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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.

NOTE: The President spoke at approximately 11 p.m. in the Grand Place. A tape was not available for verification of the content of these remarks.

Letter on Withdrawal of the Nomination of Morton H. Halperin To Be an Assistant Secretary of Defense

January 10, 1994

Dear Mort:

I have received your letter asking that I not resubmit your nomination to be Assistant Secretary of Defense for Democracy and Peacekeeping. With deep appreciation for your willingness to serve our country and with real regret, I accept your request.

Yours is a superb record of service and accomplishment dating back over 30 years. Your qualifications speak for themselves, and I am pleased to hear that your willingness to serve my Administration continues unabated.

At the same time, I appreciate your understanding of the circumstances involved in a new Secretary of Defense coming on board and the tradition of Cabinet officers having the freedom to select subordinates.

I am confident that this Administration will continue to benefit from your talent and counsel and hope that you will be available for other suitable assignments.

Sincerely,

BILL CLINTON

NOTE: The Office of the Press Secretary also made available Mr. Halperin's letter requesting that his nomination to be Assistant Secretary of Defense for Democracy and Peacekeeping be withdrawn.

Remarks to the American Business Community in Brussels

January 11, 1994

Thank you very much. Thank you, Jim, and good morning, ladies and gentlemen. I got here in time to hear the last several moments of the Secretary of State's remarks and all that stuff where he was bragging on me, and it reminded me of Clinton's fourth law of politics, which is whenever possible be preceded on the platform by someone you've appointed to an important position. [*Laughter*]

Nonetheless, we did have a good day yesterday, the United States did, and I think the Atlantic alliance did. I came here to Europe hoping that together we might begin to realize the full promise of the end of the cold war, recognizing clearly that this is a difficult economic time in Europe, there are still profound difficulties in the United States, and that is having an impact on the politics of Europe and of the United States and of what we might do.

Nonetheless, it seemed to me that the time had come to try to define, here on the verge of the 21st century, what the elements of a new security in Europe and in the United States should be in the aftermath of the cold war, one premised not on the division of Europe but on the possibility of its integration, its political integration around democracies, its economic integration around market economics, and its defense integration around mutual defense cooperation.

Yesterday when the NATO alliance adopted the concept of the Partnership For Peace, we did what I believe history will record as a very important thing. We opened up the possibility of expanded NATO membership to nations to our east, not only all the former Warsaw Pact countries but also other non-NATO members in Europe, all who wish to begin to work on joint planning and operations with us and to work toward being able to assume the full responsibilities of membership. But we did it in a way by opening up the possibility to everyone and making no decisions now. We did it in a way that did not have the United States and NATO prematurely drawing another line in Europe to divide it in a different way but instead gave us a chance to work for the best possible future for Europe, one that includes not only the countries of Eastern Europe but also countries that were part of the former Soviet Union and indeed Russia itself. So we have made, I think, a very good beginning in the right way.

We also are going to have today the first summit with the European Union after the ratification of the Maastricht Treaty, to begin to talk about what we can do together to rebuild the rate of economic growth and opportunity here and throughout the world.

Our firms, our American firms, are deeply woven into the fabric of Europe's economies. Over 60 percent of all the overseas profits of American companies come from Europe. We have 225 billion American dollars invested here, employing nearly 3 million Western Europeans alone. And back home, trade with Europe generated $120 billion worth of exports and about 2½ million jobs in 1993. We all know—you know better than I—that this continent favors, excuse me, faces high unemployment and very sluggish growth rates. We also see that in Japan. And even though in our country the unemployment rate is coming down, we see in every advanced economy great difficulty today in creating jobs and generating higher incomes even when people are working harder and working smarter.

The renewal of the Atlantic economies is critical to the future of America and, I would argue, critical to the future of our alliance. For in a democracy, as we have seen time and time again in votes at home, in votes in Europe, and in votes in Russia, when people feel that they are anchored and stable and secure, when they believe they will be rewarded for their work, when they believe that the future will be better than the past, they vote in a certain way. When they are in economic and emotional free fall, when they feel disoriented, when they don't know whether the future will be better than the past, they often vote in another way and in ways that, indeed, make their futures even more difficult and life for all peoples more difficult.

When I became President, it seemed to me that my first order of business ought to be to put our own economic house in order. And so we worked hard to reverse the exploding deficits of the last 12 years, to begin to invest in our own people, to try to do it in a way that would keep interest rates low and inflation low and turn the tide of private investment in the United States. We have begun to do that. Last year more new jobs came into our economy than in the previous 4 years. Millions of Americans refinanced their homes and businesses. Consumer confidence at the end of the year rose to its highest level in many years, and people began to believe that they could pay their debts and control their lives. In November, delinquencies on home mortgage payments in America reached a 19-year low. So we are beginning to believe that we have some discipline, some control of our own destiny.

We also had to make a tough decision in America last year as a people, and that is whether we could grow internally or whether we could continue to grow by reaching out to compete and win in a global economy and helping our friends and neighbors to grow. That debate was, I suppose, captured more clearly for the people of our Nation and the people of the world in the congressional debate over NAFTA than in any other thing.

But the issue was bigger and in some ways simpler than that. It seems to me clearly that there is no way in a global economy for a wealthy country to grow wealthier, to generate more jobs, and to raise incomes unless there are more customers for its goods and services and customers beyond its own national borders, and that the United States can ill afford to be in the vanguard of those running away from that idea and instead should be in the vanguard of those promoting it. That's really what the NAFTA vote was all about.

To be sure, those who voted against NAFTA were responding to very legitimate pressures and very real fears, for workers all over the world

believe now that they are too fungible, relatively unimportant to people who control their jobs and their lives, and that in the flash of an eye their jobs and their livelihoods could be taken away by someone who can move money, information across the globe in a millisecond and indeed who can move management and technology across the globe in a short amount of time.

And so it is going to be a continuing challenge for us to keep Americans outward looking, committed to open trade and more open markets and still, at the same time, to make our working people more secure in the sense not that they will be able to hold the job they have, because they won't—the average American will now change jobs seven or eight times in a lifetime—but they must know that they are employable, that they will have their basic health care needs and the needs of their families taken care of, and that they will have a chance to make the changes that will dominate at least the foreseeable decades of the 21st century changes that are friendly, not hostile to them. And that is our challenge as we begin the next session of Congress in 1994.

But because of the NAFTA agreement and because of the meeting that we had in Washington State with the leaders of the Asian-Pacific region, there was a new energy given to the prospect of successfully concluding the GATT round. And after 7 years of frustration and progress, we were able to do that. I was not fully satisfied with the round. It was obviously not perfect from any nation's point of view, and there are clearly many things that still have to be done. But there is no doubt in my mind that it was in the interest of the United States to conclude the GATT round successfully, that it will lead to the creation of hundreds of thousands of jobs in our Nation alone and millions worldwide by the end of the decade. [*Applause*] One person believed that. [*Laughter*]

And I think now we have to ask ourselves where we go beyond GATT. There are several issues, of course, that we need to take up with our European friends and with others around the globe. And we will take them up.

We also have to deal with the structural challenges facing our economies, the economies of the advanced nations. In March we're going to have a jobs conference in the United States. We have a lot to learn from some European countries about training and retraining of the work force. They have something to learn, perhaps, from us in flexibility of the work force and mobility of the work force and the creation of an entrepreneurial environment that will enable unemployment to be driven down to lower levels. But it is clear that together, along with our friends in Japan, we all have to learn something about how to make technological and other changes that are going on lead not only to higher productivity but the ability of working people to be rewarded for that productivity and the ability of nations to create more employment within their national borders.

Beyond that, let me emphasize that when I leave here today after the European Union summit, I am going on to Prague to meet with the leaders of the Visegrad countries. And it seems to me that it is folly to believe that we can integrate Europe through NATO or just on the basis of affinity for democracies, unless we are also committed to the economic integration of all of Europe and to reaching out to our east.

I will be urging the leaders of the European Union today to work with the United States to further reduce trade barriers and increase trade and investment to our east. Today I say to all of you, I hope that you are representing companies that as a result of the activities taking place in these few days will take another and harder look about your prospects in Central and Eastern Europe and beyond, because without private investment we cannot hope to have private economic development.

Oh, I know we have a lot to do in Russia. I know we have a lot to do in the other states of the former Soviet Union and still some work to do in Eastern Europe. And we are doing that. I am going on to Russia after I leave Prague. But in the end, private investment and the development of successful private sectors will determine the future of European integration economically. And without it, I don't believe we can hope to sustain the military and political ties that we are building up.

So I ask you to do that. The United States Government has worked hard to eliminate outdated export controls and to support American companies in Europe. We hope that in turn you will feel emboldened to make more investments further east and to do what you can to improve our prospects to generate higher levels of trade and investment across national borders in ways that benefit people everywhere. For in

the end, governments do not create wealth, people like you do.

Soon your efforts will be sending goods back and forth through the Chunnel. Your capital already is building bonds of commerce and culture across the Atlantic. You are in many ways the pioneers of the new Europe we are trying to ensure. Just by instinct, you will want the kind of integration that we have to work for around the political conference tables. Your determination to enter new markets is a hallmark of the American spirit and can help make the 21st century an American century as well.

I hope you will do that. I assure you that we will work hard to do our part.

Thank you very much.

NOTE: The President spoke at 8:06 a.m. at the Conrad Hotel. In his remarks, he referred to Jim Prouty, president, American Chamber of Commerce.

The President's News Conference in Brussels
January 11, 1994

The President. Good morning. As all of you know, this historic summit meeting of the North Atlantic Council was my first NATO meeting. I'm glad we were able to accomplish as much as we did here. I'm convinced that history will record this meeting as a major step in building a new security for the transatlantic community.

I'm very pleased that our NATO allies approved our proposal for the Partnership For Peace. I believe it will help our alliance to meet Europe's new challenges, and I'm pleased by the response the Partnership has already generated from nations who have contacted us and said they are interested in being a part of it.

Ultimately, the Partnership will lead to the enlargement of NATO and help us to build a security based not on Europe's divisions but on the potential of its integration. I look forward to working with NATO leaders in the coming months to prepare for exercises with the states that join the Partnership and to work on the next steps towards NATO's enlargement.

Today NATO also took dramatic steps to prepare for its new post-cold-war missions by calling for the creation of combined joint task forces. These task forces will make NATO's military structures more flexible and will prepare the alliance for nontraditional missions. They will also help us to put the Partnership For Peace into action by serving as the vehicle for Eastern militaries to operate with NATO forces, something that General Joulwan will begin to prepare for immediately.

I'm pleased that during this summit NATO began to address the threat posed by the proliferation of weapons of mass destruction. The agreement that the United States will sign with Ukraine and Russia this Friday will also make a major contribution to reducing that threat. With the end of the cold war, we no longer face the threat of confrontation between nuclear powers, but we do face continuing conflicts, including the reality of the murderous conflict in Bosnia. At this meeting we discussed candidly and at some length NATO's policy towards Bosnia. We reaffirmed our commitment to respond to the strangulation of Sarajevo and to help to implement an enforceable peace agreement if one is reached by all the parties.

I want to discuss this with some precision, if I might. The United States last evening in our discussions took a very strong position that we ought to reaffirm our air warning, that is, the possibility of the use of air power to relieve the strangulation or in retaliation for the strangulation of Sarajevo, but that the language ought to be left in our policy if, and only if, we were prepared to follow through. And I made it clear that for our part, we were prepared to follow through, and therefore, we supported leaving the language in. But along with the Secretary General, I urged our allies not to leave it in unless we were prepared to follow through, on the theory that we should not say things that we do not intend to do.

In addition to that, I supported the United Kingdom and France and their call for plans to ensure that we can complete the bloc rotation of troops to Srebrenica, so that that can take place, the exchange of the Canadians for the