

and undermine the ongoing international humanitarian relief effort.

In response, the President has directed a number of diplomatic and humanitarian actions to be taken. He has instructed Ambassador Donald Petterson in Khartoum to protest vigorously this military action to the Government of Sudan. The State Department called in the Sudanese Ambassador in Washington to underscore our concern over the military offensive and especially the indiscriminate bombing of civilians. Our Ambassador in Kenya is urging leaders in Ethiopia, Kenya, Uganda, and Eritrea to redouble their efforts, through the Intergovernmental Authority on Drought and Development (IGADD), to stop the fighting and to bring about peace in Sudan. The President also intends to appoint a high-level Special Envoy to Sudan to assist efforts to achieve a cease-fire and permanent peace agreement there.

Since fiscal year 1993, we have provided more than \$160 million in humanitarian assistance to

the people of southern Sudan. In response to this latest tragedy, we are consulting with non-governmental organizations in order to identify new ways to facilitate humanitarian assistance in Sudan. We are also conducting an assessment of anticipated needs in preparation for increased food aid to Sudanese refugees in Uganda, Kenya, and Zaire. We will consult with our Special Humanitarian Representative for Sudan, Ambassador John Burroughs, when he returns next week.

Despite the Government of Sudan's participation in regional humanitarian summits, it continues to violate humanitarian principles, causing further loss of life and hardship in the region. We call on the Government of Sudan to cease these actions and recognize that the future political and economic stability of Sudan depends upon all parties' respecting basic humanitarian principles.

Remarks on Signing the Economic Report of the President and an Exchange With Reporters

February 14, 1994

The President. Good morning, everybody. Before I say a few words about this year's economic report, I want to thank the Chair and the members of the President's Council of Economic Advisers, Dr. Laura Tyson, Dr. Alan Blinder, Dr. Joseph Stiglitz, and their very dedicated staff for putting this report together and for being so productive and persistent in fighting to change the conditions of economic life for ordinary Americans by helping me to implement a coherent strategy and changing the direction of economic policy in this country.

The American economy is once again on the path to renewal, the path of rising output, increasing employment, and falling deficits. This did not happen by accident. It is the result of a disciplined, unified, carefully thought-out strategy.

There have been many reports in addition to this report which have said essentially the same thing over the last few months, that we now have the best conditions for long-term sustained economic growth that we've had in two

to three decades. Our steadfast commitment to deficit reduction is one reason. It's helped to produce the lowest core inflation and interest rates in 20 years. And that has led to increasing business investment, more auto sales, more home sales, and millions of Americans refinancing their homes.

With the passage of NAFTA and the completion of the GATT agreement, with our efforts in Asia and with the national export strategy, we've done more to open world markets for our country and our products than at any time in the last generation. Most important, last year our economy created almost 2 million jobs, 90 percent of them in the private sector, more than were created in the previous 4 years combined.

And so we have a good strong start on an economic recovery. Our task now is to keep it, to expand it, to sustain it so that Americans in all parts of the country will feel new opportunities and stronger incomes. We know that our work is not done because there are still too

many people who are unemployed and still too many regions that are in trouble.

So to build on our renewed strength at home and to take full advantage of greater trade opportunities abroad, we continue the process we began last year of reducing the deficit and investing more and more wisely in the foundations of growth. We're keeping faith with deficit reduction in the budget of 1995. In fact, the same experts who predicted that when I became President the deficit would be \$300 billion next year, now say it will be 40 percent lower, under \$180 billion.

We're leveraging our investment in dual-use defense technologies to keep ourselves commercially competitive and militarily strong. We're investing in new environmental technologies to create new jobs, in the new national information infrastructure which will help us to educate our children, raise productivity, provide better medical care, and reinvent the way our Government works. That's what the Vice President always tells me, and it happens to be true.

And we're investing this year more directly in the American people, in education and training and the skills they need to seize opportunities in a growing economy. And finally, we will further strengthen the foundations of our society and our economy by reforming our health care system, which is too expensive and does too little, and by working to make our welfare system a second chance, not a way of life.

In just one year, this economic team has accomplished a great deal. The initiatives I described comprise our economic strategy. The goal is clear: To secure more jobs and a high and rising standard of living for the American people in an increasingly tough global environment. Because this is a strategy for the long run, its full effects will not be felt overnight. But as we demonstrate in this report I'm about to sign, there are already many signs that the strategy is paying off.

Thank you very much.

[At this point, the President signed the report.]

Japan-U.S. Trade

Q. Mr. President, are you going to impose sanctions on Japan?

The President. When our talks stalled last week and it was clear we were at an impasse, I agreed with Prime Minister Hosokawa that we would undertake a period of reflection and

give them a chance to do the same thing. So we are now reviewing all of our options, but we haven't ruled anything out.

I might say that the news story that I saw on the cellular telephone today is really quite coincidental with this, although it's illustrative of the same problem. That is, we have been engaged in these talks on cellular telephones for a very long time, and the deadline, as I said, purely coincidentally ran out at this time. But it is a good illustration of the problem we face in entering the Japanese market.

Q. But if you take action in support of Motorola's bid to penetrate the Japanese market, won't that lead to retaliation by the Japanese, and couldn't that be the start of a trade war?

The President. It could be, but I think they would have to think long and hard about it. I mean, after all, with all the Japanese investment in this country and all the jobs that are here and with all the trade we have in Japan, they still have a built-in trade surplus of tens of billions of dollars, and not only with us but with many other countries. They have reached a point now in their gross and wealth and strength when it is simply no longer acceptable for, I think for their own consumers as well as for the rest of us, for them to follow a policy so radically different from the policy of every other advanced economy. It costs jobs and incomes in our country and Europe and other places and causes their people to have to pay almost 40 percent more for basic products. I just think it's an unsustainable policy. I said so last summer when I went there; I still believe it. And it's just not acceptable for the United States to continue on the same path.

Q. What about options other than trade sanctions?

The President. We're looking at several options, but I'm not ruling anything out.

Q. Isn't it a little dangerous now, on the eve of a major decision with North Korea's nuclear program, to enter into this politically difficult period with Japan? The United States will need Japan—

The President. Well, we will need Japan. But the United States, Japan, and China all agree with South Korea on this policy, that we should be pursuing a nonnuclear Korean Peninsula. That is not going to change. I would call you back to the statements that both Prime Minister Hosokawa and I made when he was here. We have great common interests and a natural

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friendship, and I don't think that's going to change. But the relationship has to change. There are elements in Japanese society and elements in the Japanese political system who very much want the relationship to change. So we're

just going to have to see what our options are and proceed.

Thank you.

NOTE: The President spoke at 10:42 a.m. in the Oval Office at the White House.

Exchange With Reporters Prior to Discussions With President Nursultan Nazarbayev of Kazakhstan *February 14, 1994*

Bosnia

Q. President Nazarbayev, do you support NATO's decision to threaten the Bosnian Serbs with air strikes in case they don't remove all their artillery from the hills surrounding Sarajevo?

President Nazarbayev. Despite the fact that Kazakhstan is well removed from those events by a great distance, I still believe we all as members of the U.N. respect the decision taken by the Security Council.

Q. Mr. President, is there a gap between the U.N. and the United States on what steps need to be taken in order to launch air strikes?

President Clinton. I don't have any reason to believe that there is. Keep in mind the Secretary-General asked NATO to take the action we took and made it clear that—we made it clear that we do not want to take that action

unless we could follow through on it, that is, unless the conditions were met that we would take the action we said. And he agreed with that. So I have no reason to believe that there is any difference of opinion.

Q. Do you sense that the Serbs are beginning to cooperate?

President Clinton. I think so. Again, let me say that the larger issue is whether we can move toward a reasonable peace agreement quickly after establishing a safe zone around Sarajevo. But we're just going to have to see. There's still a few more days left before the time runs out.

NOTE: The exchange began at 11:35 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

The President's News Conference With President Nursultan Nazarbayev of Kazakhstan *February 14, 1994*

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

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

Kazakhstan has achieved under the strong leadership of President Nazarbayev.

While there are many aspects to the widening relationship between our two nations, one of the most important is our work in nuclear non-proliferation. When the Soviet Union dissolved in 1991, there were four of the New Independent States, Russia, Ukraine, Belarus, and Kazakhstan, who had Soviet strategic nuclear weapons on their territory. One of my highest national security priorities has been to ensure