies that we think are important for Russia to further democratize, to further privatize to a market economy that gives us a peaceful neighbor with a rising standard of living and with an expansion of trade on both sides.

Q I was going to ask Secretary Christopher, how much in control is Yeltsin at this point? Is there a real threat from the opposition party, the nationalists, and will they join the Partnership For Peace? Did you get any sense of affirmative --

SECRETARY CHRISTOPHER: To take the second part first, we got a very positive response from the Russians, both the President from President Yeltsin, and myself from Foreign Minister Kozyrev, on the Partnership for Peace. I think it's up to the Russian government to formally respond to the invitation which they'll soon be receiving.

On the second point, as I say we're only part of the way through our visit, and you'll have a further readout ON BACKGROUND tonight with respect to the one-on-one meeting, but I don't have any sense at all, other than that President Yeltsin is firmly in control. He was definitely in charge of the bilateral meeting on economics today and seemed, as Mark said, very much on top of his game.

Q Secretary Bentsen, can you explain how you balance your belief that they have to continue very firmly toward reform with your thoughts about cushioning the effects of that, perhaps through the multilateral -- your thoughts about cushioning the effects of the reforms? What can be done to cushion the effects, while not giving up the pace and the momentum?

SECRETARY BENTSEN: I think that can be done. That money is there. You see, one of the problems that you had was, in borrowing money, they wanted to look at the cash flow for whatever was being invested in to be sure that was going to be paid. Now, one of their problems right now is the expansion of credit to industries that are not competitive, that are not selling or making a product that will be bought in the rest of the world or even domestically. And that is a very high subsidy to pay to try to get to some of the social problems.

It is much better taken care of by some of that subsidy being taken away from some of the outmoded industries and, in turn, go to the social structure insofar as retraining dislocated workers, the creation of jobs by equity investment coming in, taking them in a different direction, developing a competitive product. Those are the types of things that can be done. And the World Bank is in a position to do that.

Q Mr. Secretary, you said a moment ago that Messers Gaydar and Fyodorov spoke about accelerating reform.

SECRETARY BENTSEN: They said in some instances to accelerate it, yes.

Q Well, did Boris Yeltsin indicate that he's even going to keep them on his team and that he shares their view on accelerated reform?

SECRETARY BENTSEN: Well, I didn't ask that. He spoke about -- I spoke about the competence of his economic team, and he agreed we had one that is making economic history for this country for the kind of transformation and the kind of change that's taking place here.

Q Well, how do you square those comments with what Mr. Chernomyrdin has been saying to the Duma just in the last few days that this reform has to be controlled and be carefully crafted.

SECRETARY BENTSEN: Well, I think that that's true, and that that doesn't stop you for a minute from pressing on. But, controlled and carefully crafted? Sure. But it's reform and it is major reform, and it is taking place and it's going to be continued from everything I heard and, in some instances, actually accelerated. One of the points that was being made, though, was that they have to have a containment of the expansion of credit. That has to be to be able to curb inflation and to put together a kind of a package that's going to accelerate the payments from the IMF.

Q -- complains about political and economic instability here that make it difficult for them to invest. Is it your sense that this country has settled down enough now for American businesses to put big money into Russia?

SECRETARY CHRISTOPHER: Well, when one goes and meets with American businessmen, as I frequently do when I'm traveling abroad, you hear an evaluation of the situation in the country that always focuses on the problems they're facing. They do that because that's what I ask them to do in the main, because it doesn't help us do our job if they only tell us what's going right. So we did hear a list of things that might be done better here and might be more conducive to investment.

But sitting at the head table and talking to the others, I see a number of countries just right on the edge of making major investments here. They're looking toward further reform. They're looking for further refinement in the legal structure. They're looking for clarification on the tax front. But I think the main theme that I got out of the meeting was what a tremendous opportunity there is here in Russia, which has brought 25 companies together to form the American Chamber of Commerce, which has been 80 percent subscribed* in the first month in which they've been trying to put the American Chamber together. So there's a very strong interest by American business in Russia, no doubt working through some very serious problems.

Thanks.

SECRETARY BENTSEN: Let me comment on that a little. Let me comment on that just for a minute, if I may, without interruption.

Q Remember the full question, though, please. Has the country settled down enough?

SECRETARY BENTSEN: Well, I think what you're seeing is a country that is stabilizing. They have some decisions to make and they are at a critical juncture. But when I looked at a meeting that must have had 400 or 500 people there who are interested in business and investing here, is it risk capital

coming in? Of course, it's risk capital. But when you see risk capital coming into a market like this, they are coming because they think there is also the opportunity for great rewards.

To see them continuing to try to improve a body of contract law, which is terribly important, to encourage that kind of investment, that's progress being made. More to be made? Of course, there is.

THE PRESS: Thank you.

END4:21 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIALS

January 13, 1994

The Briefing Room

4:21 P.M. (L)

SENIOR ADMINISTRATION OFFICIAL: Good afternoon everyone. I am going to speak very briefly about the first expanded meeting that was held this morning in the Kremlin. It was on economic issues. It followed the initial one-on-one meeting between President Clinton and President Yeltsin.

Let me just say a few words to fill in some of the detail, and to add to what Secretary Bentsen and Secretary Christopher said. Another Senior Administration Official will follow me with some more detail and then we'll be glad to take your questions. I would say this was an excellent meeting. In fact, of all the meetings that I've been to since 1989, all the summits, this was the single best meeting in which I had participated.

President Yeltsin, at the end, said that it was fruitful, specific, exciting and constructive. Both Presidents were engaged on the strategy of the session and both on the details, details because they discussed many of these issues at Vancouver and Tokyo. They committed themselves to continuing the economic relationship they began at Vancouver, and they were both adamant that their governments both execute what they said they were going to do.

The meeting was two hours. It was twice the scheduled time. In fact, at one point when we neared the scheduled completion of the meeting, President Clinton said that we should simply disregard their clock and continue because the discussion was so intensive.

The Russian delegation, President Yeltsin and his ministers, essentially presented their views of the economic reform program as it now stands and what their intentions are. Prime Minister Chernomyrdin spoke as well as President Yeltsin, also Minister Fyodorov and Minister Davidov.

My colleague will discuss with you their comments on the reform program and also international assistance. Let me just limit myself to bilateral issues. President Clinton reported, in essence, to President Yeltsin on the past year's performance in the delivery of U.S. assistance. I think you've got the figures.

At Vancouver there was a $1.6-billion program announced by President Clinton. It has been 100 percent obligated, and 69

percent of those funds have been expended. In ten months this is a very solid record. He also talked about the additional $2.5-billion package of assistance appropriated by the Congress in September.

The President distributed a map in Russian which shows where the aid has gone. The great majority of this assistance, U.S. assistance, has gone outside of Moscow and St. Petersburg, the two major cities. We have copies of that map in English available to you if you would like to see it. It shows what types of projects have been delivered to which regions.

The President ran through a number of commitments that he had made to President Yeltsin in Vancouver and gave essentially a status report. Let me give you a few examples: The Enterprise Fund that was announced in Vancouver, $300 million, opens its doors next week. It's chair is Jerry Corrigan, formerly Governor of the New York Fed.

There is going to be a new second enterprise fund devoted to assistance to the large state enterprises. My colleague will tell you about that. The former Secretary of the Treasury, Michael Blumenthal, has been appointed by President Clinton as the head of that. It's capitalized at $100 million.

Secretary Bentsen mentioned that we are setting up a G-7 office in Moscow, as was agreed at the Vancouver Summit, and an American is heading that office. They also discussed trade and investment, and President Clinton made the point that this is, in many ways, the most important part of their relationship for the future.

There was a considerable amount of discussion about the activities of the Gore-Chernomyrdin Commission. President Clinton told President Yeltsin that Secretary of Commerce Ron Brown will be coming with a presidential trade mission, with a group of CEOs of major American corporations in early March to concentrate specifically on what we're calling the Pioneer Projects in Energy, in oil and gas.

President Clinton specifically mentioned a couple of projects. One was Texaco's project -- Timon Pechora. The other was the Sakhalin Island offshore oil deal in which Marathon and McDermott, two U.S. companies are involved. Both are multibillion-dollar deals. Both, we think, would make a difference here, once they are concluded.

In addition to that, the President reviewed a number of steps that he thought that the Russian government could take to improve the business climate -- tax measures, regulatory measures, ratification of a bilateral investment treaty. They finished the discussion by reviewing the market access issue. Essentially, both of our governments want to reduce barriers to trade. There are things that both Presidents can currently do within their powers to accomplish that.

There are other measures that are much more difficult to contemplate, and they agreed that they would undertake together an effort to try to look into the market access issue.

Having said that, let me just turn it over to my colleague for some comments, and ten we'll be glad to answer any questions you have.

SENIOR ADMINISTRATION OFFICIAL: Thank you very much. I want to comment briefly on the Russian economic situation, on two of the initiatives -- the large enterprise fund and the support implementation group that my colleague referred to, and talk about the international financial institutions' role in supporting reform in Russia.

Finance Minister Fyodorov commented in the bilateral meeting and commented in the meeting he had with Secretary Bentsen that he had recently completed a review of Russia's economic situation in 1993. And he highlighted, and President Yeltsin did also, the very real progress that has been made. Everybody highlights the tremendous achievements in privatization, where more than 40 percent of the employees and large manufacturing enterprises are now working in enterprises that are in private hands. More than 70 percent of the small shops and restaurants are in private hands, and both those figures will be approaching 100 percent by July of next year.

But Minister Fyodorov also emphasized -- and I think the President welcomed -- the progress that has been made in stabilizing Russia's economy. Inflation's down by a factor of 2.5 from where it was nine months ago. The ruble has appreciated very substantially in real terms. That's why, as Secretary Bentsen said, dollar wages are three times as high as they were. And real interest rates -- for the first time in 1,000 years -- are positive in Russia, and that means that the capital that had been flowing out is flowing back into the country.

There was an agreement on both sides -- a very strong agreement -- that the work of reform, of stabilization, of privatization had to, and would, continue. I think it's a -- if I might interject a personal comment -- it is remarkable to think, if one thinks back five years or ten years ago, that one would think of what one meant by "tough" in the context of a Russian-American summit as "tough" means being strongly opposed to inflation; one thinks about the kinds of messages that "tough" meant even a decade ago.

We talked about how the U.S. program of assistance can be more effective. One of the initiatives that was discussed was the fund for large enterprise reform. This will be an initiative very much like the privatization fund that Mr. Corrigan is heading -- the Russian American Enterprise Fund -- but directed at the particularly difficult and challenging problem of reform of large enterprises, and it will make equity investments in those enterprises because that's what Russian enterprises need. They don't need more debt where the banker's going to come knocking on the door in six months, they need access to equity.

President Clinton also referred to the support implementation group whose director, Michael Gillette, is now in Moscow that will undertake the hard work of trying to cut through the red tape so that assistance can -- red tape in the West and red tape in Russia so that assistance can move more effectively.

Finally, the President discussed with President Yeltsin a number of areas and approaches through which the cooperation between Russia and the international financial institutions can be energized in the context of reform. These included carrying through promptly, in the context of reform, on the program of assistance that was agreed in Tokyo last April. That means measures such as the STF, such as critical import lending from the World Bank. President Clinton indicated that the G-7 was determined that reforms, as they come, be promptly supported.

President Clinton also discussed the importance that we attach to the rapid implementation of the privatization and restructuring program that was agreed at the Tokyo Summit, and in particular to the support for oblasts in the context of that reform that would enable essential social services to be maintained as privatization took place.

President Clinton also emphasized the importance that we attach to cushioning the consequences of reform. He emphasized his willingness to provide American technical experts in the design of programs to ensure economic security. And he stressed out desire to respond, creatively and flexibly, in the international financial institutions to Russian proposals as to how the transition could best be cushioned.

And while President Yeltin did not respond in a highly specific way to that, he made clear that he welcomed that support on President Clinton's part, and that a dialogue would ensue. So the overall message of the meeting was, I think, a very positive one; stronger reform, stronger support is what's going to happen, moving forward.

Q Can you be a little bit more specific in detailing for us what will be used to respond to a vote on December 12th that was largely seen as a vote against reform so far and an unhappiness with the state of the economy in Russia? What specifically --

SENIOR ADMINISTRATION OFFICIAL: I don't think the Russian officials that we have spoken with would accept the conclusion that the vote was a vote against economic reform. They would, I think, say, and it would certainly be my view that what we had was a vote against difficult economic conditions, and that the way to alleviate those difficult economic conditions was through continued economic reform. And, indeed, I think one of the very encouraging parts of the discussion was precisely the fact that the economic diagnosis on both sides was so similar.

SENIOR ADMINISTRATION OFFICIAL: Let me just add to that. I just want to give you a sense -- and I'll paraphrase something that President Yeltsin said at the very end of this long and very good meeting. He essentially said -- I'm not quoting, I'm paraphrasing -- that he thoght he had an excellent team of reformers in the government, that there would be no backpedaling on reform; he wanted to assure President Clinton of that. That reforms would go ahead steadily and, in fact, they would intensify. And I think that the lessons that we heard from the Russian delegation today were that reform must continue.

They've obviously -- there are obviously some improvements that can be made in the prosecution of economic reform. They were looking for some ideas from us and we gave them some ideas about how the G-7 and the international financial institutions could assist that process. And that, by the way, is the major conclusion that the Clinton administration draws from these elections -- that reform must continue, and alongside it must come a development of a more comprehensive social safety net system to cushion people as they experience the shocks and the difficulties, the real difficulties during the transition.

Q Your colleague made the point that you shared the same diagnosis of the problem. But are you confident today, on the basis of your discussions, that you share the same prescription;

particularly in terms of restructuring the budget, taking subsidies away from industries, using those to put down the deficit and to cushion some of the impact of the social and economic reforms? That's the prescription you've laid out. Are they committed to that prescription? That's the issue -- there's reform and there's reform.

SENIOR ADMINISTRATION OFFICIAL: We didn't -- in the meeting of the heads of state there was not a technical and detailed discussion of reform strategy. However, President Yeltsin did make it clear that there had to be more rapid motion on inflation. We did refer -- Secretary Bentsen did, at one point, refer to the need to control the growth of credits and there were nodding heads on the Russian side. In our discussion -- in the discussions that Secretary Bentsen had with Minister Gaydar and with Minister Fyodorov, there was, I think, agreement on the broad strategy.

Q We receive a continuing succession of briefings in Washington and places like this about meetings that are invariably described as "good". I've never heard one described otherwise; you have dusted off the superlatives to describe these meetings. Other than the fact that each side seemed to tell each other what they hoped and obviously expected to hear, what was it about these meetings that made them so good?

SENIOR ADMINISTRATION OFFICIAL: I think I used -- I didn't say "good," I used the word "excellent" and I used it advisedly. Because I think that the quality of the economic meetings during the latter part of the Soviet period and the first year or so of the reform period, since '91, have been two sides trying to kind of search each other out for the limits of what we can do together economically. And certainly that was the case in Vancouver. That was the first meeting between the two as Presidents. We didn't really know what to expect in many ways from that meeting. They certainly didn't know what to expect from our government and a lot of the time was spent simply in explaining positions.

What has happened since Vancouver is that we have, in effect, institutionalized a series of relationships across our two governments that have made progress. And I think the best example of that is Vice President Gore's commission with Chyrnamerdin. They've agreed to build an international space station together. We've agreed to put $100 million into nuclear power plant safety in Russia. We've agreed that the oil and gas projects -- private sector projects -- are at the center of what we're trying to do economically and that they need to be pushed, and we've agreed that this difficult issue of market access has got to be attacked by both sides.

So the quality of the discussion today was really fundamentally different for me as a participant than it had been in any of the other encounters I've had over the last four years in the economic field, because we are no longer kind of demarching each other. We're no longer passing points across the table. Prime Minister Chernomyrdin was there, and essentially gave a report to President Clinton about the two meetings he'd had in September and December with Vice President Gore. And Minister Fyodorov gave a report on the sessions he'd had with Secretary Bentsen and Larry Summers -- ongoing sessions, many sessions throughout the year. So we've now built up a pattern of cooperation -- in fact, institutions, commissions that are actually doing things and getting things done that make the

relationship different.

What was also different about this meeting was the fact the President Clinton and President Yeltsin have now put economic issues, in my opinion, at the center of this relationship. I think we've made the point before in briefings that during the whole history of U.S.-Soviet relations, arms issues and foreign policy disagreements were at the center of every summit. The center of Vancouver was economics. The center of this summit is integration -- economic integration of Russia with the West, security integration through the Partnership For Peace, the President's just come from Brussels and Prague. And there is a different feel to this particular relationship, especially in the economic sector right now.

Q Why, with all the emphasis on the importance of credit policy, has Secretary Bentsen not arranged to meet with Central Bank Chairman, Victor Geraschenko, whose Central Bank is right now arranging to start subsidizing once again the countries -- other countries within the CIS?

SENIOR ADMINISTRATION OFFICIAL: Secretary Bentsen is on a very tight schedule in his meetings with the -- in participating in the various meetings that the President is participating in, and has chosen to meet with members of the Yeltsin government rather than the somewhat separate Central Bank just because the time is very short.

Q Could you clear up something we've been hearing about a possible agreement announced tomorrow, detarget remaining nuclear weapons?

SENIOR ADMINISTRATION OFFICIAL: Okay, we spent -- two of us have spent our whole day on economics. I can simply tell you that this has been under discussion for so many months, in fact, since Vancouver between our two governments. I know the issue is still being worked at the working levels. I expect there will be some further discussion; but the two presidents have not had a specific meeting yet on foreign policy or security issues. So I really can't tell you much more than that.

This evening's working dinner outside of Moscow will be devoted primarily to foreign policy issues. Tomorrow morning, in addition to the trilateral meeting and signing ceremony with the Ukrainians, there is going to be a U.S./Russian bilateral on security issues, and I expect that will come up. And then there will be a bilateral press conference, and so I think that's probably the appropriate time for us to talk about that.

Q You deny there is already an agreement today. You deny there really is an agrement on the retargeting of nuclear warheads.

SENIOR ADMINISTRATION OFFICIAL: Well, it's not a question of denying or saying -- to the best of my knowledge, and I've been spending the day on economics, I don't believe that this issue has risen above the mid levels of the delegations. And, in fact, I'm quite sure that the President has not been given any options on this issue. So, I would just ask you to wait until tomorrow when it will be taken up.

Q Will be the Partnership For Peace be taken up tomorrow? Will the information be formally delivered?

SENIOR ADMINISTRATION OFFICIAL: The Partnership For Peace was covered, as Secretary Christopher said, in his bilateral with Minister Kozyrev. It was discussed during the one-on-one this morning. It runs through this entire summit and I think it will be most intensively discussed this evening at the dinner.

Q It seems like that's the major development of change that both sides are talking about. You're both committed to going forward, accelerating on the reforms. What specifically are we talking about giving them to make the cushion? What will we do, we are they going to do to provide the safety net regarding that?

SENIOR ADMINISTRATION OFFICIAL: I'm not in a position to go into detail on that because it depends upon the design on the kinds of programs that Russia wants to have. What I think is clear is that the G-7, working through the international financial institutions, is committed to doing much more than we have done in the past to address those needs in whatever way the Russians find most constructive. And in particular to accelerating the support for oblasts for regions that are hard hit by restructuring that was one element to the privatization and restructuring program that was agreed in Tokyo.

Q But on that point, is this idea of one of the things you've mentioned is redirecting the subsidies. Isn't that a little phony because a lot of this money that was being used for subsidies was in fact going through big enterprises to education and health and those basic sort of human services. So where does the extra, where does the other money come from?

SENIOR ADMINISTRATION OFFICIAL: I'm not sure I completely understand the question. What is clear and what the Russian reformers have stressed is that Russia needs to support people.

Q Yes, but there's --

SENIOR ADMINISTRATION OFFICIAL: May I finish? May I finish?

Q They were supporting the people --

SENIOR ADMINISTRATION OFFICIAL: May I finish?

Q through the, well, since you didn't understand the question, can I rephrase it?

SENIOR ADMINISTRATION OFFICIAL: No. (Laughter.)

Q I wouldn't want to confuse you --

SENIOR ADMINISTRATION OFFICIAL: What the Russia reformers have stressed is that Russia needs to provide support to people rather than to industries, that a strategy of providing large credits to industries that are producing products that nobody wants is an extremely inefficient way of supporting people.

It's true that some of those subsidies find their way into the schools and health clinics. But the larger part of those subsidies find their way into the purchases of raw materials -- raw materials that if they were not purchased in that way would instead be available for export that would generate hard currencies. And, therefore, the strategy of supporting heavy indutries, which in some cases actually have negative valued added -- that is, the output they produce is

worth less than the sum of the inputs -- is an extremely inefficient way of meeting basic social needs; and that a more targeted strategy of support for social needs is appropriate.

Q But what's the factor in there? What is the waste --

Q How much will you gain from this more efficient way of running the safety net?

SENIOR ADMINISTRATION OFFICIAL: Oh, I think that most of the economists who have studied the Russian economy would agree that only the smallest part of the subsidies for heavy industries, in fact, go through to meeting basic social needs, and that the largest part of them is wasted.

Q When is -- funds coming from the IMF?

SENIOR ADMINISTRATION OFFICIAL: That we hope that in the context of -- in the context of rapid reform it could come very soon.

Q the assessment of IMF and the World Bank in their recent note -- there was a very large difference between the IMF and the World Bank assessment in their note of last week, and your assessment of Russian economic reform. How will you convince them that the funding you back, because they are the medium through which the money is going to be delivered, how will you convince them of the preparedness of the Russian government to reform?

SENIOR ADMINISTRATION OFFICIAL: The plans that the Russian government now makes will be crucial in that regard, but I would say I think there is a general feeling in the G-7 of the need to rapidly reinforce reform.

Q Anything more than $2.6 billion -- are we talking about providing anything more than $2.6 billion at this point?

SENIOR ADMINISTRATION OFFICIAL: Are we talking about providing anything in addition to 2.6?

Q Exactly.

SENIOR ADMINISTRATION OFFICIAL: Well, the President mobilized $4.1 billion in 1993 for reform in Russia and the other new independent states. That was the $1.6 billion at Vancouver and the additional $2.5 billion that he received from the Congress. He is not providing any new offers of economic assistance at this summit. The emphasis is on implementation.

If I could just take a minute, or even half a minute, Cragg, to try to respond in part to your question, I would say the question is not how to build a new social safety net for Russia, it's how to transform an existing social safety net which is huge and labyrinthine and which is outdated. And as the economy privatizes, the institutions that provided the social safety net are going to be utterly transformed so that to be competitive in the world they're not going to be able to provide hospitals and educational facilities for average Russians. And so those services will have to be provided by private organizations or nonprofit organizations, and that is a tremendous challenge -- it's going to be generational. All we're trying to do right now is understand the problem, discuss it with the Russians and begin to go down the path of working with them on this big project.

Q Could I just ask a question just vis a vis red tape, and this ties in a little bit to the nuclear issue. If you remember, in the Bush administration there was a very big deal made of the need to gainfully employ Russian scientists because of the fear of a brain drain and/or the fear they would peddle their services elsewhere. The United States, with great fanfare, announced that it was going to open an institution that was actually going to help employ these people. Whatever became of that? Has there been any discussion of it? Have you given up on it, or do you have hopes that it can ever be effective? Do you no longer think it's necessary to employ Russian scientists?

SENIOR ADMINISTRATION OFFICIAL: That's a good question. That was a Bush administration initiative, not a Clinton administration initiative.

Q Does that mean it's been dropped?

SENIOR ADMINISTRATION OFFICIAL: No, the effort continues. I don't have all the facts at hand. There was money allocated in the last year of the Bush administration to that project. I can get it for you, but I don't have it right here right now.

END 4:51 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Moscow, Russia)

For Immediate Release January 14, 1994

PRESS AVAILABILITY BY PRESIDENT CLINTON,
PRESIDENT YELTSIN AND PRESIDENT KRAVCHUK
IN SIGNING OF
TRILATERAL DENUCLEARIZATION AGREEMENT

St. Catherine Hall, The Kremlin
Moscow, Russia

8:55 A.M. (L)

Q What will be the impact of this agreement on the national security of Russia?

PRESIDENT YELTSIN: We have never believed and we have never perceived that there is any kind of danger coming our way from Ukraine. Nevertheless, in terms of world politics, today is an historic day where the three Presidents have signed an agreement that would eliminate nuclear arms from the territory of Ukraine, and whereby Ukraine will be exceeding the treaty on the nonproliferation of nuclear weapons. This will be another important step towards getting rid of nuclear weapons throughout the world.

Q There is an opinion that if the Ukraine gets rid of its nuclear weapons it will lose its authority, so to speak, among other nations. What is your opinion on this, Mr. President?

PRESIDENT CLINTON: Well, of course, in the end this is a question that Ukraine has to answer for itself, but I can only tell you what my opinion is. My opinion is that Ukraine will increase its authority among nations for doing this. After all, Ukraine has enhanced the security of the United States today by agreeing to remove 1,500 nuclear warheads aimed at our nation. Ukraine has enhanced the security of Ukraine and Russia by agreeing to dismantle these warheads which means that there is less chance of nuclear accident, nuclear espionage, nuclear terrorism.

And more important, Ukraine has shown an understanding that as we move into the next century, the greatness of nations will be defined by their ability to work with each other and to develop the capacities of their people. And I think you will now see people all over the world more interested in working with Ukraine in partnership because of this very brave and visionary act.

So I believe that Ukraine is a stronger nation today for having done this. And I think almost everyone else in the world will believe the same thing.

Q President Clinton, we've been told by one of

your aides that the timetable for this agreement is going to remain secret. Is that, in fact, the case? Are you going to at least tell us when dismantlement of the first nuclear warhead in Ukraine will take place?

PRESIDENT CLINTON: We have reached an agreement on which details will be made public and which will not, and today all the things that can be made public will be made public. I want to be -- we've been working so hard on this, I want to be very careful about it.

Let me tell you that I am completely comfortable with the agreements that we have made and with the understandings between both Russia and Ukraine about how it will be handled. I think it's a very good thing for the world and a very good thing for the United States.

Q What does Ukraine receive from giving the warheads and missiles deployed in its territory?

PRESIDENT KRAVCHUK: From the political point of view, we get a greater security for having signed the documents with the Presidents. Both Presidents and the countries confirm this higher change of security.

And the second point, the Ukraine confirms its policy which was proclaimed earlier, thus indicating the continual character of its policy. And the third, Ukraine receives compensation for nuclear weapons. And the fourth, Ukraine enters into normal relations with other states, and this is the primary thing for great security.

I say it like that -- if Ukraine is in friendly relations, further ties with Russia and the United States, it will be secure.

END9:20 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Moscow, Russia)

For Immediate Release January 14, 1994

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIAL

January 14, 1994

The Radisson Hotel
Moscow, Russia

12:12 A.M. (L)

SENIOR ADMINISTRATION OFFICIAL: The dinner took place at a dacha. We agreed it was southeast of Moscow, about a half-an-hour motorcade ride -- Novo Ogaryevo.

This, by the way, for history buffs, is the dacha where the former Soviet President Mikhail Gorbachev held the Union Treaty talks shortly before the collapse of the Soviet Union.

I'll start with just some very general statements, no details at all, on the substance of the evening. One reason, of course, that I'm not going to go into substance is because it was a very candid and freewheeling exchange.

Q That's why we'd like to get it --

SENIOR ADMINISTRATION OFFICIAL: I know, I know, Helen. And the other is because many of the points of substance will be touched upon in public events and documents that will be released tomorrow.

There was a continuation of the discussion that began between the two Presidents this morning in their one-on-one talk about the interaction between Russian politics and international politics. President Yeltsin shared with President Clinton and the others -- and I'll come to the guest list in just a second -- some further thoughts on the prospects for the new Parliament and how he and the government intend to work with the new Parliament.

As was the case this morning, he was clearly very aware of the difficulties, the complexities that face the reformers in the Parliament and that face the government. But he also evinced considerable confidence and optimism about the ability of the Executive Branch to work with the new Legislative Branch. And there was a good deal of conversation about how some of the jockeying for different positions in the Parliament is turning out and what that's likely to mean.

But the overall tone of it was certainly one of

confidence on President Yeltsin's part both about the ability of the reform program to stand up in the legislature and the ability of the Executive Branch to work with the legislature.

There was a discussion of a number of foreign policy issues, particularly European and Eurasian security issues. This was in part in the context of some further discussion of Partnership For Peace.

The Defense Minister, General Grachev, was at the dinner. He participated in that part of the discussion. There was some talk about U.S.-Russian military-to-military contacts. Defense Minister Grachev talked about how much he appreciated the relationship that he had developed with Secretary of Defense Aspin. He referred to the meeting that he had with Mr. Aspin in Garmisch back in June, I believe, talked about inaugurating a direct telephone link between the Defense Ministry here in Russia and the Pentagon last week -- on Wednesday of last week. And President Yeltsin expressed a desire to broaden contacts of that kind not only in the military-to-military area, but more generally between the two governments.

The issue of the Middle East came up a little bit, and particularly with regard to Russia's desire to coordinate its policy interests with those of the United States throughout the region.

The two Presidents also talked rather briefly at the beginning of the discussion about the plans for tomorrow. One reason that that was fairly brief was that it had pretty well all been arranged in advance. There was some talk about how the trilateral meeting would go procedurally. There was virtually no discussion at the dinner of the substance of the trilateral meeting because that we believe is well in hand, although there has been ongoing work during the course of the day at the working level of the government on conforming the three-language text for the agreement that will be signed in the trilateral meeting.

Let me go to color, of which actually there is quite a bit. It was a fairly musical evening, and musically eclectic. There was a string quartet playing in the anteroom of this very elegant dacha when we arrived. That continued until we sat down for dinner. About half way through the dinner -- and I do have the menu if anyone is interested --

Q I am.

SENIOR ADMINISTRATION OFFICIAL: That will take up all my briefing time because it looks to be about 24 courses, or at least 24 dishes. (Laughter.) About half way through, President Yeltsin presented President Clinton with a gift which is a small Gzhel blue porcelain figurine of President Clinton with his hand upraised waving to a crowd, signifying his stature as a politician, and his other hand carrying a saxophone. The figurine is probably five inches high. That turned the conversation to the saxophone; there just happened to be a saxophone on the premises.

Q Oh, God.

SENIOR ADMINISTRATION OFFICIAL: I know, I know. Do you want this or not?

Q Yes. Yes. (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: Okay.

Q You buried the lead. (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: We always save the best for the kicker -- In any event, there was what I thought was a fairly great moment where the President was standing at his place with the saxophone, kind of tuning up and playing a few bars. And the pianist who was there with the quartet in the other room sort of picked up the melody line and began jamming with him back and forth between the room where the dinner was held and the anteroom where the string quartet was waiting. So President Clinton suggested that the dinner party adjourn to the other room. And he then played two numbers: Summertime and My Funny -- in C Minor, by the way. He's specified that it be in C Minor.

Q Does he know anything else? (Laughter.)

Q What was the other one?

SENIOR ADMINISTRATION OFFICIAL: My Funny Valentine.

Prime Minister Chernomyrdin, by the way, turned to one of the Americans present when President Clinton started playing Summertime and said, "I recognize that. That's Summertime."

The menu was very long indeed. It ranges from fresh caviar through pickled mushrooms. It says duck in red wine sauce, but instead of duck in red wine stuff we were served -- this is true -- lip of moose. (Laughter.) Lip of moose. That's not a chocolate dessert, that's -- (laughter.)

Q How was it?

SENIOR ADMINISTRATION OFFICIAL: It was -- umm -- it was good. (Laughter.) It was unusual. And stuffed carp. There was also a suckling pig -- or actually, two suckling pigs served, and that prompted some conversation from the President on Razorback hogs -- (laughter) -- the state beast. Only symbolic and social and very much in the spirit of the event.

The guest list on the Russian side was President Yeltsin, of course; Defense Minister Grachev; Foreign Minister Kozyrev; Mr. Ilyshin, who is a senior advisor to President Yeltsin; the First Deputy Prime Minister Oleg Soskovets; and Prime Minister Chernomyrdin.

On the American side, it was Tony Lake, Warren Christopher, Lloyd Bentsen, the President, and Tom Pickering.

Have I beaten you into submission here?

Q You said that Mr. Yeltsin told the President he's broadening his contacts with Russian political figures --

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q Is he, indeed? And could you give some description of the breadth of these new contacts and why?

SENIOR ADMINISTRATION OFFICIAL: I'm sorry, the

contacts of --

Q With various Russian figures. And why is the President doing this?

SENIOR ADMINISTRATION OFFICIAL: Well, Barry, in fact, there was some discussion at the beginning of the evening about the reception at Spaso House, which President Clinton had enjoyed for many reasons. And one reason he enjoyed it was because it gave him a chance to meet quite a wide sampling of deputies to the new Parliament. And he said that he was looking forward to both personally getting to know some of them in the future and that he was sure that other American officials, and particularly members of the Congress, would want to have extensive contact. And the Russian side of the table seemed to think that that was a good idea.

We have said all along, of course, that what we're supporting is a process of reform and we're looking for every manifestation of that. And we think that the creation of a Parliament is, itself, a manifestation of reform. Both the Executive and the Legislative Branches of the U.S. government are going to seek very broad contacts with the Parliament, and I think that was in evidence tonight.

Let me just quickly glance -- oh, yes, I'm sorry. There were a couple --

Q Any toasts?

SENIOR ADMINISTRATION OFFICIAL: There were just very -- there were no formal toasts at all. In fact, there was practically no formal diplomatic discourse at all during the course of the evening.

Q But there was vodka, I assume, or wine?

SENIOR ADMINISTRATION OFFICIAL: There was vodka, there was wine and there was lots of mineral water.

The President mentioned that the First Lady and Chelsea are going to be arriving fairly shortly. That prompted President Yeltsin to say that he had arranged for his grandchildren -- I'm sorry, I don't have the names and ages, but they're sort of in the nine-to-13 range --

SENIOR ADMINISTRATION OFFICIAL: Boris and I think there's another girl --

SENIOR ADMINISTRATION OFFICIAL: Katarina, maybe? Katarina? He's arranged for his grandchildren to accompany Chelsea Clinton to the circus tomorrow.

Q Were any women present at this dinner?

SENIOR ADMINISTRATION OFFICIAL: As it happens, no.

Q As it always happens.

SENIOR ADMINISTRATION OFFICIAL: I feel responsible for so much here. (Laughter.)

Q How long did the dinner last altogether?

SENIOR ADMINISTRATION OFFICIAL: About three hours.

I think we got out there maybe 7:50 p.m., and broke up promptly at 11:00 p.m.

Q What was the President's gift to Yeltsin? You told us about his gift to Clinton.

SENIOR ADMINISTRATION OFFICIAL: I don't think there was a gift to Yeltsin.

Q Gift to Yeltsin.

SENIOR ADMINISTRATION OFFICIAL: No, I heard the question. There was no formal presentation of gifts. This was kind of a souvenir that President Yeltsin gave to President Clinton.

Q As they talked about cooperation in foreign policy, were there any -- during the discussion, were there any points of diversion or differences on foreign policy that you can --

Q Bosnia?

SENIOR ADMINISTRATION OFFICIAL: Yes, I would say that there are not only some differences, but there was also some discussion of the healthiness that there would be differences and, of course, the inevitability of it, and satisfaction that both points in common and points of divergence could be discussed in an atmosphere of the kind that prevailed.

Q Where were the differences? Bosnia?

SENIOR ADMINISTRATION OFFICIAL: I'm not going to go into that. Yes, there was indeed some discussion of the former Yugoslavia.

Q You mentioned that General Grachev discussed the Partnership For Peace NATO proposal. What was his reaction, and what was Yeltin's reaction to the initiative?

SENIOR ADMINISTRATION OFFICIAL: The Defense Minister did not speak so much about Partnership For Peace per se as the value he found in military to military cooperation with the United States.

President Yeltsin -- I think you were briefed earlier today from this podium, that President Yeltsin's response on the subject of Partnership For Peace during the one-on-one this morning was positive, and there was more positive comment from him during the course of the dinner. And he mentioned that he had said to the press during the course of the day -- and I honestly don't know whether it was the international press or the Russian press -- that the Russian government supported the initiative.

Q Did the two Presidents agree to announce their detargeting deal tomorrow?

SENIOR ADMINISTRATION OFFICIAL: There was no discussion of that at all.

Q When is the communique going to be issued? And is this telephone link a hot line, too, or is it already in --

SENIOR ADMINISTRATION OFFICIAL: No, it's already in effect and it's already been used. I wouldn't call it a hot line. It's a direct telephone link between the two Ministries of Defense.

Q Did the question of how to deal with Zhirinovsky and his forces in the Parliament come up?

SENIOR ADMINISTRATION OFFICIAL: No.

Q Did President Clinton offer any advice or --

SENIOR ADMINISTRATION OFFICIAL: No. Certainly not. There was some discussion of the Liberal Democratic Party and Mr. Zhirinovsky during the one-on-one this morning, but not much of that per se. It was more on some developments during the course of the day. As you all know, I'm sure, the new Parliament is forming itself now, people are jockeying for positions. And there was some discussion of that.

Q Yeltsin had invited the Clintons to all stay over at the Kremlin. Did the President give his response?

SENIOR ADMINISTRATION OFFICIAL: Do you have anything on that, Dee Dee, on whether the Clintons will be staying over in the Kremlin on Friday?

MS. MYERS: Yes, he will, tomorrow night.

SENIOR ADMINISTRATION OFFICIAL: Dee Dee says it's okay for me to confirm that that, in fact, will happen.

Q Will?

SENIOR ADMINISTRATION OFFICIAL: Will, affirmative.

Q Tomorrow night?

SENIOR ADMINISTRATION OFFICIAL: Tomorrow night. Right, Dee Dee?

MS. MYERS: The President and family.

SENIOR ADMINISTRATION OFFICIAL: President Clinton and family.

Q When do we get the communique?

SENIOR ADMINISTRATION OFFICIAL: I honestly don't know the timing of the release of the documents.

Q What is the significance of staying over at the Kremlin? I mean, how unusual is that?

SENIOR ADMINISTRATION OFFICIAL: I'm sure the White House has background information on this. I do recall that President Nixon, I think, stayed at the Kremlin on at least one occasion.

MS. MYERS: In '72, I think.

SENIOR ADMINISTRATION OFFICIAL: A long time ago. It was thought to be both a significant gesture and a very friendly one, and obviously an exciting possibility. So the

First Family jumped at the chance.

Q Did they speak about the very strong chance that Kravchuk will again be unable to keep his promise to give up nukes?

SENIOR ADMINISTRATION OFFICIAL: No, quite the contrary. I think there was a shared sense that this deal --

Q This time they'll do it?

SENIOR ADMINISTRATION OFFICIAL: As I say, there was very little discussion. There was a very little felt need for much discussion on the trilateral except for a couple of procedural points.

Thanks very much.

THE PRESS: Thank you.

END12:30 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Moscow, Russia)

For Immediate Release January 14, 1994

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIAL

January 14, 1994

The Briefing Room

2:07 P.M. (L)

SENIOR ADMINISTRATION OFFICIAL: Good afternoon. I'd like to just briefly review the events of the day and then take you through the basic documents that were signed or issued today by the U.S. and Russia.

Let me just say first that the President came to Moscow with several objectives. One was to reaffirm the U.S.-Russian partnership that he established with Yeltsin in Vancouver. I think as a result of the past two days in the meetings, the agreements, that he has done that.

The second was to emphasize continuation of U.S. support for reform in Russia, economic and political, strong U.S. support. In his statements and in his meetings, he did that as well.

The third was to reach out to a broader cross-section of the Russian leadership and the Russian population in order to build a policy that can be sustained over the long-term and not just over the short-term. That is why he met with so many varied political leaders last night at Spaso House. That's why he saw the Patriarch of Russia yesterday. And it's also why he's been out walking the streets seeing average Russians.

There were four issues that ran through the two days of meetings that have just been concluded. Four major issues have dominated. And let me just review the progress on these four issues. On economics, of course, we heard from President Yeltsin an unambiguous, unequivocal pledge that reform would continue. You heard that at the press conference today.

On Partnership For Peace, a very strong interest on the part of the Russian government in this NATO proposal and a specific pledge by Russia to participate in this proposal, much like the pledge that President Kravchuk of Ukraine gave a couple of nights ago at the airport.

Third, and probably most importantly, was the trilateral nuclear deal that was signed this morning that my colleague will speak to. And fourth was a discussion of foreign policy issues that took place both yesterday and today. And that

discussion centered on the cooperation we have on foreign policy and also on some of the differences that we have on foreign policy.

And I would like to note one issue in particular, and that is the Baltics. The two Presidents discussed Latvia and Estonia and the presence of Russian troops in Latvia and Estonia yesterday. They followed up and discussed that issue today. I think it's fair to say that I believe -- we believe that we've made some progress over the last 24 hours on that issue. We are very hopeful that there will be an agreement soon between Russia and Latvia to withdraw troops and an agreement -- similar agreement between Russia and Estonia.

Having said that, let me just mention the documents that were signed today. Earlier today in the Kremlin, the President, President Kravchuk and President Yeltsin signed the trilateral nuclear agreement. And my colleague will be speaking to that.

Secondly, the President and President Yeltsin in their bilateral press conference signed the Moscow Declaration. This is a very broad declaration that speaks to the security, economic and political foundations of the relationship. Included in it is a reference to detargeting. Also included in it is Russia's interest, specific interest in Partnership For Peace, and lots of other things if you care to talk about that.

There were two documents issued in the name of President Yeltsin and President Clinton. One was a joint statement on human rights. This is a very interesting document. It calls specifically for a rejection of anti-semitism, and it appeals for ethnic and religious tolerance -- gap -- back a few years have spoken together on the issue of anti-semitism. And we were very pleased to be able to conclude this agreement. There was also a joint statement on nonproliferation that my colleague will discuss with you.

In addition to those presidential documents, Secretary of State Christopher and Foreign Minister Kozyrev signed a number of agreements. Let me just list them for you, and if you have questions we'd be glad to take them: A memorandum of intent concerning the cooperation in the area of export control -- my colleague will speak to that; an air transport agreement; an agreement on cooperation in the fields of public health and biomedical research; an agreement on cooperation in radiation health effects. And there are also two documents issued in the names of the Foreign Ministers -- one on the Middle East and another on COCOM.

Q Are we going to get those?

SENIOR ADMINISTRATION OFFICIAL: You'll be getting all these shortly. Let me just say my colleague will be speaking now to the trilateral agreement and to detargeting. My other colleague will discuss nonproliferation and export control. My other colleague -- who can talk more specifically about the Moscow Declaration and human rights.

SENIOR ADMINISTRATION OFFICIAL: We'll take questions after everybody's done a little sum up -- right?

Let me just take you through the trilateral statement and its accompanying annex. The statement signed by

the three Presidents this morning is a statement that essentially does two things. First of all, it lays out the commitment once again of Ukraine to become a nonnuclear state in the earliest possible time, according to the overall obligations laid out in the Lisbon Protocol.

That agreement -- as you know, the Lisbon Protocol is an integral part of the START I Treaty and is also associated with the NPT. However, you also know that for some time the commitment of Ukraine to that document has been in a somewhat -- in a stall mode. And we had both, I think -- in Washington, Moscow and in the Kravchuk government in Kiev have been very concerned about that stall mode. And I think overall the implication of the statement signed today by the three Presidents is that it breaks loose the stall and again lays out a very firm commitment by Ukraine to proceed to eliminate strategic nuclear weapons from its territory in the earliest possible time. It's very positive in that regard also in that it begins to define exactly what is meant by the earliest possible time. And I'll get into that in just a moment.

But first I wanted to mention to you what exactly is the annex. There are two parts. The statement, as I said, lays out the commitment once again to Lisbon, but it also lays out the incentives for Ukraine. That is the security assurances that are very clearly laid out there for the first time in print; also the promise for technical and economic assistance for dismantlement of the weapons. That's associated with the Nunn-Lugar program. And finally, the compensation for the HEU in the warheads -- strategic nuclear warheads in Ukraine.

Those are all things that the Rada has indicated concern and interest in seeing come to Ukraine, and they are now laid out very clearly in this commitment by the three Presidents.

Now, the Annex is an interesting document. I said that this set of documents really breaks loose the whole problem that was associated with the Lisbon Protocol in Ukraine, and I think the Annex was a key part of that process of breaking it all loose. It's what we call the three-corner deal because it allows for the early transfer from Ukraine to Russia by the end of October -- I'm sorry, mid-November 1994. Then the other part of it is that Ukraine will be immediately compensated for those warheads as they are transferred from Ukraine to Russia. And what made that early compensation possible was the United States' willingness to advance money -- $60 million -- on the HEU deal. And that's why we call it the three-corner deal. That was a key agreement that was put together between the three sides that really moves the process forward.

Now, let me talk for a minute about the definition issue -- what I mean when I said that now we are getting some definition on the phrase, "at the earliest possible time." All of the most modern and deadly weapons in Ukraine -- the SS-24 ICBM missiles -- that's 46 missiles, 460 warheads -- will have their warheads removed within 10 months. They will be deactivated and no longer in operational -- combat operational status.

Q Could you repeat the numbers?

SENIOR ADMINISTRATION OFFICIAL: Forty-six missiles and 460 warheads; 10 warheads per missile.

Their warheads, along with some SS-19 warheads, will begin to return to Russia by also the same date -- 10 months within the signature of the agreement, which is today.

Now, that, you may recall, has been a subject of some rancor between the Rada and the Ukrainian government over the last six to nine months. Those in Ukraine who are interested in thinking about a nuclear future were very focused on the SS-24 missiles as weapons that would be in place for some time.

The other weapons in Ukraine, the SS-19s, which, by the way, Ukraine is also committed to continue deactivating -- they have been deactivating those systems since the summer -- there are now two regiments of SS-19 missiles that have been deactivated by having their warheads removed. That amounts to 20 missiles overall, and 120 warheads total.

So they have actually begun and that's the kind of evidence we've seen that has given us some encouragement that this deal is really going to unfold at a steady pace.

The SS-19 warheads and their missiles, however, are older systems that are entering into obsolescence in any case. And so the Ukrainians -- from the outset across the Ukrainian political spectrum there has been agreement that they should get rid of those systems. The SS-19s have very volatile liquid propellant and there has been an agreement, a consensus, in the Ukrainian body politic, both executive and legislative branch, that those things should just be gotten rid of because they pose a profound danger.

So I really think that the value of the annex, this three-corner deal and the associated statement, is that it gets the 24s off the block, so to speak, gets them off the agenda in Kiev. And I think that is extremely valuable.

Let's see what else. Okay, now, as far as the other aspects of what has been discussed with regard to the statement and the annex, we have discussed today -- the three Presidents discussed today certain understandings. The Russian side and the Ukrainian side discussed between them certain understandings which they wish to keep private, and we're going to respect that -- they're diplomatic exchanges.

I wanted to assure you very strongly that the United States itself has not entered into any private obligations or private agreements of any kind. These were strictly private matters between Ukraine and Russia which they wish to keep confidential, and we have agreed to respect that. These were issues that the three Presidents discussed this morning.

Q Private on what score?

SENIOR ADMINISTRATION OFFICIAL: Private on what score?

Q Yes, in what area?

SENIOR ADMINISTRATION OFFICIAL: They are simply issues that they wish to keep confidential and we're going to basically respect that.

Oh, a few words about detargeting. This is actually part of the joint statement and I think it is also a very

exciting part of what has begun to occur now as the two sides, U.S. and Russia, come out of the Cold War and are less and less on a hair trigger with regard to their strategic nuclear forces and their armed forces overall. We've seen on the conventional side, of course, an overall disengagement of the Warsaw Pact as it, of course, has gone away, and NATO. But on the strategic side, as well, we're in a situation now where we do not need to be at very hair-trigger levels of combat readiness.

And the overall, I think, importance of this detargeting arrangement is that in terms of the day to day operational readiness of the forces, they are at a level where any country is no longer -- no country is any longer targeted by the arsenals of Russia or the United States. And this is a very, very positive development, and should be, I think, of reassurance not only to our two countries, but to other countries around the world. So that is an extremely positive step today.

And I will be willing to take all kinds of questions about the technical details of that. I understand you've had some briefings the last couple of days, but if anybody has any questions on that, I'll be definitely willing to talk about that. That was a key part of the Moscow Declaration.

SENIOR ADMINISTRATION OFFICIAL: Let me only make a couple of brief comments, in part because you don't have the documents that I was going to discuss with you and, until you have the documents, it will probably not be able to have too many questions.

But there are three documents that are linked. The first one is the joint statement on non-proliferation that was agreed to by the two Presidents.

Q We have that.

SENIOR ADMINISTRATION OFFICIAL: And you have that one. So I'd be happy to go through that one with you. And then there are two that Secretary Christopher signed with Minister Kozyrev. You don't have those; the State Department will get those to you as soon as I possibly can. And if some of you would like to talk about those later I'd be willing to come back and talk to you.

But one is a joint statement on conventional weapons and export controls. This follows on from the promise that President Clinton made to President Yeltsin at Vancouver whereby we would aim to phase out the old regime of export controls known as COCOM, and put in its place a new multilateral regime to control armaments and sensitive duel-use technologies in trade for areas of concern, and particularly trade for rogue countries among those being, in the view of the United States, Iran, Iraq, Libya, North Korea.

You will see in the joint statement once you have a chance to read it that we have outlined a common set of goals and purposes between the United States and Russia for this new regime and what we would be seeking in that new regime. And in that connection, signed a memorandum of intent on export control cooperation whereby the United States and Russia will work together to put in place in Russia a responsible export control regime that will cover not only weapons of mass destruction, but also conventional weapons. So it's an aspect of nonproliferation that is a little less known to many of you, but an important part

of President Clinton's overall agenda. Thanks.

SENIOR ADMINISTRATION OFFICIAL: Let me just say we are now all available to take any questions you may have.

Q Can you tell us what's involved in detargeting? And let's say you aim a missile for the middle of the North Atlantic and you want to retarget it back to what its original target was, say, perhaps where we're sitting now. How long does that take?

SENIOR ADMINISTRATION OFFICIAL: Let me just underline that this is what we think of as a strategic confidence-building measure. It is a measure that's taken by the two parties because they are at a point where the whole nuclear doctrine of the two sides is not dependent on these kinds of hair trigger approaches -- fast response, early turnaround and so forth. So it is a confidence-building measure, but from a technical point of view it is possible to retarget or insert targets in some cases into these missiles fairly rapidly, within a fairly short period of time. So it is --

Q Within a matter of seconds?

SENIOR ADMINISTRATION OFFICIAL: Not a matter of seconds, no, but within a fairly short time, within a matter of minutes. So it is -- let me say that it differs somewhat from weapon system to weapon system. I know there have been a lot of questions out there about, well, are they all targeted at the ocean or what are the targets now.

For the more modern of our systems, the Peacekeeper, for example, the D-5, the more modern systems, they actually are detargeted in that their targets are removed. The older systems, the Minuteman III, for example, its guidance system needs to continue its guidance computer, needs to have a target in it. And those are the missiles that are actually, then, targeted into what are called open ocean areas.

There has been quite a bit of discussion at this point, I know. Let me just underline for you where these target sets are concerned, they would only be affected -- in other words, they would only be struck by a missile in the case of a complete accidental or unauthorized launch. But we are very confident in our overall means and methods of controlling unauthorized or accidental launch. And, in fact, these strategic detargeting measures improve the overall, or strengthen the measures of control against accidental or unauthorized launch. So I really think it's extremely, extremely unlikely that targets in the open ocean area would ever be struck by a missile.

Q are teams from each country going to observe any detargeting procedures? Will there be a kind of ceremony? Any kind of verification of this at all?

SENIOR ADMINISTRATION OFFICIAL: Let me say how this thing came about. We have had now -- actually, there are antecedents back into the Bush administration of the so-called "Strategic Stability Working Group." There is now a strategic stability working group that is very active, run on our side out of OSD, the Department of Defense; and on the Russian side out of the Ministry of Defense. They are talking about a number of so-called "strategic stability measures," or what I like to call "strategic confidence-building measures," that include things

like notifications of exercises and that type of thing. Lowering overall levels of readiness -- what we call Def Con levels --that type of thing.

There are a number of measures that are under discussion in this group. It's a very active group, and one of the first things they have defined sufficiently and are ready to get out there is this strategic detargeting measure. So I can say it is a group that is also truly a symbol of a new era in the idea that Russian generals, heads of the strategic rocket forces would be sitting down from some of our leaders from OSD, dealing with strategic issues; and talking at this level of detail I think would have been simply astonishing a few years ago.

Q Can you elaborate about the --

Q On May 30th, are you simply going to announce the missiles have been retargeted? Is there to be some ceremony? Are teams to be exchanged? What is there to this outside from today's announcement?

SENIOR ADMINISTRATION OFFICIAL: I don't know if there is any ceremony that will be planned for the 30th of May. But there will not be any verification measures associated with this.

Q So there's nothing beyond today's announcement?

SENIOR ADMINISTRATION OFFICIAL: I'm not sure. On May 30th there may very well be a ceremony of some kind. But as I said, there will certainly be continued discussions as this unfolds. One fascinating part of this whole process of getting to where we are today is that the two groups actually exchanged very detailed discussions of how they would go about detargeting these missiles. This is astonishing that we could get to this level of detail of talk through this stuff.

But, no, there are no actual verification measures associated with this. This is in the realm of the parallel unilateral activities that we have taken on in recent years, for example, to remove warheads from tactical nuclear weapons, to take bombs off of bombers and take them off of operational alert. None of that is associated with a verification regime as under START.

However, we have still considered these parallel unilateral activities to be both an extraordinarily useful piece of evidence -- that we are moving away from the Cold War era. And don't forget they are also linked with this very, as I said, interactive process between the MOD and our DOD. So I really think that they are a very useful nature.

Q Do they object to verification?

SENIOR ADMINISTRATION OFFICIAL: No, the issue didn't really come up.

Q Can I ask you about Yeltsin's comments regarding the Partnership? At the news conference, he said, "If you admit them one by one" -- the countries -- "that's not good. I'm opposed." So where is this explicit acceptance of the Partnership? His interpretation seems to be that he is in favor of some long-term integration of these countries, but not individual admission, which is the sense of what the President

has proposed.

SENIOR ADMINISTRATION OFFICIAL: I think he was referring to one aspect of the larger question. And I remember the question, it was, what is the future relationship between Russia and NATO, which is a different question than what is Russia's position on the Partnership For Peace.

President Yeltsin gave President Clinton a specific commitment that Russia was not only enthusiastic about the Partnership For Peace, but that Russia is going to participate in the Partnership For Peace. That allowed President Clinton in his statement at the press conference to say categorically, unambiguously that Yeltsin had made this statement to him that Russia would participate. In addition to that, here in the Moscow Declaration is a specific commitment in writing to the Russian government to participate.

Q What do you mean by participate? Do you mean that Russia would seek admission the way the Czech Republic has?

SENIOR ADMINISTRATION OFFICIAL: Yes, as you remember, on Tuesday -- I believe it was -- it was either Monday or Tuesday in Brussels, NATO offered -- made an open invitation to the countries of the East to participate in Partnership For Peace. There is a process by which you, in effect, sign up. And a number of the Eastern, Central European, Eastern European countries have done that. Ukraine has expressed an interest. And now Russia has expressed an interest. So they will need to obviously be in contact with NATO and go through this process of completing forms. But that's just a technicality. The political commitment was made today.

Q But he is not acknowledging that participation would eventually lead to individual entry by --

SENIOR ADMINISTRATION OFFICIAL: No, not at all. And, again, I think that -- as I understood the question posed to President Yeltsin and his answer, he was speaking on a longer-term basis. But on this specific question of PFP, it's clear. It's in writing. It was direct in the relationship --

Q No, no, on both points I have the same question and I don't think you've answered it, honestly.

SENIOR ADMINISTRATION OFFICIAL: You don't think I've answered honestly, or honestly, you don't --

Q No, I don't think you've answered it. On participation -- you talk about filling out forms. Participation involves joining exercises --

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q sitting with NATO commanders.

SENIOR ADMINISTRATION OFFICIAL: Right.

Q Is Yeltsin's consent to that arrangement as far as Russia is concerned mean that Russian officers will now take part in those experiments? And secondly, he is saying about --it seems to me he's saying all or none go into NATO. And you know there are gradations of interest among the Eastern European countries. So he's not talking in some theoretic term. He's

saying en masse or not at all.

SENIOR ADMINISTRATION OFFICIAL: No. Let's separate the two for just a minute. Let me ask the question. I'll ask the question, then I'll try to answer it. Did President Yeltsin say to President Clinton that he wanted Russia to join the Partnership For Peace? The answer is yes.

Q As a preliminary to --

Q Wait a second. Let him finish.

SENIOR ADMINISTRATION OFFICIAL: The answer is yes. He said unequivocally and unambiguously, Russia will join the Partnership For Peace. Russia intends to go through the process of joining.

Prior to today, both in Washington and in Moscow -- including in several hours of discussion yesterday at the Russian Ministry of Defense, meetings at the State Department a week ago Monday -- we talked through -- our experts talked through with Russian military and civilian experts the process of joining the Partnership For Peace. The Russian government has a very clear understanding of what that is. So there's no doubt in our minds that he's made the commitment. It is also here in writing in the Moscow Declaration.

You talked about joint exercises, active participation. We already have joint military exercises planned between one of our divisions and a Russian division later on in '94.

Q NATO. NATO. They're going to have them in Poland. Will they have them in Russia?

SENIOR ADMINISTRATION OFFICIAL: Right. And so now we must begin the process between NATO and Russia, Russia joining the Partnership For Peace, to define exactly the military activities -- training, whatever -- that we will undertake with Russia. The two presidents did not get into a discussion at that level of detail. As leaders of the two countries, they made a political commitment to each other to engage in this process. Now those of us who work beneath a level of president must meet and define what it is exactly that Russia will do. But there's just no question on our part.

Q Now, how about joining -- the whole group, all or nothing? Andrea is exactly right. He said very firmly, "I oppose it." He has something in mind that he doesn't like. I don't think it was a philosophical statement. There's a process underway where various Eastern and Central European countries will come at different times. And he is saying, "Uh-uh, all together or not at all." That's what I think he's saying. Am I wrong?

SENIOR ADMINISTRATION OFFICIAL: Well, is there a question? Do you have a question?

Q The question is, what is his stand on the granting and entering of Eastern and Central European countries, including Russia, into membership in NATO?

SENIOR ADMINISTRATION OFFICIAL: I was not in the one-on-one, but I have seen the transcript of the one-on-one and

as far as I can recollect, the two presidents did not discuss that particular issue. Now, President Yeltsin made the statement that he did in the press conference. He's made a number of statements in the past. That is a much larger question which we see as a longer term question. And you know what our position is from having been in Brussels and Prague.

Our position is that NATO is not now going to make a decision on new members; that this is an evolutionary process ; that the Partnership For Peace and the way that countries engage in it with NATO will be a large determinant of whether or not they're going to be new members and which of the countries will be the first to enter. So that would be my answer to you on that.

Q Just to follow on that, did it come up at any level here -- did a Russian concern get expressed at any level here when they said, "Okay, joining Partnership For Peace is good, we're interested. But what concerns us is that further down the road you're going to let the Central Europeans into NATO as full members before Russia or the former republics will be ready, and we want to let you know right here, right now we're not in favor of that. It's everybody or nobody." You said it didn't come up in one-on-one. Did it come up anywhere? Are they expressing any concern?

SENIOR ADMINISTRATION OFFICIAL: Yeah, again, I wasn't in that particular meeting so I can't speak to everything that was in that discussion, but I don't believe that particular point came up in this summit. But it's fair to say that in the past couple of months in our private discussions with the Russians and in the past, and certainly in public, the Russians have enunciated variations of that point of view. And that's really not a surprise.

Q Can you please tell me what's happening to the 600 gravity bombs and the bombers in Ukraine? Are they part of this deal?

SENIOR ADMINISTRATION OFFICIAL: Yes, they are part of the deal. They are not actually gravity bombs, they are air-launched cruise missiles.

Q All of them?

SENIOR ADMINISTRATION OFFICIAL: All of them are affected by --

Q All the weapons on the bombers are air-launched cruise missiles?

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q What's happening to them, and why aren't they noted -- why isn't it noted in what we have, in the documents we have?

SENIOR ADMINISTRATION OFFICIAL: Well, the language in the statement refers to elimination of all nuclear weapons in Ukraine and all systems to be affected by the deactivation. So in fact all weapons are covered. And that's clearly understood by all parties to this agreement that that covers the 46 SS-24s, 130 SS-19s and the 600 ALCMs, each of which has a single warhead on it.

Q And what happens to the long-range bombers?

SENIOR ADMINISTRATION OFFICIAL: Well, under START they are required to eliminate those systems under START in the seven-year reduction period of START. By the way, I think one of the important things about this statement and annex is that, as I said, it gives us some definition now on this issue of what is the earliest possible time. I am confident that we can significantly beat the seven-year START reduction period for a lot of these systems based on what they're willing to commit to now on early deactivation.

But let me get back to your question on how you eliminate systems under START. Under START they can eliminate those bombers by cutting them up, otherwise destroying them, or they can convert them to conventional platforms. And that is -- they have to decide how they're going to do that. That was all worked out as part of the Lisbon deal.

Q Will those airplanes belong to Ukraine?

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q Could you clarify one point on the SS-24s? In the first 10 months do they get dismantled or -- rather deactivated, or do they get deactivated and moved to Russia?

SENIOR ADMINISTRATION OFFICIAL: They get deactivated by having their warheads removed. And some of their warheads start moving back to Russia. We begin a process of warhead transfer that will continue. Some of that is dependent on the availability of transport capability. By the way, that's one of the things we helped them with under Nunn-Lugar -- containers and that type of things, rail cars. So part of it will depend upon capacity and part of it depends on how fast they can actually move the systems.

Q How difficult or time-consuming would it be for Ukraine if it still had SS-24 warheads on its territory at some point to reinstall those before the final transfers are completed?

SENIOR ADMINISTRATION OFFICIAL: Well, don't forget the way the SRF works in Ukraine these days is that those systems are still under the control of -- well, it's very difficult to say because the SRF guys are professional rocket forces officers, most of whom have sworn allegiance to Ukraine. But we hear again and again from both the Ukrainian and the Russian sides that they continue to work very closely with their colleagues in Moscow. I think it would be, to me -- I just don't know. It's a very difficult question to think about, but it gets to the question of how you're going to handle those personnel. And really I think those personnel once deactivation begins to occur will not be really in a position to get them back on the missiles.

Q To what extent does the Zhirinovsky factor drive this thing to conclusion here this week?

SENIOR ADMINISTRATION OFFICIAL: I think it was an economic issue -- the crisis in the --

Q The deactivation, detargeting; not the Ukraine issue. To what extent does the Zhirinovsky factor drive this

deal to a conclusion?

SENIOR ADMINISTRATION OFFICIAL: I don't think at all. Not at all. Not at all. It really had to do with, as I said, some overall strategic confidence-building measures that have long been talked about between the two sides. And this was just a very good opportunity to do so. And also in the context of what we were doing with Ukraine, it was an additional kind of beneficial effect for the Ukrainians.

Q This is the third time by my count that Kravchuk has solemnly signed a document promising to get rid of Ukraine's nuclear weapons -- at least three times, including Lisbon, but Lisbon was only the second time. And each time, the deadlines change. I'd like to ask you, in terms of your sense of Ukrainian politics, do you expect him to bring this up for ratification to this Rada or to wait until the new elections? And if so, aren't you worried that same process that happened in Russia in the parliamentary elections will happen in Ukraine, where after all there's hyperinflation and real economic problems?

SENIOR ADMINISTRATION OFFICIAL: I think, first of all, let me say that I think that we are feeling very good about this agreement because, as I said, it breaks lose the kind of stalling that occurred with Lisbon. And it does that in two ways. First of all, there are some real incentives for the Ukrainian Parliament and for the Ukrainian people overall.

But the Parliament had expressed its concern in particular ways and done so very openly over the last couple of months. We know exactly what those concerns are. And the statement deals with those concerns. We know that President Kravchuk is going to go back, confer very closely with his Parliament and basically talk them through it and show them that their concerns have been met. That's number one.

And number two, we had started in the summer to work very closely with the Ukrainians. You may remember when Les Aspin went in June. We first broached the idea of an early deactivation initiative just as the United States is deactivating systems that would come down under START I, and Russia is doing so. We suggested that Ukraine might wish to join in an early deactivation initiative as well. And they have shown us in concrete ways that they are willing to do so. I said we've seen 120 SS-19 warheads come off missiles. And we have begun to see that same process unfold with the SS-24s. So I think that there's good reason to feel confident.

Q If I could, just the specific question -- do you expect him to bring this up for ratification for this Rada or to wait for new elections to another one, which after all are in March?

SENIOR ADMINISTRATION OFFICIAL: The question of whether it has to be ratified or not as START is ratified is a subject for discussion between Kravchuk and his Parliament. I know because he has told us that he is going to confer with them very, very closely.

I said the other night, I think, that you have to recall that Lisbon, START I, NPT are nested very closely together with this statement which, in fact, as I said, fulfills some of the desiderata or some of the requirements that the desiderata

had. So whether he uses it essentially as a mechanism for conferring with them or uses it in some other way, I just can't -- I know he's going to do the first; I don't know what else will happen.

Q They haven't ratified START I in the sense that you believe it to be ratified, is it?.

SENIOR ADMINISTRATION OFFICIAL: Well, I didn't say anything different from that. I mean, I did not say that I believe that they ratified it.

Q Why is this thing called a statement and not an agreement? He keeps saying agreement and you keep saying it's a statement. What is the difference between a statement and an agreement?

SENIOR ADMINISTRATION OFFICIAL: A statement of this kind is standard diplomatic practice. When you have a commitment of three presidents in this case, it is associated, as I said, with START I and the Lisbon Protocol, which is an integral part. They are integral documents and this statement is associated with that in such a way as to move forward the implementation of Lisbon and the overall implementation after it enters into force of START I.

So it's essentially a mechanism and a standard diplomatic mechanism to move forward obligations that in this case, by the commitment of the Presidents of these three countries. Not only President Kravchuk, I might add, but President Yeltsin of Russia and our own President, President Clinton. So there are three presidents associated with this document.

Q So it's not this that has to be ratified, it's START I that has to be ratified.

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q And then the seven years begins once the ratification is complete?

SENIOR ADMINISTRATION OFFICIAL: The obligations -- the time frame obligations undertaken here, that is to deactivate all SS-24s by 10 months, is from the date of signature of this document, January 14, 1994. EIF of START, entry into force of START starts that clock running.

Q A statement is less than an agreement? It's what you'd --

SENIOR ADMINISTRATION OFFICIAL: I don't know if it's less an agreement --

Q Doesn't anybody know?

SENIOR ADMINISTRATION OFFICIAL: It's a different kind of diplomatic mechanism.

SENIOR ADMINISTRATION OFFICIAL: Let me just try to address your question. It is in writing called a statement. But when three presidents sit in front of the whole world and all of you and sign something and commit themselves to it -- and we've gone through months of negotiations that are represented in a

very detailed annex, that have very specific commitments that need to be matched, that is an agreement, that is a commitment that one country makes to another. In this case, the three countries make to each other.

So what's lying in back of your question as I hear it is, is there some way that this is kind of less than an agreement that countries have to agree to? No, it's not. This is something -- this is an agreement between three countries represented in a statement, if you will, that all three of the countries expect will be adhered to. And we take that seriously and Kravchuk does, as well.

Q I'm sure they take it all seriously, but if what you say was true it could have been the "North American Free Trade Statement" and the "North Atlantic Statement Organization." I mean, it's clear that this language is not chosen randomly.

SENIOR ADMINISTRATION OFFICIAL: We did not sit down and try to think of a word that would confuse you or a word that would mean something less than certainty.

Q Why did you choose this word?

SENIOR ADMINISTRATION OFFICIAL: We sat down and we negotiated an agreement, a series of commitments as represented in that annex among three countries. And so in reality, we expect that this will be carried out and the commitments will be adhered to, and that is what is most important.

Q And so what you're saying -- can you answer one more question? How does this differ from their agreement to sign the Lisbon Protocol, for example, other than that President Clinton is now -- two other Presidents watched him say he was going to -- what's the difference?

SENIOR ADMINISTRATION OFFICIAL: There's another way to come at the question that I've heard several people answer, and that is the Lisbon Protocol and START and the NPT already exist. That is a treaty regime. There is and existing treaty regime that is, really this statement, this commitment of the three presidents, both reconfirms and gives a push forward. And that is it's overall value. There is an existing treaty regime. We didn't need to do Lisbon over again.

What we needed to do was give a kick-start to Lisbon and that is what this statement and its annex does, particularly, I must say, I think -- as I said, there's a certain genius to this three-corner deal because it really does get the process of warhead transfer going in a way that clearly provides incentives for the two parties in question, Ukraine and Russia.

Q And the only public thing you've said about the warhead transfer process is the 24s and the ten months?

SENIOR ADMINISTRATION OFFICIAL: It's a combination of SS-19 and SS-24's -- 200 of them in 10 months.

Q What's the state of free trade after this between the two countries? What are the barriers on each side? And is the volume of trade supposed to increase in either or both directions?

SENIOR ADMINISTRATION OFFICIAL: The question is

what is the status of free trade and the restrictions on each side. This is in many ways one of the more important long term issues in the relationship because if the Russian economy is going to grow and privatize, they've got to find a way to reduce their barriers to trade. And I think it's fair to say that the West had to find a way to reduce it's barriers to trade with the import of Russian products.

There was a general discussion in the economic meeting of this subject. President Yeltsin raised it and President Clinton had a number of ideas on how we could work together. And as you saw in the press conference today, President Yeltsin had a number of things to say about it. So very important. We're hoping to expand trade and investment and by giving it a higher profile and by knocking down barriers on both sides.

Q What are some of the existing U.S. barriers and what were some of President Clinton's ideas to eliminate them?

SENIOR ADMINISTRATION OFFICIAL: Well, there had been a barrier of -- Russia had not had access to the generalized system of preferences. It now does as a result of Vancouver. And this is preferential treatment for Russian exports to the United States and in 44,000 categories, Russia now has duty free access. Just in the last couple of months that it did not have before and that is a very specific thing that we have done.

In addition, we have signed a bilateral investment treaty which provides for national treatment and that needs to be ratified now by the Russian Parliament.

I think it's fair to say that our dumping laws, in many respects, restrict the access of Russian, the export of Russian commodities to the United States and that's been a real problem with uranium and aluminum and steel and potash and other areas.

On the other side of the ledger, there are a number of regulatory and tax barriers that inhibit our companies from trading and investing, we think on a fair basis. So there was an agreement that Vice President Gore and Vice President Chernomyrdin would continue to work on these issues.

THE PRESS: Thank you.

END2:53 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Moscow, Russia)

For Immediate Release January 14, 1994

PRESS CONFERENCE BY PRESIDENT CLINTON
AND PRESIDENT YELTSIN

Kremlin Press Center
Moscow, Russia

11:41 A.M. (L)

PRESIDENT YELTSIN: Ladies and gentlemen, I'll tell you the main thing now. The first official visit paid by the President of the United States of America Clinton to Russia has been very fruitful. It couldn't have been otherwise because we know one another only too well, and we needed a great job to do and two great hopes were placed on us by our nations.

This visit is based on today's realities and, at the same time, it projected itself into the future as regards the difficult past. We and the President of the United States wrapped it up solidly back in Vancouver. Work in Moscow was very intense to obtain great results. The concrete agreements made are crucial to Russia and the United States and to the entire world.

The talks were held at a history-making time for both countries. Old habits and stereotypes fade away. We are searching for new things in Russia and in America. I must say that we're in the thick of the Russian-American joint revolution.

During the free democratic elections, the Russians have proved the new constitution, and for the first time, with no coercion, they elected their own Parliament. I don't agree with those who believe that the first pancakes did not turn out right. You should take a better look at individual names and popular slogans; you will see that the people chose a better way of life: legality and predictability.

This is a lesson for all of us to learn. Yet, in order not to repeat past mistakes I made it perfectly clear to the President that we would expand the scope of reforms, focusing more on the social dimension. I am confident that this country will have a greater stability and a durable social peace.

Bill Clinton demonstrated he has a fine sense of our particular situation. Indeed, the Americans also survived a lot and they continue to survive a lot. We may count on their full support for the reforms implemented by the Russian President, government and reformists in the new Parliament.

I discussed problems concerning our economy and positive changes that happened, and I referred to elements of stabilization. And I would like to underscore that what we need now is not humanitarian aid, but rather full-scale cooperation with due regard for the period of transition the young market

economy in Russia is going through now.

Specifically, along with the Tokyo package and the Clinton package and Vancouver, the most tangible support for Russia would be the opening of the American market for our exports, whether raw materials or equipment. And I'm very much satisfied that today we finally, after two years of discussion, we signed an agreement on uranium.

All the Cold War restrictions should be lifted like the Jackson-Vanik Amendment. We need to remove artificial barriers that were put up under the excuse of Russian dumping practices. As regards uranium, I think it is rather a fear of competition with more advanced technologies and cheaper materials.

Since Vancouver, Bill Clinton has done a lot, keeping his promise to remove the economic bad things of the Cold War. Discriminating restrictions were struck off from the American domestic legislation; I mean the bulk of those. No more high custom duties are levied on about 5,000 Russian products.

The U.S. President has done a great job of integrating Russia into international financial and economic organizations. I believe that it won't take much time for the Group of 7 to turn into a Group of 8. During our negotiations, the Russian American relations have reached a point where they became a mature strategic global partnership along all the lines. It is based on a commonly-held view of new prospects and fresh problems. We are both confident that today's world should be democratic, open and integrated.

As regards equality, mutual benefits, regard for one another's interests, no more references should be made to that, because those are implied. This basic dimension of our partnership is formalized in the Moscow declaration we signed. It demonstrates and consolidates the historic shift in the Russian American relations in Eurasia and in the entire world.

Our interaction is now freshly meaningful, and it is geared toward a better strategic stability and security. Thanks to that, over a few recent months the world and our countries avoided quite a few traps and miscalculations. There was some progress made -- better cooperation in the areas of security and disarmament, peacekeeping, and promotion of economic transparency.

The landmark step that we have finally made in Moscow is the package of agreements leading to the elimination of nuclear weapons in the Ukraine. I believe that this is a history-making document that was signed today by the three Presidents. Everybody benefits from it and, in the first place, the Ukrainian people.

The agreements reached at our three-party summit will save money, remove differences and set a good example for other countries to follow. They are consolidated by the Russian American Declaration concerning the consolidation of all mass destruction weapon nonproliferation regimes. And nonproliferation, as you know, is being called into question now, or is running a very serious test of strength.

The U.S. President gave me fresh information about the Partnership For Peace concept that was approved in Brussels.

This idea comes from the NATO, but there is some basic element of the Russian-American cooperation in it. This concept is a very important step toward building a security system from Vancouver to Vladivostok that would include -- that excludes the emergence of new demarcation lines for areas of unequal security.

We believe that this idea may prove just one of the scenarios for building a new Europe. Just one of those will well impart very specific cooperation in this dimension of cooperation, including the military area. Of course, we will keep track of whether collective security structures in Europe, including such time-tested institutions like the United Nations and the CSCE.

I provided very detailed information to President Clinton about the integration of processes that go on in the former Soviet Union, including our latest meetings -- summit meetings within the framework of the CIS. You shouldn't be fearful of some neoimperial ambitions. Russia is only interested in stability, and it takes very honest mediation efforts to extinguish the hotbeds of conflicts along its new borders.

We are ready to expand our cooperation and coordinate our action with the United Nations, CSCE, and the international community. It is too bad that the international community is yet to show great enthusiasm. It responds, but frugally, to our concrete proposals concerning either Akhazia or Nagorno-Karabakh or Tajikistan. I believe that we will have a greater understanding with the United States of this very crucial issue.

I raised the issue of human rights violations and national minorities, especially in the Baltics. No double standards should be allowed here, whether it happens in Haiti or in the Baltics. As a result, we adopted a very forceful declaration on security human rights. And the President confirmed that he will take appropriate steps in making contact with the Baltics so that no more discrimination would be allowed there against the Russian-speaking population there.

I don't want to be too optimistic now. This does not reflect the nature of our sincere and business-like conversations. We've had differences, and we'll continue to have some differences in the future. But what is crucial here is looking for an understanding that will turn into a specific policy.

This is our flight plan for the Russian-American partnership that will substitute the flight plan for strategic missiles that would not be targeted against one another.

Thank you very much. Now, Mr. Clinton.

THE PRESIDENT: Thank you very much.

Nine months ago President Yeltsin and I met in Vancouver, and there we laid the foundation for a new partnership between the United States and Russia -- a partnership based on mutual respect. We have just concluded an excellent and very productive summit meeting in which we took important steps to strengthen that partnership. I want to thank President Yeltsin and his entire team for hosting us and for making these days so productive.

Throughout our discussions I reaffirmed the strong support of the United States for Russia's commitment to democracy and transition to a market economy. I informed President Yeltsin that the United States is committed to specific projects --100 percent of the $1.6 billion of assistance that I announced in Vancouver, and that we have actually expended about 70 percent of the funds.

The President and I also discussed the additional $2.5 billion in assistance for Russia and the other newly-independent states that my administration proposed in Tokyo in April, and which Congress fully funded this September.

The President gave me strong assurances of his intention to continue the reform process. He and I discussed a number of way in which the United States and the international community can assist in the promotion of reform and, at the same time, assist Russia in cushioning the social hardships which reform has brought to many Russians.

As a concrete expression of our commitment to reform the United States is opening the doors this week to the Russian Small Enterprise Fund and has established a new fund for large enterprises to promote private-sector development here. That latter fund will be chaired by the former Secretary of the Treasury Michael Blumenthal.

We also signed a contract to purchase $12 billion of highly enriched uranium over the next 20 years. And I have asked the Secretary of Commerce Ron Brown to lead a very high level presidential trade mission to Russia in March, including leading CEOs who would be in a position to promote both trade and investment here.

We issued today also a joint statement on human rights in which we express our common resolve to combat discrimination in all forms of intolerance including anti-semitism. Today I also had an opportunity to describe further the results of the successful NATO Summit this week, and President Yeltsin assured me, as you just heard, of Russia's intention to be a full and active participant in the Partnership For Peace.

We took several historic steps to ensure that the fear of nuclear confrontation will remain a relic of the past. As you know, Presidents Yeltsin and Kravchuk and I signed an agreement that commits Ukraine to eliminate over 1,500 nuclear warheads. All the most modern and deadly missiles in Ukraine, the SS-24s, will have their warheads removed within 10 months.

Second, President Yeltsin and I agreed that as of May 30th, the nuclear missiles of Russia and the United States will no longer be targeted against any country. And, third, we signed an agreement to work closely together in regions where proliferation risks are greatest, including the Korean Peninsula and the Middle East.

We also agreed that the sovereignty and independence of Russia's neighbors must be respected. In that respect, I expressed my strong hope that Russia's negotiations with Estonia and Latvia will lead to the withdrawal of troops in early 1994. And I did agree, as President Yeltsin said, to press strongly the proposition that the Russian-speaking people in those republics must be respected.

Let me close by noting that President Yeltsin and I have agreed to meet in Naples at the G-7 summit in July, and I am pleased that he has accepted my invitation to make a state visit to the United States this fall. I look forward to those meetings.

I came to Europe with the hope of beginning to build a new security rooted in common commitments to democracy and free economics and mutual respect for security and territorial borders. I came with a dream that at the end of the Cold War we might all be able to work together to have a Europe that is integrated, politically, economically and in terms of security; a Europe that, for the first time since the establishment of nation states would not be divided by present conflict or lingering animosities.

I now believe we have a better chance to create that kind of new security -- a security in which great nations will be able to treat each other as genuine partners, chart their own futures, without being dictated to by others. A future in which I believe greatness will be defined fundamentally by our capacity to enable the men and women and the children who live within our borders to live up to the fullest of their capacities.

I thank President Yeltsin for his partnership of that endeavor, and I assure you we will continue to work as hard as we can toward that common mission.

PRESIDENT YELTSIN: Thank you, Mr. President.

Due to the protocol, we have restricted opportunities to take questions.

Q Good afternoon. You mention frequently that you would consider the outcome of the election campaign that happened on December 12th in your domestic policies. Do you intend to correct your foreign policy, and in particular, your policy toward the relations with the United States.

PRESIDENT YELTSIN: I believe that we have very stable and steady relations with the United States that are well checked and based on partnership. But, of course, some adjustments will be made, especially with respect to the social sphere. We believe that in contrast with the Vancouver meeting, we will not count on humanitarian aid and direct social aid. This is our business to attend to.

We are requesting the U.S. side to open the doors of the American market, to have the restrictions lifted to help us with our debts, to show support for our reform in terms of conversion of our defense-related industries, and so on. We don't need direct social aid because such aid is also needed by the United States people, by the American people.

It wouldn't be serious. You want to relieve the pressure of unemployment in Russia without creating jobs for your own Americans back in your country. We believe this is our business to attend to. And out of the forms of support, the rescheduling of the debts, structural changes in our national economy, we will look for social guarantees for our own workers so that -- which would reduce impoverishment or the poverty level that exists today in this country.

Q Do you mean that you are going to retreat a bit

from shock therapy and go a little slower in order to improve the lives of --

PRESIDENT YELTSIN: No. In terms of reform we will take resolute action and will continue to press ahead. And in this regard, the U.S. President is in agreement to support such a policy.

PRESIDENT CLINTON: If I could respond briefly to both of the last two questions, from my perspective. I commend President Yeltsin for his commitment to continuing the path of economic reform. If you look at 1993 as compared with 1992, if you look at how much the deficit was reduced as a percentage of annual income, if you look at how much inflation was brought down, if you look at how much the stabilization of the currency was improved, I think that the continued work toward hooking the Russian economy into the global economic system based on markets is a very sound thing.

We had great, long talks about what could be done and what kind of assistance the United States and others could provide to recognize that there are certain dislocations which come from these changes, so that the people of Russia will know that there is an effort being made to deal with those problems. But I also have to tell you that I believe that the people will begin to benefit in ways that they could not see perhaps last year, in the coming year when we have more trade and more investment. And as people around the world and in the United States, in particular, see that the President is serious about this, I think the benefits will begin to flow.

That, plus constructing the kind of social support system in job retraining, unemployment -- all of those things that just have to be put together and are not easy to put together when you don't have one -- I think these things will help a lot.

The other point I'd like to make to you, sir, is that from my point of view, President Yeltsin has been unfairly criticized in some quarters for his relationship with the United States. The implication that somehow we have tried to direct the course of Russian policy is just not accurate and not true. The people of Russia have to define their own future. All I have tried to do is to say that as long as we share the same values and the same vision, as long as we share a dream of political freedom and economic freedom and respect for our neighbors, I want to be an equal partner, because I believe this is a very great nation and that the world -- the whole world -- and particularly Europe has a real interest in seeing Russia succeed, in seeing this reform movement succeed.

So I think our relationships in that sense have been quite correct all along, and some have sought to mischaracterize them in a way that I think is not accurate. I come here as a friend and a partner, not -- we have our problems at home, too -- every country does. The United States has no interest in charting Russia's future; that's for Russia to do. But we can be partners and we should be.

Q My question -- and I refer it to both Presidents -- during the Brussels visit, the Russian party requested the United States and NATO to make a greater influence on Ukraine concerning strategic arms. Have your expectations come true, given the agreements you've signed in Moscow?

PRESIDENT YELTSIN: Our expectations came perfectly true, promptly. We've signed an agreement with Ukraine to eliminate all of Ukraine's nuclear weapons. Their nuclear weapons will be shipped to Russia for destruction. And, of course, with respect to uranium, we need to provide some compensation. Instead of weapons-grade uranium, we need to provide them with fuel grade uranium. And we are in agreement.

We will continue to process -- with U.S. assistance -- we will continue to process weapons-grade uranium into fuel uranium. And since we've signed an agreement on uranium today, it appears to me that today our agreement with the three-party agreement with Ukraine signed by the three Presidents is a history-making decision. And I believe that there is a great role that has been played by Russia and the United States and personally by the U.S. President Bill Clinton.

PRESIDENT CLINTON: I am fully satisfied with the agreement. I want to compliment again President Kravchuk for seeing what I believe are the real security interests of his country. I think his country is stronger for signing this agreement. It will certainly be more economically powerful in the years to come as more investors are more interested in supporting the decision to be nonnuclear.

And I want to support and compliment President Yeltsin. The United States, I believe, played a very valuable role in this, but it was President Yeltsin's suggestion to me that we set up this trilateral process. I have enjoyed working in it. I worked hard on this. Vice President Gore worked hard on this. And, of course, the rest of our team did. And I assure you that I intend to maintain an intense personal involvement in this whole area.

I think, by the way, a strong and an independent Ukraine is critical to this whole development of an integrated Europe that we are working on in our partnership here.

Q A question for both Presidents. President Yeltsin, you have made a commitment today and President Clinton has agreed and has urged you to continue the commitment to the economic reforms. It will take a while, though, to create the institutions that can cushion the effects. The recent elections have shown that only 15 percent of the people elected support that policy. How can that be sustained politically given the opposition you're going to face in the Parliament?

And, President Clinton, without direct aid, what really can the international institutions do to make this more viable for President Yeltsin?

PRESIDENT YELTSIN: Firstly, I disagree with your statistics -- 15 percent of the Russians support the reforms. This is not the case. This is untrue. You should take a look at the results of the voting for the constitution. The constitution is support for the reforms. I'm not talking about individual people or voting for individual parties or blocs of parties. They voted for the constitution that will decide the future of Russia and the future of Russia reforms. This is where the Russians made their choice. And they number about 60 percent -- 60.

Now, with respect to support from international

institutions, we discussed this topic. Incidentally, we've discussed about 30 issues, or even more than that, both domestic Russian issues and domestic U.S. issues, bilateral relations, international relations and so on and so forth. Security relations. There was a large host of such issues that were discussed.

I believe that the fact that we approved the Tokyo package and the fact that that is too bad that the Group of 7 is not very happy, or is very slow in implementing that decision, that is bad.

Bill Clinton kept his promise he made in Vancouver. The first package worth $1.6 billion was paid; the second package worth about the same amount of money, to be approved by Congress, will in 1994 and 1995, will be paid. And as regards Group of 7 commitments, or the Big 7 commitments, I think the case is much more difficult here. The decision was made, but they're very slow in implementing that decision. And that saddens my friend, Bill Clinton.

PRESIDENT CLINTON: Let me respond to your question, because I think it's important to talk about what we are doing here. First of all, getting the deal on uranium is a big thing. That guarantees a steady stream of commercial -- it's a business deal, but it will guarantee some money flowing in here every year for a long time.

Now, in addition to that, I have asked in my '95 budget for $900 million in aid. And if you take that plus the $2.5 billion in this second package for the entire republics of the former Soviet Union, but most of it will come here to Russia, there will be more than $1 billion in aid in each of the next two years.

In addition to that, we have reached agreement with the G-7 countries to do a number of other things which I think will help a lot. We are opening an office here headed by an American -- that's a G-7 office -- to make sure that all of the commitments are followed through on. And it's open now this week. We are going to work with trying to get funds, which I'm confident we can, to Russia's energy customers so that they can pay their bills for the energy that Russia is providing them. That again -- that's a business deal, but it will give them a significant amount of money.

We have offered technical assistance, which is all President Yeltsin has asked for, in trying to help work through these social services issues -- how do you set up the training programs and other support programs to cushion the dislocation. We are beginning this week again under the leadership of Jerry Corrigan to fund the Small Business Development Fund, and we're setting up this large business fund.

And I think -- let me say one final thing. The willingness of President Yeltsin to continue on the path of economic reform, I think, will be met positively by the international financial institutions in a reasonable way. And I think that that can free up billions of dollars of assistance in the next several months for continued reinvestment. And again, when Ron Brown comes here in March, I think you will see a significant increase in trade and investment from the United States.

So we are going to be heavily involved in this in ways that I believe will begin to affect the ordinary Russian people in a positive way. The problem is that there's always a time lag between taking these tough decision and when somebody can feel it in their own lives. And that's what I was trying to communicate when I was walking the street yesterday here in Moscow, shaking hands with people and talking to them and listening to them. We have to, all of us who care very much about the greatness and the potential of this country and who want a genuine partnership, have to be sensitive to that. But I believe that these initiatives will begin to be felt in the lives of average Russian working people. And I think they will -- in the aggregate they will be quite significant over the next couple of years.

Q Russian Television. We have millions and millions of Russian TV viewers. A question for Boris Nikolayevich. Given the composition of the new Parliament in Russia, do you believe that you will have some problem having the Parliament to ratify our agreement with some Western partners -- maybe foreign policies will suffer as approved by the Parliament? Do you believe that you as the President of this country are in some difficulty in dealing with your foreign partners?

PRESIDENT YELTSIN: I don't believe that this is the sort of Parliament that we have. I believe our Parliament is smarter, more intellectual, more experienced. The upper chamber of the Parliament, I believe, will pursue policies shared by the President and by the government. And state duma, the lower chamber, will get to that with time. They will realize that such major international agreements and treaties may not be delayed in terms of ratification. I mean, agreements like the one we concluded on the destruction of chemical weapons and such like.

I don't believe they will do that. Otherwise they would show no respect for their own people. But I believe that there are members of Parliament -- and I mentioned that in my message -- should be mindful of the fact that they are representatives of the people and the people told them how to behave in the Parliament. They should have a fine political sense.

Of course, our Parliament is very young, but I'm still confident that the Parliament will proceed constructively.

Q President Clinton, I wonder what are your impressions after your firsthand experience here in Moscow? What is your assessment of the threat that the ultranationalist movement poses to the movement toward democracy?

PRESIDENT CLINTON: Well, those who are in the Parliament are, after all, the product of democracy. And I think that there are two separate things here. I think we have to respect the democratic process. And in every democratic process, no one is satisfied with the outcome of all elections. I can testify to that. So in that sense, I don't think they present a threat to the democratic process.

Now, I think what is happening here is that Russia, which is and has been a very great country for a very long time, is doing what countries are required to do from time to time -- they're having to redefine what greatness means, establish a vision for the future. And when times are difficult -- and the Russian people have been through some difficult times -- there are those, always, in every age in time, who can generate some

support by defining greatness in terms of the past. But in the end, the only people who really make it work are those who define greatness in terms of the future.

And that's why I think the reform movement in the end will prevail. Because if you look at the nature of the global economy, if you look at the things that are happening that really move and change people's lives, I think history is on the side of the reformers.

And I also believe what will happen is -- keep in mind you're going to have some interesting debates in this duma. I wish I could -- I enjoy watching the news every night. It's nice to be in a place where some other President's having trouble with his Parliament instead of me. (Laughter.)

But as -- President Yeltsin made a valuable point here -- when these issues begin to be debated and when people move from the level of campaign rhetoric, which is always highly abstract, to the real problems of real people, you also may see a new consensus developing. And the only thing I would say to all of the people who are in this newly-elected duma is that you have an enormous opportunity and a responsibility. You are the product of the first genuinely democratic, constitutionally-provided Parliament in the history of your country, and you ought to be willing to just listen and learn and grow and deal with the issues.

I don't think the United States or anybody else should overreact to this. These folks are just getting started on what will be a great and exciting journey. And I think we ought to wish them well and see what happens.

PRESIDENT YELTSIN: Due to the protocol commitments we have to limit the time of our press conference. Just one more question on the Russian and U.S. side.

Q I would like to get a more specific sense of your view, Mr. Clinton and Boris Nikolayevich. I'm talking about prospective admission of other states to NATO, and I mean -- I am referring to states there on the borders of Russia. Do you believe that Russia will join NATO sometime in the future and on what conditions?

PRESIDENT YELTSIN: I believe that the initiative displayed by U.S. President Bill Clinton and by some European politicians, I mean in terms of not admitting one country by one to NATO, but rather to declare them Partners For Peace and security, provides a very good formula. Because we need to draw up one more line here because if you divide us in the black and the white it is no good.

On the other hand, the time will come when Russia will be integrated and all the others will be integrated, but they will be integrated with one another in just one package, as they say. And this will bring security to everybody. But if you sort of dismember us, I mean, accepting us or admitting us one by one is no good. I'm against that -- opposed. That is why I support the initiative shown by the U.S. President with respect to the Partnership For Peace.

PRESIDENT CLINTON: The whole idea behind The Partnership For Peace was to develop a post-Cold War mechanism in which countries that shared the same commitments -- in this case,

the commitment to respect the territorial borders of their neighbors, a commitment to civilian control over the military, a commitment to joint planning and training and military exercises -- that these countries could work together and could work toward eventual NATO membership if they wish it and if that is the direction that seems best for security in the post-Cold War world. That is, the NATO plainly contemplated an expansion.

But this Partnership for Peace is a real thing now. It is real now. Everyone -- we invited all the republics of the former Soviet Union, all the Warsaw Pact nations, and the other non-NATO members of Europe to be part of the Partnership for Peace. All were invited. All were told that this can also lead to eventual membership in NATO, but that our objective is to create an undivided and united Europe, united around political freedom, economic freedom, military cooperation and respect for one another's borders -- for the first time in the history of the nation state. It has never happened before.

So the short answer to your question is, yes, this could happen. And I think we share that vision. And I think that we have a particular responsibility, the two of us, to try to work toward that vision.

MS. MYERS: This will be the last question.

Q President Clinton, did you discuss the subject of Bosnia? What was the nature of your discussions? And does President Yeltsin agree with the intention expressed at the NATO meetings of launching air strikes if the situation does not improve in Sarajevo, or in all of Bosnia, really?

PRESIDENT CLINTON: First of all, since I asked the NATO people, my colleagues in NATO, to debate this issue with great precision, let me try to characterize with great precision what it is they voted to do.

They voted to reaffirm the position that air strikes should be considered if Sarajevo is shelled to the point of, in effect, being threatened or strangled so that the U.N. mission could not proceed. That is, the United Nations mission in Bosnia cannot succeed unless Sarajevo is there as a place where there are hospitals, a place where we can get humanitarian aid and where we can get medicine and things like that in and out of.

They voted to ask the military commanders to examine whether or not anything could be done with air power or any other military resources to guarantee the transfer of troops, the exchange of troops in Srebrenica, and the opening of the air strip at Tuzla, again, for humanitarian purposes.

I want to emphasize that because there is a lot of confusion here. None of the things in the NATO resolution are designed necessarily to bring a peace agreement to Bosnia. They are all designed to further the United Nations mission in Bosnia, which is to try to keep as many people alive as possible until the parties will make peace.

I think I should let President Yeltsin speak for himself on what he thinks of what NATO did on Bosnia. We've all had our differences over Bosnia, and everybody's got a different idea about it. What we did talk about last night was whether there was anything else either of us could do or whether there was anything we could do together to try to bring the conflict to

an end. I mean, that's what we want. We want those people to stop killing each other and make a reasonable peace in which they can all live and start raising their children and going back to a normal life again.

We reached no conclusive results, but we had a pretty honest conversation, and we had -- a few things were said that I think we might be able to follow up on. Anything I were to say -- excuse me -- anything I might say with greater specificity would probably only confuse things and raise false hopes. This is a real thicket. But we had what I thought was an honest, good conversation about the larger issue, which is, is there anything else anybody from outside can do to help make peace.

But I think it's very important, because this air strike thing has become sort of a psychological litmus test. What NATO did was to list three possible areas of military action all designed to further the U.N. mission; none of them pretending to ultimately settle the conflict. The NATO leaders said over and over and over again, ultimately, the parties will have to willingly agree to a peace.

So what I discussed with President Yeltsin was whether there was anything we can do to help bring peace. We've reached no conclusive results, but we had the basis for continuing discussions about it.

PRESIDENT YELTSIN: Thank you, ladies and gentlemen. The news conference is over. Thank you very much.

PRESIDENT CLINTON: He said he agreed with my characterization of our conversation. (Laughter.)

END12:29 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Minsk, Belarus)

For Immediate Release January 15, 1994

RADIO ADDRESS BY THE PRESIDENT
TO THE NATION

The Kremlin
Moscow, Russia

THE PRESIDENT: Good morning. Today I'm speaking to you from Moscow, where I'm completing a series of meetings with President Boris Yeltsin and other Russian reformers. My visit here comes near the end of a week of European meetings designed to increase American security and American prosperity by working to make Europe more united through shared democratic values and institutions, free trading market economies, and defense cooperation.

Despite the challenges we face at home from health care reform to fighting crime, to retraining our work force and creating more jobs, we still must remain engaged in world affairs. That's the only way we can spur worldwide economic growth and open foreign markets, so that we can boost our exports and create new American jobs. We also have to exert leadership in world affairs to protect our nation and keep small problems today from growing into dangerous crises tomorrow.

No part of the world is more important to us than Europe. Our people fought two world wars in this century to protect Europe's democracies. Today, Europe remains at the heart of our security and is also our most valuable partner in trade and investment.

Now, Europe stands at a key moment -- the Cold War is over. Western Europe no longer fears invasion. And we no longer live in the shadow of nuclear annihilation. The Soviet Union has given way to a dozen new independent and largely democratic states from Central Asia to the Baltic countries.

Yet despite these advances for freedom, we still need to work with our transatlantic partners to build a new security. Many nations of the former Soviet bloc are fighting economic hardship that could threaten their new democracies. In many of these countries militant nationalists are fanning the flames of ancient, ethnic and religious hatreds. And we still have to finish the work of reducing the Cold War nuclear stockpiles. We can't afford to ignore these challenges.

Our country tried turning our back on Europe after World War I. The result was a global depression, the rise of fascism and another world war. After World War II we acted more wisely. We stood firm against communist expansion. We founded NATO. We created new institutions to help expand global trade. We helped turned Western Europe's warring neighbors into solid allies. The result has been one of the most peaceful and

prosperous times in all history.

One key to our new security is helping Europe's former communist states succeed themselves in building democratic governments, market economies and peaceful militaries. Our best security investment today is to support these practices of freedom in Europe's eastern half in places such as Poland, Ukraine and Russia. That was my top goal on this trip.

In Brussels, I met with European leaders about ways to strengthen all our nations by expanding trade and economic growth. I also attended a summit to adapt NATO, history's greatest military alliance, to this new era. Our NATO partners approved my proposal for a Partnership For Peace, a partnership which invites Europe's eastern nations to participate in military cooperation with NATO's forces.

In Prague I met with the leaders of the Czech Republic, Poland, Hungary and Slovakia. These countries have been at the forefront of communism's collapse and democracy's rebirth. As I met with such famous democratic heroes, as President Lech Walesa of Poland and President Vaclav Havel of the Czech Republic, I assured them that the security of their countries is important to our security, and I outlined new ways to help their economic reform succeed.

Then I flew to Kiev in the Ukraine. I met with Ukraine's President Kravchuk to nail down an agreement to eliminate over 1,800 nuclear warheads that were left in Ukraine when the Soviet Union broke apart. Most of those warheads have been targeted at the United States. And their elimination will make all of us safer, not only from nuclear accidents but from nuclear terrorism.

And now I'm in Moscow -- the weather's cold, but our work has brought us to a new season of partnership, warm partnership with Russia's reformers. President Yeltsin and I reached a series of agreements to expand our trade ties, protect human rights, and reduce the threat of nuclear accidents of proliferation.

One of the experiences I enjoyed most here in Moscow was speaking to an audience of Russians, many of them young people. In many ways their concerns reminded me of those voiced by our own young people, especially as they spoke about their educations and their careers, their hopes and their fears about the future. But their comments also suggested that their hopes for a new Russia, despite all the problems that they have today -- a new Russia, proud and free -- outweigh their fears. I tried to convince them that their peaceful transition to a more open society is important not only to them but to all the rest of us in the world as well. And I urged them to stay the course of economic and political reform.

In the end, the next generation is what this entire trip is about -- the young people in America, the young people in Europe and throughout the rest of the world. The kind of efforts we're pursuing this week, the kind of efforts that will increase democracy, provide for military cooperation instead of conflict and provide for more open markets for more jobs for our people and other people. These are the things which will make our young people's future more promising, more prosperous and more secure.

Thanks for listening.

END

THE WHITE HOUSE

Office of the Press Secretary
(Minsk, Belarus)

For Immediate Release January 15, 1994

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIAL

January 15, 1994

Vosgoviy Guest House
Minsk, Belarus

1:03 P.M. (L)

SENIOR ADMINISTRATION OFFICIAL: This is BACKGROUND. Let me first tell you about what happened at the ceremony this morning, and then I will talk about this meeting.

At the Kremlin this morning -- as you know, the President stayed overnight at the Kremlin with his family and with some lucky White House staff members. And they had an excellent evening. Last night's dinner was truly a terrific experience -- in the Hall of Facets, beautiful medieval hall, with about a six-course dinner, with wonderful --

Q What was the main course?

SENIOR ADMINISTRATION OFFICIAL: It was fish. It was trout. And wonderful Russian delicacies -- caviar and salmon and fish and turkey and vodka. And they had wonderful accompaniment in the background -- piano and strings.

Q Why do you say it was extraordinary?

SENIOR ADMINISTRATION OFFICIAL: Well, because the Hall of Facets is one of the great rooms of Europe, and it's where the czars used to receive their generals after victories over a period of hundreds of years.

And then we proceeded from the Hall of Facets to St. George's Hall, where there was a musical entertainment which consisted of a string orchestra that played Tchaikovsky, The Waltz of the Flowers. During that piece, 10 young -- very young teenage couples, ballroom dancers, came in and danced to it. There were two female Russian vocalists. There was Russian folk dancing. There was acrobatic dancing. There was a jazz band. It was just a terrific evening, and it was really wonderfully put together by the Russians. And I think everybody --

Q Too bad we didn't cover it.

SENIOR ADMINISTRATION OFFICIAL: Everybody had a great time.

Okay, this morning the President --

Q What staffers stayed over in the Kremlin?

SENIOR ADMINISTRATION OFFICIAL: I'm sure we can get you a list of that.

Q Did you?

SENIOR ADMINISTRATION OFFICIAL: No, I did not.

Q Did Christopher?

SENIOR ADMINISTRATION OFFICIAL: No, no, the Secretary stayed with his team back at the hotel.

Q So basically the First Family --

SENIOR ADMINISTRATION OFFICIAL: The First Family and a number of personal staff --

MS. MYERS: And personal staff -- Wendy and --

Q Did Lake stay?

SENIOR ADMINISTRATION OFFICIAL: No, we were all back at the hotel.

MS. MYERS: Personal staff.

Q All personal staff?

SENIOR ADMINISTRATION OFFICIAL: Yes.

So this morning, we went to the --

Q Chelsea was at the dinner?

SENIOR ADMINISTRATION OFFICIAL: No, she was not.

This morning, the President had a brief conversation with President Yeltsin. It was just the two of them. It was a one-on-one meeting this morning between the two Presidents; no staff, just interpreters. They said their good-byes, of course.

Q Where was that?

SENIOR ADMINISTRATION OFFICIAL: It was in the Kremlin. I don't know which room it was in because I wasn't there.

There was a formal departure ceremony which was very much like the formal arrival ceremony that I think the pool did see. The two Presidents and the two First Ladies walked and met each other at the center of the hall. There the National Anthems were played. Both Presidents made departure statements, which are going to be available, I'm sure, to you. And it was a very nice occasion.

Q Was anything significant said in the departure statements?

SENIOR ADMINISTRATION OFFICIAL: Nothing new. Nothing new that you hadn't heard before in the President's statements or President Yeltsin's statements. And then we left.

This morning the President was met at the airport by the Chairman of the Belarussian Supreme Soviet, Mr. Shushkevich -- Stanislav Shushkevich. We road in, had a very, very good meeting which I'd like to tell you about.

Chairman Shushkevich is a leading reformer in Belarus. He's a person that the President met last July at the White House. He is a nuclear physicist who was instrumental in trying to help this country deal with the effects of Chernobyl back in 1986. In fact, he led the drive to try to bring in international assistance to cope.

I don't know if you know or not, but Belarus was terribly affected by Chernobyl; in fact, more so than any other country in the region. There have been, unfortunately, thousands of tragedies -- children developing cancer as a result of Chernobyl and its aftermath. We have tried to help in providing on this trip a 1,500-bed hospital from Germany, from our military forces of Germany, and also some badly-needed pharmaceutical equipment.

Q It was transported here -- the hospital?

SENIOR ADMINISTRATION OFFICIAL: Transported here. In fact, I believe that members of the party will be visiting the hospital. I think that is one that -- Mrs. Clinton might be doing that.

MS. MYERS: The children's facility -- yes.

SENIOR ADMINISTRATION OFFICIAL: Children's hospital, yes.

Q When was that brought in?

SENIOR ADMINISTRATION OFFICIAL: That was brought in in the last couple of days. It's been planned for a couple of months, but we wanted, of course, to get it done by the time the President was here.

Q It's from the military?

SENIOR ADMINISTRATION OFFICIAL: Yes. You know we're closing down from our bases in Germany and we have hospitals that we can no longer use -- and the equipment. And we are donating a number of those hospitals to countries in the region. We are donating -- we are giving Belarus a 1,500-bed hospital with all the equipment and all the facilities for such.

In the meeting this morning, Chairman Shushkevich paid tribute to President Clinton. He said that President Clinton had set some very high standards in his defense of human rights and his promotion of democracy in his part of the world. And the first thing he said was he wanted to thank the President for having done so much over the past year to assist those who believe in reform in this part of the world.

I began to say Shushkevich is the leading reformer. This country is polarized by those who favor reform and those who favor the continuation of the past -- command* economics and a less liberal political system.

Q He said that?

SENIOR ADMINISTRATION OFFICIAL: No, I'm just trying to explain who Shushkevich is. Shushkevich stands for a democratic political system. He wants to move for elections and a free-market economy.

The President was very much taken with him last summer, has a great deal of respect for him. One of the reasons we're here is to pay our respects to Chairman Shushkevich and to see what we can do to promote reform and democracy here.

Chairman Shushkevich started by thanking President Clinton for his support of democracy. The President said that we had two major goals in our relationship with Belarus; we're, of course, interested in the process of democracy and wanted to help promote that process as much as we could, and that we also wanted to help Belarus deal with the consequences of denuclearization.

As you know, Belarus was the first country of the former Soviet Union to voluntarily give up its nuclear weapons. It had 76 nuclear missiles in its territory after the Soviet Union dissolved. It joined the NPT, the Nonproliferation Treaty. In fact, Chairman Shushkevich presented the Articles of Accession to the NPT to the President last year -- last July.

Q They are removing them -- are they all gone?

SENIOR ADMINISTRATION OFFICIAL: They are not all gone, but they are in the process of going.

Chairman Shushkevich responded to the President's opening by saying that he felt that Partnership For Peace was a very, very positive and promising concept.

Belarus, actually, in its constitution, has a neutrality clause, and he explained that until the new constitution is written, it will not be possible for Belarus to actively join the PFP. He was hoping that in the process of writing a new constitution it would be done in such a way that Belarus could do that.

Q Is that something that can be rewritten sometime soon?

SENIOR ADMINISTRATION OFFICIAL: Well, they're in the process now of writing a new constitution. I don't know what the process is of adopting.

The President said he would very much welcome Belarus' participation in PFP. He also described in general his meetings in Brussels; the fact that the Poles, the Czechs, the Russians and Ukrainians had been very positive about PFP.

Q What did he sign this morning?

SENIOR ADMINISTRATION OFFICIAL: He signed the Bilateral Investment Treaty. But let me get to that in a minute, because there are some other interesting things that happened.

Chairman Shushkevich* said that dealing with denuclearization was a huge problem, and a very large percentage of their budget. President Clinton promised an additional $25 million in Nunn-Lugar assistance from the United States. That brings the total of our Nunn-Lugar assistance to this country to little over $100 million in the last year. And it's pretty much

money that the President has put in place since he took office on January 20th of last year.

In addition to that --

Q That's for dismantling --

SENIOR ADMINISTRATION OFFICIAL: Yes, this is for dismantling nuclear warheads and helping to remove them to Russia, and the helping them to deal with the consequences of defense conversion as part of this process. So it's $100 million over the last year.

Q the $25 million that was disclosed today?

SENIOR ADMINISTRATION OFFICIAL: The President announced a new $25-million apportionment today that brings the total of the Clinton administration's assistance over the past year to $101 million, actually. They talked a little bit about the trilateral agreement that was signed between the three countries yesterday in Moscow. As you know, Belarus is going to be compensated by the sale of highly enriched uranium to the United States. We talked about this purchase yesterday. The contract was signed between the United States Enrichment Corporation and Russia yesterday.

Part of the proceeds of our purchases will be distributed among three countries beyond Russia: Belarus, Kazakhstan and Ukraine.

Q How much of that --

SENIOR ADMINISTRATION OFFICIAL: That is going to be worked out -- these are going to be bilateral agreements worked out between Russia and each of these countries, because Russia is the party selling --

Q Have you got an estimate?

SENIOR ADMINISTRATION OFFICIAL: I don't have an estimate for you. I could probably get one for you, but --

Q The total is $12 billion? Is that right?

SENIOR ADMINISTRATION OFFICIAL: The total is $12 billion over 20 years that we are going to purchase from Russia, which will own the HEU, but Russia has agreed in writing to compensate Belarus, Ukraine and Kazakhstan a percentage of that.

The President encouraged elections here. Chairman Shushkevich would like there to be elections for a new parliament, and for president. Others in the political system do not favor elections. The President said we stand for democracy, want to support it, and he would speak to that today. And he also -- no, Shushkevich was not elected in the national elections.

Q And he's the old communist party?

SENIOR ADMINISTRATION OFFICIAL: No, Shushkevich is not. Shushkevich is a nuclear physicist who came to politics late in life. He was not affiliated with the communist party, for he is a democrat. And the President offered that the United States would be glad to assist in the process of those elections, not in getting involved in a partisan way, but in the mechanics

of the elections, much as the way we did last autumn before the Russian elections.

Q In the autumn?

SENIOR ADMINISTRATION OFFICIAL: He was elected to the parliament, I think, in the 1990 elections, and was chosen, once elected, to be the head of the Parliament. It's the old Soviet-style elections. And they signed the bilateral investment treaty. That's intended to promote trade and investment between the United States and Belarus. The President also said that we would be setting up an American business center here through the Department of Commerce to promote American business trade and investment.

Q When?

SENIOR ADMINISTRATION OFFICIAL: When? Well, he announced today that we would do it. I would imagine it would happen in the next couple of months. Yes.

Q What does this bilateral treaty do, other than to say nice things?

SENIOR ADMINISTRATION OFFICIAL: That's very important, actually. It provides for national treatment. National treatment means that American firms that come to invest here have joint ventures, and will receive the same tax and property rights as Belarusian firms, so they won't be discriminated against. And it's something that you really need to do to create a level playing field for American companies. And since we are trying to push American trade and investment and American exports, the President wanted to do this.

Q There's no new money --

SENIOR ADMINISTRATION OFFICIAL: No, there's not a financial commitment there. We have to pay for setting up an office, staffing it with people, but it's not a financial contribution of the government.

They signed the bilateral investment treaty. It's a formal treaty that requires senate ratification. And that's what they signed. But in addition to that, they agreed to establish an American business center to promote trade and investment between Belarus and the United States.

Q Does that treaty require us to do anything? It requires them to grant equal status.

SENIOR ADMINISTRATION OFFICIAL: It's a very long and involved treaty. It has alvagations on both sides.

Q Can you tell us some of the other --

SENIOR ADMINISTRATION OFFICIAL: National treatment in the United States.

Q Oh, for Belarusians?

SENIOR ADMINISTRATION OFFICIAL: It's reciprocal. And as I say, it's actually a standard treaty format that we've used in a number of countries in this region.

Q There were news reports about the moving of the site -- the timing for the Kuropaty visit. Can you address that, why -- to make it later --

SENIOR ADMINISTRATION OFFICIAL: I believe the Kuropaty visit is scheduled for later this afternoon.

Q A report suggests that the less democratic members of this government were those who pushed for the later -- why did we agree to move it later when --

SENIOR ADMINISTRATION OFFICIAL: The government requested that the event be held later in the afternoon. We agreed to that request. Before agreeing to that request, we checked with the sponsors of the event, and we had their agreement to do this. So we're looking forward to this event. The reason the President wanted to visit Kuropaty is to show our respect and sorrow for the hundreds of thousands of people who were killed there. He is also very much interested in meeting Mr. Povniak*, who is, of course, the man who uncovered the Kuropaty graves, who is a reform leader, someone for whom we have tremendous respect. He's looking forward to meeting him.

In fact, he'll be meeting him in just a minute, and I've got to go upstairs to greet Mr. Posniak.

Q And Mr. Posniak agreed to have it moved later, because I think he's been quoted as having objections.

SENIOR ADMINISTRATION OFFICIAL: Are you talking about The New York Times article? I believe there have been some conversations since The New York Times article between us and the democratic opposition. But right now what's going to happen, in addition to Mr. Kevich*, I've got to leave.

The President will be meeting with members of the democratic opposition, including Mr. Posniak, upstairs, and he'll be talking to them about elections, political process. I think he'll give them -- he'll want to give them a measure of support for democracy, and he'll look forward to seeing them later in the day at Kuropaty.

Q Why did the government request it be later in the day?

SENIOR ADMINISTRATION OFFICIAL: I don't know. I wasn't involved here on the ground in scheduling on the matter. I was back in Moscow.

Q When you say "government," does that mean Shushkevich, or does it mean Kevich?

SENIOR ADMINISTRATION OFFICIAL: No. It's important to understand that Chairman Shushkevich is the Chairman of the Parliament, and Prime Minister Kevich is the head of the government.

Q So it's Kevich who requested the --

SENIOR ADMINISTRATION OFFICIAL: I believe it was the government. I don't know if it was him personally, but I believe it was the government.

Q Does Shushkevich have a position on whether it

should be earlier?

SENIOR ADMINISTRATION OFFICIAL: I don't know.

Q Would they have considered it an insult of some sort to go to the memorial first before --

SENIOR ADMINISTRATION OFFICIAL: I don't know. The President is also visiting the World War II memorial, another important thing for the President to do, because many -- I think we know that one out of every four Belarusians died during the second world war, which is the highest rate, I believe, of any former republic of the Soviet Union. And so he wanted to pay his respects to those who died during the war and to the --

Q Can you spell the name of the democratic leader of the opposition?

SENIOR ADMINISTRATION OFFICIAL: Pozniak.

Q Would you give us a briefing from the meeting with Shushkevich and Pozniak?

SENIOR ADMINISTRATION OFFICIAL: I'd be glad to -- one of us will be glad to do that. I don't know if it will be me, but yes, certainly. I'm going to be late for this meeting. I don't want to miss Mr. Pozniak.

Q You don't know whether Shushkevich asked for it to be delayed, then?

SENIOR ADMINISTRATION OFFICIAL: We never heard that. I don't believe it was Mr. Shushkevich. I believe it was maybe other members of the government.

END1:20 P.M. (L)