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both. It lays a foundation for consultation and cooperation. It welcomes Ukraine as our partner in building an undivided Europe.

Over the last 2 months, Ukraine's bold steps have made this continent more stable and more secure through its treaty of friendship and cooperation with Russia, its border agreement with Romania, its declaration of reconciliation with Poland. Now an open dialog and joint activities with NATO will help Ukraine solidify reform and strengthen stability throughout Europe.

This charter reflects and reinforces the way this continent has changed. Ukraine has emerged from a century of struggle to pursue the highest standards of dignity and freedom. It is tackling tough economic reform. It has been a leader in reducing the nuclear danger. It has embarked on a course of peaceful integration with the community of democracies. NATO also has evolved to meet these new times with new missions, new members, a stronger Partnership For Peace, and now new partners, with Russia and, of course, today with Ukraine.

Today, Europe's security is not a matter of competition but of cooperation on behalf of common goals. It is natural for Ukraine to reach out to NATO and for NATO to do the same, helping to secure Ukraine firmly in the heart of a new, undivided democratic Europe.

May the charter we sign today be just the opening page in a long history of unity, partnership, and peace that NATO and Ukraine will write together.

Thank you.

NOTE: The President spoke at 9:35 a.m. at the Palacio Municipal de Congresos. In his remarks, he referred to NATO Secretary General Javier Solana and President Leonid Kuchma of Ukraine. As part of the transcript of the President's remarks, the Office of the Press Secretary also made available the remarks of Prime Minister Aznar of Spain, NATO Secretary General Solana, and President Kuchma of Ukraine. A tape was not available for verification of the content of these remarks.

The President's News Conference in Madrid

July 9, 1997

The President. Thank you very much. Good afternoon. Ladies and gentlemen, I will try to abbreviate my opening statement and get right to the questions, because President Aznar has delayed his press conference so we could do this one first.

Let me begin by thanking the President, Mr. Aznar, the Government of Spain and the people of Spain for a truly remarkable 2 days here in Madrid. I compliment his leadership. And also, since we are in Spain, I think I should especially say that I believe every leader of a NATO country considers the job that Secretary General Solana has done in managing this historic transformation to be truly remarkable. So the people of Spain have a great deal to be proud of in terms of their world leadership over the last 2 days.

This was a unique conference. There have been conferences of great powers in Europe many times before, but today, with our meeting of the Euro-Atlantic Partnership Council, we had 44 nations, big and small, new democracies and established ones, meeting to chart a common future of freedom and security, not large powers riding the destiny of small ones without regard to the impact of their decisions on ordinary citizens but nations dismantling blocs of power, building lines of partnership and bridges to the future.

Many tongues were spoken at our table today, but the language was the same, the language of democracy and the pursuit of a common dream of a Europe undivided, free, and at peace. NATO is at the heart of that vision.

What happened here this week represents a lot of work over the last 3½ years. Yesterday we made NATO stronger and ready to meet challenges of a new century by further streamlining its command structure and giving Europe a greater security role within NATO.

Then in an historic turning point, we extended invitations to new members for the first time since Spain joined NATO 15 years

ago, and we opened the door to other members in the future. Today we strengthened our ties to NATO's partners for peace and continued to reach out to a new one with the agreement with Ukraine. Together, with the historic NATO-Russia Founding Act in Paris this spring, we now see a new and broader and deeper alliance.

Let me say, as an American, I was very pleased to be joined by a bipartisan delegation of our Congress from both Houses and very pleased that Senator Roth was the spokesperson for the parliamentarians from all the NATO countries yesterday, supporting our expansion decisions.

Next year, I will ask the United States Senate to ratify changes to the treaty governing NATO so that we can bring in the new members by the 50th anniversary of NATO in 1999. I hope this week and the publicity it has received back home in America will help to stimulate discussion and debate among the American people about this historic decision. And I hope that when the American people hear the arguments, they, too, will strongly support the enlargement of NATO.

This is going to make all of us stronger and more secure. The new allies will help us to better defend the territory of members and reduce the chances that any of the territory will be violated. Bringing in new members will help to lock in the gains of democracy in those countries and the free-market gains they are already achieving. The example of these new members will help to encourage others to aspire to membership and to continue their democratic reforms and their efforts to settle disputes with their neighbors. Finally, it will help to erase the artificial line drawn across Europe by Stalin after World War II.

NATO enlargement, however, will not be cost or risk free. No important decision ever is. But for the American people, clearly the cost will be far less in lives and money to expand the bounds of democracy and security than it would be if we had to involve our people in another conflict in Europe.

Tomorrow I am going to Poland to talk about the new responsibilities new members must undertake to keep NATO the strongest alliance in the world. Then on Friday, I will go on to Bucharest, Romania, to make clear to the people of that country and of the other emerging democracies that the door to this alliance and to partnership with the West is open, that we are determined to help them walk through it if they can stay on the path of freedom and reform.

For too much of our century, Europe has been divided by trenches and walls. In two world wars and a cold war, there was a terrible toll in lives and treasure. The work we have done this week will help to build stability and peace in Europe for the coming century. It will make it also far less likely that the sons and daughters of the United States will be called upon again to fight and die for the freedom of the people of Europe because today, and in the years past, we have worked hard to preserve it in peace.

Thank you very much.

Terry [Terence Hunt, Associated Press].

Bosnia

Q. Mr. President, Radovan Karadzic continues to stir up trouble in Bosnia to the point of endangering the new President there and the democratically elected government. Do you think that NATO peacekeepers should aggressively pursue him? Would you favor some kind of paramilitary operation to apprehend him?

The President. First, let me say we support Mrs. Plavsic and what she's trying to do. We oppose the unconstitutional efforts to restrict her authority. We appreciate the fact that even though we don't agree on everything, she has stated her adherence to the Dayton accords and has tried to follow them.

Second, we believe that Mr. Karadzic and all the other indicted people who have been accused of war crimes should be arrested and subject to trial.

Third, in terms of the SFOR members themselves, clearly our mandate is to arrest people who have been accused of war crimes and turn them over for trial, if that can be done in the course of fulfilling our other duties and if the commanders on the ground believe the risk is appropriate. As to whether anything beyond that could or should be done, I think it would be inappropriate for me to comment at this time.

Helen [Helen Thomas, United Press International].

Proposed Tobacco Agreement

Q. Mr. President, your people at the White House have put out the word that the FDA part of the tobacco deal is unacceptable. Are you going to block it?

The President. Let me restate my position, then specifically answer your question. I am concerned about one thing only, the health of the people of the United States and, in particular, our children. Secondly, I want to applaud again the attorneys general, the public health advocates, and the others who negotiated this settlement. There are a lot of really important, good things in it.

I have reached only one conclusion about the settlement in terms of what has to be changed. That portion that restricts the judgment—the jurisdiction of the FDA in terms of limiting tobacco content in cigarettes or banning it outright—nicotine content—or banning it outright because some black market might be created, it seems to me is a totally unreasonable restriction. What is a black market, after all, the one percent penetration of the market, a 3 percent penetration of the market? Would we deny the FDA the right to protect 100 percent of our children because there might be a few black-market cigarettes around? I think that's unreasonable.

I have reached no final judgment about anything else, but I do think that is a change that ought to be made, and I cannot believe that the tobacco companies or others would bring down the entire settlement over that. I have not reached a final decision on anything else.

Rita [Rita Braver, CBS News]?

1996 Campaign Financing

Q. Mr. President, while we we've been over here there have been reports that you personally intervened with the Democratic National Committee to get John Huang hired as a fundraiser. I wonder what you could tell us about any activities that you had involving John Huang, why you felt so strongly about him, and what, in retrospect, do you think of that?

The President. I can only tell you what I recall about that. I believe that John Huang, at some point when I saw him in 1995, expressed an interest in going to work to try to help raise money for the Democratic Party, and I think I may have said to someone that he wanted to go to work for the DNC. And I think it was—he said that to me, and I relayed that to someone. I don't remember who I said it to, but I do believe I did say that to someone. And I wish I could tell you more; that's all I know about it.

Q. Why were you so—[*inaudible*].

The President. Well, I had known him for—first of all, most people don't volunteer to help you raise money in this world; it's normally an onerous task. And so if anybody volunteered, I would have referred virtually anybody's name to the party. But I had had some acquaintance with him for several years, going back to my service as Governor, so I knew who he was.

NATO Expansion

Q. Thank you, Mr. President. French President Chirac earlier today suggested that France was not going to spend any money to expand NATO. He said that the new members should pay the bill themselves, which raises two interesting questions. If France isn't going to spend any money to expand NATO, why should the United States taxpayers be forced to spend what probably would be a few billion dollars over the next decade or so to expand NATO?

And the second related question is, these new countries are relatively poor and have limited hard currency. Why should the United States and the other NATO allies be encouraging them now to spend their limited resources for high-tech weaponry, which may be good for U.S. and European defense contractors but probably could be used more effectively to develop their own economic infrastructure, especially at a time when you, yourself say there is not serious external threat to these countries?

The President. Well, first of all, the weapons they would have to buy would be conditioned more than anything else on what kinds of missions they believe they will be called upon to undertake. If they, for example, are sending their troops to Bosnia, if there is some future Bosnia or some other peacekeeping role, as NATO troops, we would want them to be as well-armed as possible to protect themselves. That doesn't mean

they have to buy the most expensive weapons to do everything in the world, but it does mean that if they're going to undertake the projected missions of NATO, they would need to be appropriately trained and armed.

Secondly, one of the things that I believe that I noted at this meeting was that there had not been a great deal of work done in many countries about what the costs were. I think some people in the United States have grossly overestimated the costs of NATO expansion. I do believe that the nations involved should pay most of the costs themselves. But it's not just a question of that. There will be joint training to be done, just like there is in the Partnership For Peace, but it will be conducted at a higher level. There will be joint planning to be done. So a lot of the costs that would be borne would be extra activities for the armed forces that are already there from these countries.

And then there will be some infrastructure that will have to be built in the countries of members so that we can have what is called, interoperability. And I would expect that these costs will be modest for all countries, but I would think that the Europeans and the United States and Canada will have modest costs that we will bear. And I think most of the costs will be borne by the member states. It was up to them to make that judgment.

I think, if you take—let's just take the Czech Republic. President Havel, I think, is widely recognized as an apostle of peace and is someone who's interested in all the kinds of domestic concerns to improve the quality of life in the Czech Republic that you would expect. To have a modest but strong defense is a precondition, I believe, over the long run, for Europe avoiding the kind of instabilities that could undermine the quality of life. So I think as long as—we're not talking about getting into an arms race or bankrupting their budgets, and these were judgments that they were all in a position to make.

I will say this. One of the things that I think animated our decisions on how many countries should come in and when, is that we want countries to be able to do this and afford to do it without undermining quality of life at home, because the public in those countries has to continue to support both democracy and free market reforms and engagement, constructive engagement with other nations.

1996 Campaign Financing

Q. Mr. President, yesterday when some of your aides were asked about allegations raised at the Thompson committee hearings about China still possibly being engaged in attempts to manipulate U.S. elections, their response was that because this was under investigation, it's inappropriate to comment. While reasonable, this response is also in some ways quite unsatisfying because this is a very serious allegation. It's difficult to believe that the White House does not have concerns and opinions. So I'm taking the question once again to you, to the top. Do you have knowledge of this, or at the very least, do you have concerns that these allegations have been raised?

The President. Well, as I have said before and I will say again, I have no knowledge of it. I do not know whether it is true or not. Therefore, since I don't know, it can't in any way and shouldn't affect the larger, long-term strategic interests of the American people and our foreign policy.

However, it is a serious charge. If any country—any country—sought to influence policy through illegal means, including illegal campaign contributions to the people running for President or people in the Congress, it would be wrong and a matter of serious concern. But I simply don't know. And I think we have to let the investigation play itself out. As you did, all I know is what was said yesterday. I heard the assertion that this was continuing, and I heard others say that they did not believe the evidence supported that conclusion, and I just don't know.

So what I have said and what I expect is the most vigorous possible investigation by the Justice Department. And let's get the facts, and when we have the facts we will act in an appropriate fashion.

Yes? And then I'll take a couple of foreign journalists in a moment.

NATO Expansion

Q. Mr. President, NATO expansion has critics in the United States and not only on the grounds of costs; some say it risks isolat-

ing Russia or weakening and diluting the western alliance. Do you feel the need to launch a public relations campaign in the United States on behalf of this initiative, and if so, what will you do?

The President. Well, I think a lot of our campaign has already begun. Because of the widespread awareness at home because all of you are here and telling them at home what we just did, I think that a lot of the work has begun. But I do think, yes, that we all have a job to do, as Senator Roth said yesterday, but I and our administration have a job to do with the American people and with the United States Congress.

I disagree that we are isolating Russia. You can only believe we're isolating Russia if you believe that the great power, territorial politics of the 20th century will dominate the 21st century and if you believe that NATO is inherently antagonistic to Russia's interests and that Russia inherently will have to try to exercise greater territorial domination in the next few years than it has in the last few. I dispute that.

I believe that enlightened self-interest, as well as shared values, will compel countries to define their greatness in more constructive ways. And the threats that we will share that will be genuine threats to our security will compel us to cooperate in more constructive ways. Therefore, I think the fact that we had the NATO-Russia agreement first, that I went to Helsinki to see President Yeltsin before we actually even went—finalized where we were going with this—we got that done first, and we met in Paris and signed the agreement—it shows that NATO wants a constructive partnership with Russia as with all other democratic countries.

Yes, go ahead, Peter [Peter Maer, NBC Mutual Radio].

Nuclear Weapons and the Republics of the Former Soviet Union

Q. Mr. President, the recent arrest in Miami of three Lithuanian nationals accused of offering to smuggle nuclear weapons to U.S. Customs agents, unbeknownst to them at the time, has raised new questions about the security and stability of the nuclear holdings of the former Soviet Union. What is your analysis of it, especially in light of the decisions that have been taken here over the past couple of days? How secure, how stable are the nuclear holdings of the former Soviet Union?

The President. I think on balance, they have made great progress in the last few years. You know this because we've talked about it a lot over the last few years, but we have spent a lot of time working with the Russians both to try to bring all the nuclear weapons and materials into a more concentrated area and get them out of the other Republics of the former Soviet Union and also to try to increase the safety of the materials. And the Russians have been quite constructive in our cooperation, and we've made a lot of progress.

The first thing I asked when I saw that story about the arrest was whether or not they could have delivered the goods they were promising, which we don't know. Keep in mind, we have—our European friends, and Germany especially, a few years ago made a lot of arrests of people who were coming out of Russia with what they thought were nuclear materials, but none of them, as far as I know, could have been converted into weapons. That is, they were nuclear-related materials from sites that people got away with, but the actual material that could be turned into a weapon was under sufficient security control that it wasn't out.

We may not live in a zero-risk world, but I do believe we're doing well. And we will have to investigate this thoroughly to try to trace it back if there was a breakdown somewhere and, if so, what we have to do about it. But let me say, you just made the case for why I believe that we need to view our national interests in the same way. Obviously, the Russians and we here have the same interest. The Lithuanians have the same interest. Nobody wants this to be done. This is a violation of every nation's self-interest.

Yes, Mara [Mara Liasson, National Public Radio].

Medicare

Q. [*Inaudible*]—said that you would consider means-testing Medicare only in the context of long-term structural reform of the program, and now your advisers say you might be reconsidering to accept it in the

context of this budget agreement. Why the shift in your thinking?

The President. Well, I think on the merits, means-testing—as the population ages and as we continue to have an unconscionably high percentage of children living in poverty, you have to have help from society as a whole. We will have to look at means-testing generally. I have never been opposed to means-testing Medicare.

Now, one of the things I have said—let me reiterate here, the Senate committee and then the Senate as a whole deserves a lot of credit for looking to the long-term future of the country and trying to deal early with the impact of the aging of the population on one of our most important systems, Medicare. And I think that we have a responsibility to respond to that, and I intend to. But I'd like to make just two points.

Number one is, if you look at their bill, it adds about now 12 years to the Medicare Trust Fund. Most of the adding to the Medicare Trust Fund comes from the structural reforms, including the greater competition, the greater choice, and the greater preventive elements that are in the plan that I presented. Number two, if we're going to means-test benefits, the means-testing needs to be fair and workable. And the third thing I would say about the things that they offered, we do not want to do anything that will increase the number of people without any health insurance at all. That is one of the biggest problems America has. And as I predicted back in '93 and '94, it's getting worse, not better. And if it weren't for Medicaid, it would be terrible.

And one of the most difficult populations we have in the United States are people who retire early, say, at 55 or 60, or are forced to retire, and then they have to wait for years to qualify for Medicare. I'll never forget the one story Hillary told me about meeting a woman that actually had breast cancer, who was 64 years old, who was waiting until she qualified for Medicare to get adequate treatment. I mean, we don't want to create a new class of people without any health insurance at all.

But the Senate did a good thing by showing its concern for the future. I think I should respond. I intend to, but I want us to—whatever we do, I want it to make sense. And let's not forget, the structural reforms may save more money over the long run.

The gentleman from Ukraine there, and the lady next to him. I'll take both questions.

Russia and Ukraine

Q. Mr. President, what's your attitude—Russia is going up the opposition towards the American-Ukrainian exercises on the Black Sea. And if Russia will go up their opposition, are you going to withdraw your troops from Black Sea—from this exercises '97? And will the Ukrainian-NATO charter give any guarantees of security for Ukraine?

The President. Well, first of all, you should read the charter because it shows about what we will do together with Ukraine. Secondly, I think it enhances the security of Ukraine, just as I believe the NATO-Russia agreement enhances Russia's security and enhances NATO's because it commits us to cooperation rather than conflict.

In terms of what we would do in the Black Sea, let's note one thing, that Ukraine and Russia have recently agreed to settle their differences, which is a huge, positive thing from our point of view. To us, that was our biggest concern in the Black Sea, was the argument between Ukraine and Russia. And we're gratified that there's been an agreement that will resolve it when it's implemented.

And in terms of what we do with our exercises, that depends upon what we think the appropriate thing is under the circumstances. And I have no evidence at this time which would cause me to change my position.

Yes?

Q. Mr. President, you had a meeting with Ukrainian President Leonid Kuchma today. What did you say to him? And what do you think about this state of economic reform in this country which was the point of your concern recently?

The President. Well, first of all, I congratulated him on the agreement—President Kuchma on the agreement between the United States and NATO. Secondly, I reaffirmed our determination, which was stated again at Denver, to help Ukraine deal with the closure of Chernobyl and develop reasonable alternative sources of energy. The third

thing I did was to urge him to continue to support economic reform.

This is the most difficult thing of all because when a country goes from a communist economy to a free market economy, almost always there is a period in which things are actually harder for ordinary citizens, and the voters may vote out the reformers. And it's a difficult thing. But in the end, which doesn't take very long, the economy grows much more.

And I told President Kuchma that if he could find a way to support the reforms and enact them in this year, that I would do everything I could to see that the World Bank, the International Monetary Fund, and the European Bank for Reconstruction and Development supported Ukraine to minimize the problems for the people in Ukraine and to speed up the day when the economy will genuinely be growing again.

Let me take one—is anyone from Spain here? I think I should take a host question. One of the Spanish journalists? Go ahead. Either one of you stand up. Somebody. Go ahead. Since I don't know your name, I have a hard time calling on you.

NATO Expansion

Q. [*Inaudible*]

The President. Because NATO is a military organization, which requires a commitment of security, it is always operated by consensus. That is the only way it ever could have operated. Keep in mind, if we extend membership to another country, it means that we are committing the people who wear the uniform of our Nation to go and fight and die for that nation, should it ever be attacked. Now, I think it's a pretty good gamble because no NATO nation has ever been attacked, ever, not once. But for 50 years, we have always operated by consensus.

Let me give you another example. When we planned the NATO operation in Bosnia, we had to reach consensus among our military planners. They didn't all agree on every detail. Of course, because it was military planning, the differences were not so highly publicized as these were, which were more open and political, if you will. But obviously, you couldn't take a vote on those kinds of decisions. And I think it's the very nature of this sort of alliance; we have to try to work through and do our best to get a unanimous decision and accommodate ourselves to each other.

And let me say, it wasn't just how many countries got in; it was also how we stated what we were doing, making sure the door was open, acknowledging that progress had been made in Europe's northwest and Europe's southeast and that we were going to keep the door open over a protracted period of time. I thought all that was quite important

I'll take one question from the gentleman from Israel. Then I have to go.

Middle East Peace Process

Q. Thank you, Mr. President. Amar Adniah from Channel 2 News, Israel, and I wonder whether you've got any new plans, any new initiatives to save the peace process in the Middle East, which seems to be falling apart. And does the Secretary of State plan a visit to the region?

The President. The answer to your question is that I have been working, before I came here, to come up with some ideas about how we can start this again. I am very concerned about what's happening in the peace process. I'm very concerned about the growing tensions between the Palestinians and the Israelis. And it is obvious that we're going to have to see some new specific actions taken in order to get this thing going again. It is equally obvious that we're going to have to have real security cooperation in the area with the Palestinians to keep down the violence.

I think it can be done. It is a question of will and risk, calculated risk; that's what the peace process in the Middle East has always been about. And we are working on it now. But you know how it works there. The less I say about it, the more likely we are to succeed.

Thank you very much.

NOTE: The President's 149th news conference began at 4:43 p.m. at the Centro de Convenciones. In his remarks, he referred to President Bijana Plavsic of the Serb Republic of Bosnia and Herzegovina and President Vaclav Havel of the Czech Republic.

Statement on the Helicopter Tragedy at Fort Bragg, North Carolina

July 9, 1997

I was saddened to learn today that a U.S. Army *Blackhawk* helicopter had crashed at Fort Bragg, North Carolina, killing all eight soldiers aboard.

Although nothing can ease the pain of this tragic loss, I want to express my deep respect for these patriots who died proudly serving the country they loved. These eight soldiers paid the ultimate price for the peace we all enjoy.

I extend my deepest sympathy to the families of these brave soldiers and ask that all Americans join us in remembering them in our prayers.

Letter to Congressional Leaders Reporting on Iraq

July 9, 1997

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

Consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102–1) and as part of my effort to keep the Congress fully informed, I am reporting on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the United Nations Security Council (UNSC). This report covers the period from May 8 to the present. Saddam Hussein remains a threat to his people and the region and the United States remains determined to contain the threat of Saddam's regime. As Secretary of State Albright stated on March 26, the United States looks forward to the day when Iraq joins the family of nations as a responsible and law-abiding member and that, until then, containment must continue. Secretary Albright made clear that Saddam's departure would make a difference and that, should a change in Iraq's government occur, the United States would stand ready to enter rapidly into a dialogue with the successor regime.

In terms of military operations, the United States and its coalition partners continue to enforce the no-fly zones over northern Iraq under Operation Northern Watch, and over southern Iraq with Operation Southern Watch. We have not detected any confirmed, intentional Iraqi violations of either no-fly zone since late April.

In addition to our air operations, we will continue to maintain a strong U.S. presence in the region in order to deter Saddam. United States force levels include land- and carrier-based aircraft, surface warships, a marine amphibious task force, a Patriot missile battalion, and a mechanized battalion task force deployed in support of USCINCCENT operations. To enhance force protection throughout the region, additional military security personnel have been deployed for continuous rotation. USCINCCENT continues to closely monitor the security situation in the region to ensure adequate force protection is provided for all deployed forces.

United Nations Security Council Resolution (UNSCR) 949, adopted in October 1994, demands that Iraq not utilize its military or any other forces to threaten its neighbors or U.N. operations in Iraq and that it not redeploy troops or enhance its military capacity in southern Iraq. In view of Saddam's accumulating record of unreliability, it is prudent to retain a significant U.S. force presence in the region in order to maintain the capability to respond rapidly to possible Iraqi aggression or threats against its neighbors.

Since my last report, the Government of Iraq has continued to flout its obligations under UNSC Resolutions. Under the terms of relevant UNSC Resolutions, Iraq must grant the U.N. Special Commission on Iraq (UNSCOM) inspectors immediate, unconditional, and unrestricted access to any location in Iraq that they wish to examine, and access to any Iraqi official whom they may wish to interview, so that UNSCOM may fully discharge its mandate to ensure that Iraq's weapons of mass destruction (WMD) program has been eliminated. Iraq continues, as it has for the past 6 years, to fail to live up to either the letter or the spirit of the commitment. Of particular concern is UNSCOM's June report to the Security Council of serious incidents involving Iraqi escort helicopters flying dangerously close to the Commission's aircraft to force it to change direction and multiple cases of Iraqi