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strong leadership toward a more stable and prosperous economic future for ourselves and our allies.

When I attended my first G–7 in Tokyo 3 years ago, the United States was not in a strong position to lead. Our partners said instead of telling us what to do, you should get your own house in order. Well, they were right. When I took office, our budget deficit was at an all-time high. Unemployment was more than 7 percent. We had the slowest job growth since the Great Depression. And we were being outcompeted in everything from automobiles to computer chips. But America has traveled a great distance from Tokyo in 1993.

Here in Lyons in 1996, I was gratified to hear our partners praise the strength of our economy. We cut the budget deficit in half and proposed a plan to balance the budget. Lower interest rates have helped us to slash unemployment to 5.6 percent and create 9.7 million new jobs. Inflation is near a 30-year low. Interest rates have stayed down. Business investment is up nearly 30 percent. And America is the number one exporter and the most competitive nation on Earth.

We stand on the brink of a new century and an age of great possibility. To realize its potential, we must face the threats to our generation, just as previous generations faced the threats to theirs. If we show strength and steadiness and judgment and flexibility in the face of change, if America continues to lead the world and to work with others as we have here in Lyons, we will meet our challenges and protect our values. And we will enter the 21st century prosperous and secure with the greatest opportunity of any time in our history.

Thanks for listening.

NOTE: The address was recorded at 3 p.m. on June 28 in the Cite Internationale in Lyons, France, for broadcast at 10:06 a.m. on June 29.

The President's News Conference in Lyons, France

June 29, 1996

The President. It's really beautiful, isn't it? Please sit down. Well, the weather has certainly cooperated for our summit.

Ladies and gentlemen, this summit made real progress in the three areas that we came here to address: the fight against terrorism and crime, strengthening the peace in Bosnia, and advancing our common agenda for economic growth.

I thank the leaders for sharing our outrage at the cowardly attack in Saudi Arabia and for agreeing to intensify the fight against terrorism. We resolved to take a range of concrete steps that will extend the efforts we are making at home. These steps will help us to achieve four key objectives. First, terrorists and criminals must have nowhere to hide. For example, we must cooperate to speed up extradition and prosecution of those who practice terror and then leave the country in which they commit their acts. Second, we must dry up the resources terrorists use to fund their violence. Third, we must do a better job of defending our national borders to keep the terrorists, the criminals, and the illegal weapons out. And finally, we must stop terrorists from misusing the high-tech communications that we all rely on for commerce and cooperation.

Even more can be done. That's why we directed our senior officials to meet as soon as possible to recommend additional measures.

As to the bombing in Dhahran, we will do everything in our power to discover who was responsible, to pursue them, and to punish them. We must also make sure we have taken all reasonable steps to protect our own people. To that end, I am announcing today that General Wayne Downing, former Commander in Chief, U.S. Special Operations Command, will lead a full assessment of the facts surrounding the bomb attack in Dhahran. General Downing will also evaluate all policies and measures at other facilities in the entire Central Command which includes the Persian Gulf and Middle East regions. He will recommend any further steps necessary to prevent similar attacks. And he will submit his report to the Secretary of Defense within 45 days.

But let me be clear. Just as no enemy could drive us from the field in World War II and the cold war, we will not be driven from the frontiers of our fight against terrorism today.

We devoted a good deal of time to our work on Bosnia. We shouldn't forget that since our last meeting in Halifax, we've helped achieve something many thought was impossible: Bosnia has moved from the horror of war into the hope of peace.

Here we laid the groundwork for more progress in the next 6 months. We committed ourselves to full support for the elections in September and accelerating the civilian reconstruction that is now underway. Even as we support these efforts, we're also making it clear to the parties in Bosnia that they must live up to their obligations under the Dayton accords, spelling out what steps they must take to prepare for the elections and to move the reconstruction along.

Today I'm also proud to announce three new American initiatives to help that peace take root. First, we will devote $15 million to train demobilized soldiers to clear the estimated 3 million landmines still in Bosnia. Until that happens, no child will be able to walk in safety and life cannot return to normal.

Second, we are establishing an international Commission on the Missing in the Former Yugoslavia to be chaired by former Secretary of State Cy Vance. This group will work to resolve the almost 12,000 cases of missing persons, to reduce the anguish of their families and lessen the tension between the parties.

Third, we will contribute $5 million to the work of the Bosnian women's initiative. After a past in which so many men were killed in the fighting, Bosnia's future may depend more than ever upon its women. We will provide training and loans to help women find jobs and create businesses so they can support their families and get their nation going again.

I want to recognize and thank our Ambassador to Austria, Swanee Hunt, for helping to create this initiative. Women today are meeting in Bosnia—today—on this issue. Muslim, Croatian, and Serbian women are meeting in Bosnia today in a multiethnic cooperative determination to regenerate the capacity of the Bosnian economy through the efforts of its women. This has real potential to make a difference.

Finally, let me just note that the environment of this summit was very different than the first one I attended in Tokyo in 1993. Then we were not in a strong position to lead, and our partners kept telling me that we had to get our house in order. And, frankly, they were right.

When I took office, our budget deficit was at an all-time high, unemployment was more than 7 percent, we had the slowest job growth since the Great Depression. But since that time, we have cut our budget deficit in half, and our economy has reduced unemployment to 5.6 percent and produced 9.7 million new jobs. Inflation is near a 30-year low, interest rates are down, and business investment is up by 30 percent. Our country is now the number one exporter and the most competitive nation on Earth again.

So here I was pleased, and I know the American people will be, to see that our partners recognize this and ask for our suggestions about what we could do together to promote more economic growth around the globe, to generate jobs out of that economic growth, and to make those jobs good jobs so that people would have the tools to make the most of their lives and to build strong families.

Finally, there was a lot of very serious conversation about how we can grow the economy and sustain our environment. And we resolved to work harder on that in the year ahead and to make that a central focus of our meeting next year in Denver.

We know we have to work on these problems together. That's the last point I want to drive home to the American people. We know that when we do cooperate, we can make a positive difference for our own people in maintaining our leadership in the world and meeting our challenges and protecting our values. I found that this summit was very helpful in all those regards.

Helen [Helen Thomas, United Press International]?

Bosnia and Middle East Peace Process

Q. Mr. President, I'd like your views on two points—foreign policy points of tension in the communique. One, are you prepared to reimpose sanctions against Yugoslavia if the Serb leader in Bosnia does not step down

from his government functions by, say, Monday? And two, in terms of the Middle East peace process, does the United States have any leverage to persuade Israel to abide by previous agreements on land for peace?

The President. Well, first of all, let's talk about the sanctions issues. Under the Dayton accords, both Mr. Bildt and the IFOR commander have the ability and the responsibility to impose sanctions if the accords are violated. We want Mr. Karadzic, in the words of the Secretary of State, out of power and out of influence. And we think that is very important. We want all the other parties to help us achieve what is clearly required by the Dayton accords and the Paris peace agreement. And, therefore, we will support appropriate action by Mr. Bildt.

Although I have to say I have no information, Helen, that there is in fact a Monday deadline that would operate against Serbia, as opposed to the Bosnian Serbs or anyone else. I do not know that there will be a Monday deadline. But you should just know that both the IFOR commander, Admiral Smith, and Mr. Bildt have the authority and the responsibility under the Dayton accords to reimpose the sanctions. And under the right circumstances, they would be bound to do so and we would be bound to support them.

Q. Mr. President, what did Prime Minister——

Q. What about the second part of the——

The President. Oh, I'm sorry. I'm sorry—the Middle East. I apologize. It's been a long 3 days.

On the Middle East, we all agree that the commitments Israel has made to date should be kept. And Mr. Netanyahu has said that he expects Israel to keep those commitments.

I think it's fair to say that we also all agree that the Israeli Government is recently constituted, just getting its bearings, and it's going to work. And we believe it's quite important that both sides in the Middle East, the Arab parties and the Israelis, give each other some room here. A little time needs to pass. And we hope that no one, including those of us who are third parties here, will say or do anything which would make the peace process more difficult down the road. We just—we need to honor the commitments that have been made and then go forward.

In that connection, today we talked a lot about development assistance and the importance of doing more in that area, and I tried to make a strong point that we have seen in the Middle East a substantial increase in the capacity of the Palestinian Authority under Mr. Arafat to provide law and order and to run the daily operations of life in Gaza and the West Bank. And I think we need to support that as much as anything else if we want to preserve the gains of the past and make sure that this peace process continues to have integrity and effect.

Yes, go ahead.

Russia

Q. Mr. President, what did Prime Minister Chernomyrdin tell you about President Yeltsin's health and his ability to govern, and how concerned are you? And also, is the fact that Mr. Yeltsin was not here the reason why there wasn't a whole lot in today's communique dealing with relations and aid to Russia in the future?

The President. Mr. Chernomyrdin said that President Yeltsin was in good health, but that he had a sore throat—something I can identify with right before an election—and that he had determined that he ought to take the day off from any kind of public speaking or public appearances. But he said he'd talked to him yesterday and he was doing fine.

I'm not sure that this communique would have had more in it about Russia even if President Yeltsin had been here, because we basically talked about the subjects of the meeting here, and we tried to have a more limited communique that didn't just go all over every issue.

I want to emphasize that in these G–8 political meetings we consider Russia to be an integral partner here in all our deliberations. The Russians are cosponsors with the United States in the Middle East peace process. The Russians are our partners in IFOR. So we value Russian participation for issues that have nothing to do with Russia.

Yes?

Bosnia

Q. Mr. Karadzic today was reelected head of his party. He says he doesn't acknowledge the authority of the War Crimes Tribunal. And at some point do you reach a point where, if it's not a deadline this Monday, there has to be a deadline and that the IFOR forces would have to move into Pale and simply escort him out?

The President. Well, I guess the short answer to that is no in the way you asked it because there was an explicit decision made in the Dayton accords that the mission of IFOR would not be a police mission, that is to actually go in with the purpose of apprehending Mr. Karadzic or anybody else suspected of war crimes.

On the other hand, I can say that the number of patrols has been increased in the region and the responsibility of IFOR is, if they run into anybody who is wanted by the War Crimes Tribunal, they have to apprehend them. So I suppose the chances of his being apprehended or some others who may be wanted being apprehended have been increased by the fact that the number of patrols has been increased.

But it is not a part of the mandate of IFOR to actually be the police agency to go in and arrest him. That's one of the reasons that Mr. Bildt has been talking about the sanctions.

Q. Should there be a deadline?

The President. Well, the deadline, in effect, will present itself in terms of the integrity of the elections. But we'd like to see something done well before then because we want other political leadership to develop among the Bosnian Serbs, people who believe in the rule of law and don't believe it's legitimate to kill large numbers of other people just because they're of a different ethnic group.

Terrorist Attack in Saudi Arabia

Q. Mr. President, regarding the bombing, what can you say to American families about servicemen now serving in that area of the world, in the Middle East, to reassure them? You mentioned that you'd appointed this commission to report back in 45 days, but what about tonight, what about tomorrow, and this week? Are some steps being taken now?

The President. Well, first of all, I think it's fair to say that everybody's on extra alert. But remember, when the warnings came out before this last incident—to be fair to the people who were involved there—they increased lookouts, they increased patrols, they increased training of people involved, they put more barriers up. And each and every one of those steps actually contributed to saving lives. The fatalities would have been much greater if those things had not been done.

But the plain fact is that they did not believe that based on past terrorist practice that a bomb that big could be exploded—could be put together and delivered and exploded at that point. That's frankly what happened. So we're—everybody is assessing what their short-term and their long-term options are, and they're taking all the possible steps they can to see what should be done. But we want General Downing to take a bigger and longer look at this. Meanwhile, we'll be doing everything we can to protect our people, of course.

Yes, Wolf [Wolf Blitzer, CNN]?

FBI Files of White House Passholders

Q. Mr. President, if I could just turn the subject to a domestic issue. You've been described by your aides as being very angry when you first heard about the FBI file matter in the White House, and you initially said that this was a bureaucratic snafu, a simple bureaucratic mistake. But now that Anthony Marceca, who is an Army civilian detailee to the White House, has decided to take the fifth and not testify, are you still sticking by that assertion that this was simply a mistake, a simple bureaucratic mistake?

And the second part, I wonder if you'd care to comment on these other allegations by this former FBI agent who had worked in the White House of all sorts of sordid deeds going on? So just the two-part question.

The President. Well, first of all on the—Mr. Marceca testified in the first hearings. I don't know why he decided not to testify in the second ones.

Let's go back over what I said. I value the privacy that every American is entitled to, and I have done my best as President to protect the individual rights of the American

people, their rights to free speech, to religious liberty, to association and, certainly, to privacy. Secondly, from my earliest days as a young man being interested in public life, one of the things that has most appalled me is any kind of abuse of public authority that tramples on the liberties of individual citizens. And I believe my career shows a consistent pattern of opposition to that. So I'm concerned about it.

What I said was that based on the evidence we had, there was no evidence that anyone had intentionally acquired the papers wrongly or had used them wrongly once they were acquired. I repeat that to the best of my knowledge that's what the evidence showed. Now, I understand there was some testimony yesterday from the Secret Service and from others which may offer an explanation about how the wrong lists were acquired. I was told that the Los Angeles Times had an article about it today, but I have not had an opportunity to read it.

So what I'm saying is, I've told everybody I want to cooperate with the special counsel. I want to cooperate with the congressional committees. I want to get to the bottom of this as quickly as possible. And I would encourage everyone else to do the same thing. Meanwhile, I don't want to prejudge anybody to go beyond what the evidence shows. That's the only thing I said.

As to that other thing, I mean, I hardly even know how to comment on that. I mean, I hardly know what to say. I feel bad for the FBI.

Craig Livingstone

Q. This new book by the ex-FBI agent says that Craig Livingstone was hired through the sponsorship of the First Lady. Is that true? And if it isn't true, can you tell us definitively today who brought Craig Livingstone into the White House?

The President. Can I tell you what?

Q. Can you tell us who brought Craig Livingstone into the White House if it is not true that the First Lady did not bring him in?

The President. The answers to your two questions are no and no. Now, I know for a fact that is not true. But I don't know that anything in that is true. I don't know, but——

Q. [*Inaudible*]—ask who hired this person?

The President. I have, and I don't think he knows. But let me tell you—what we decided to do was not to raise any questions about how this thing had been handled, but instead to cooperate with outside forces who are looking into it. I think that's the best way to do it. So we just instructed everybody to cooperate, first with—we thought the FBI was going to look into it, and then when there was a delay there—I think if that happened this whole thing would be resolved by now, and I'm sorry it didn't. But since the FBI didn't look into it, from our point of view, then we had to wait for the congressional committees and the special counsel. But we are going to fully cooperate with them, and I expect them to be able to answer all relevant questions.

Yes, Peter [Peter Maer, NBC Mutual Radio]?

Terrorism

Q. Mr. President, getting back to the terror issue at this summit, almost every one of these summits has included tough talk on terrorism—those that you've attended and those before. Yet the attacks have continued in the Middle East and in Saudi Arabia and even at home. Is there any reason to believe that those you have described as people who live to kill are impacted at all by what you all say at these summits?

The President. I don't know if they're impacted by what we say, but they're certainly impacted by what we do. I mean, let me remind you that there is—the people who did the World Trade Center bombing were arrested and tried. There was an intense effort after Oklahoma City to apprehend the suspect, and there's now going to be a criminal justice process working its course there.

We have extradited suspected terrorists in the United States from all over the world. And I can tell you, perhaps even more importantly, we have succeeded in preventing planned terrorist incidents. And I have learned from working in the Middle East so intensely the last 3 years that in spite of all the horrible things we read about there,

there are still more incidents that are planned that are prevented and averted than there are which are carried out.

So I don't expect our words to have any impact on these people. But if our words are put into action, just as we did in the United States, for example in passing the antiterrorism legislation, we will acquire greater capacity to prevent these incidents and to catch and punish people severely when they do, and to tie them to their sponsors, if they have sponsors, beyond their own little cells.

And those are the three things that I want to do. So I don't expect them to be moved by my words. But they need to know that I'm going to do my best to put our words into action.

Russia

Q. Mr. President, if Boris Yeltsin is reelected on Wednesday, are you personally confident that he will continue on the path of reform in a second term? And are there specific steps you would urge him to take to confirm from the start that he intends to govern as a democrat and as a reformer?

The President. Well, I do believe he will continue because that's the path that he's followed to date, first of all. And secondly, let me just say, everybody ought to take a deep breath next week and consider that you are literally observing something that has not happened in a thousand years of Russian history. Since what we now know of as modern Russia geographically united, this has never happened. They not only had one election, they are about to have another election which basically confirms their commitment to democracy.

You remember President Aristide said the second election is the most important. So you're—in the context of Russia and all those affected by them, you're going to witness something when that election occurs that has never occurred in a thousand years. And I think that—President Yeltsin and I once had a talk, and I don't want to betray any private confidences, but he—if you go into the Kremlin and they have these statues of the great czar reformers, Peter the Great and Catherine the Great and Alexander, who freed the serfs, and Nicholas, who had the parliamentary government before the Russian Revolution—the difference between what they're doing now and what those other Russian reformers did, and the reason I think reform has a chance to survive now when it always failed before, is that the czars never created anything that was greater than they were. And the whole purpose of democracy is to make sure that none of us are indispensable. That's against my self-interest since I'm facing an election to say that.

But if you think about it, the whole purpose of democracy is to create a system in which the people and the rules and laws under which they live are more important than any one individual. And the ultimate legacy of President Yeltsin and Prime Minister Chernomyrdin and all those who have been part of this is that they have for the first time in Russian history created something that is greater than any individual that supersedes them. And I think they're quite mindful of that, and I think that's one big reason they'll stay on the path of reform.

I also think on a purely human level they know that there are still a lot of people in Russia having a tough time. And they want all the people in Russia to have the benefits that reform has brought to so many. They won't be satisfied until a lot of the people that won't vote for them this week—or next week—feel the benefits that so many feel today.

European and U.S. Economies

Q. You and the other leaders gather at a time when Europe is facing near record unemployment levels. I wonder if you could tell me what specific actions you took here that will help that? And what actions did you take here that will help Americans who are having a tough time as well?

The President. Well, actually, what we talked about here on that point was what the Europeans could do to create jobs when they have economic growth. The frustrating thing for a lot of the Europeans is not only that they've had slow growth but that even when they've had growth, they haven't necessarily been able to create jobs.

And Prime Minister Major discussed that in some length, because Great Britain has of late had some pretty good success in bring-

ing their unemployment rate down. And the highest job growth countries in the G–7 are the United States and Canada, so we talked a lot about what we thought the relationship of low interest rates and no barriers to small business formation and expansion and affirmative help for small business could have. Because it's very interesting, even in all the European countries, most of their jobs are being created by small and medium-sized businesses, the same as in America. But there isn't the same almost obsession that exists in our country both to clear out barriers to small business formation and expansion and to take affirmative steps to accelerate it. So we talked a lot about that from their point of view.

From our point of view, we talked a lot about how we could reduce the inequality and the wage stagnation that affects some of the people in the bottom half of the wage earners. And we talked about whether—the extent to which we could integrate into our systems some of the things that work in Europe and still keep our ability to create jobs. And that's what we're trying to do, for example, with the apprenticeship programs, the school-to-work programs, giving everybody access to 2 more years of schooling after high school, and trying to accelerate the rate at which we retrain the existing work force, and also trying to provide some more security in terms of access to movable retirement and health care benefits.

What we're both trying to do, if you will, is to create dynamic economies in which we can generate jobs that are good jobs, but also give people who are working hard the necessary conditions and tools they need to build a stable life and a stable family life. So in that sense, the Europeans like a lot of the security that a lot of their working people have, but they want to be able to create more jobs. We like the fact that we create a lot of jobs, but we want our people to be able to live with all the upheavals of the modern economy. So we basically decided we needed to try to find how we could learn from one another.

Russian General Alexander Lebed

Q. I wonder what your reaction was to General Lebed's remarks about Jews and Mormons, and if you asked Prime Minister Chernomyrdin for an explanation, and what did he tell you?

The President. Well, I had a very negative reaction to the remarks. We've been dealing with these church burnings in America, and I know how dangerous any kind of religious slur can be. So I had a very negative reaction to the remarks. I like some of the things I've seen from General Lebed; he's a very impressive fellow in many ways, but I didn't like that at all. And I said so to the Prime Minister.

But I also noted that President Yeltsin has had a good record on issues relating to religious liberty. And he told me that he expected no change in the administration's positions, the Yeltsin administration's positions on religious liberty after this next election.

Terrorism

Q. Mr. President, in the aftermath of this tragedy in Saudi Arabia, a lot of commentators and some officials have said that one of the problems and frustrations is that experts end up fighting the last war, and that the next time, as you say, it comes in a little different—the bomb is bigger than you thought or whatever. To what degree is that a part of the General's mandate—is to look at, try to predict how the next incident might come and steps that can be taken? And is that something that you and the leaders discussed as well?

The President. Well, yes, although that's a lot of the work that the rest of our national security team will be doing, too, including making sure our intelligence networks are more attuned to that. I think it's fair to say that—if you remember, these things have sort of gone in waves, you know. We had this huge wave of terrorism in the eighties; it primarily involved something other than bombs, although we had that awful incident in Lebanon. And we just learn as we go along. And I'm sure that there will be times in the future when murderous forces outsmart those of us that are trying to stop them. But I believe we will learn something from this, and I believe we will be able to continue our mission.

The main thing I'd like to say to you, though, is—and, yes, it will be part of General Downing's mandate, but it's also a big

part of what the Secretary of Defense and the director of our intelligence operations and all our national security operations should be doing. The main thing I would like to say, though, is that for all those families of the people who were lost and all those who are still laid up in the hospital that were cut up so bad by the glass, we can't make all the problems of the world go away, and our generation's time is going to be increasingly occupied with dealing with the terrorists and the people who try to proliferate dangerous weapons—chemical, biological, small-scale nuclear weapons—the drug smugglers and others who try to kill people in this way. It's not the cold war, it's not World War II, but it's an important part of our struggle to make this a civilized and sane world. And we have to continue to do it. And I'm very proud of those people that served, and I grieve for those who died and their families.

Thank you.

NOTE: The President's 126th news conference began at 4:18 p.m. on the terrace at the Pavillon du Parc. In his remarks, he referred to Carl Bildt, United Nations High Commissioner for Bosnia; Bosnian Serb leader Radovan Karadzic; Adm. Leighton Smith, USN, Commander in Chief, Allied Forces Southern Europe; Prime Minister Binyamin Netanyahu of Israel; Chairman Yasser Arafat of the Palestinian Authority; Prime Minister Viktor Chernomyrdin and President Boris Yeltsin of Russia; former President Jean-Bertrand Aristide of Haiti; Prime Minister John Major of the United Kingdom; and retired Lt. Gen. Alexander Lebed, security adviser to President Yeltsin.

Statement on the Blue Ribbon Commission on the Missing in the Former Yugoslavia

June 29, 1996

I am pleased to announce today the formation of an international Blue Ribbon Commission on the missing in the former Yugoslavia, with former Secretary of State Cyrus Vance as its chairman. The Commission will be made up of distinguished members of the international community.

Uncertainty about the fate of the missing is a source of anguish for their families and a cause of tension between the parties to the Dayton peace agreement. Only a handful of the nearly 12,000 missing-person cases thus far certified by the International Committee of the Red Cross (ICRC) have been resolved to date. This initiative will help to promote a full and timely accounting of the missing.

The new Commission will work closely with representatives from the United Nations, the ICRC, the Office of the High Representative, Physicians for Human Rights, and other organizations to accomplish its primary task: to secure the full cooperation of the parties to the Dayton peace agreement in locating the missing from the 4-year conflict and to assist them in doing so. This initiative aims to support and enhance the work of the ICRC and the Office of the High Representative, which have exerted significant effort and leadership in dealing with this very difficult issue.

The Commission will encourage public involvement in its activities and will take firm steps to see that the parties devote the attention and resources necessary to produce early, significant progress on missing-person cases. It will also reinforce efforts to ensure that exhumations, when necessary to identify the fate of missing persons, are conducted under international supervision and in accordance with international standards. In addition, the Commission will facilitate the development of an antemortem data base to support exhumation efforts.

In the longer term, and with the help and guidance of affected families, the Commission will work to develop appropriate expressions of commemoration and tribute to the lost and the missing and to their loved ones.

Although the Commission will be an international effort, the United States will make a startup contribution of $2 million.

Statement on the United States Demining Initiative in Bosnia

June 29, 1996

I am pleased to announce a new U.S. initiative to develop an indigenous demining capability in Bosnia. Using about $15 million in U.S. funds, we will train demobilized soldiers and fund new demining programs for former soldiers. U.S. Special Operations Forces will train and equip deminers from