

Mr. President, you have the admiration of the American people. We will work together to deepen democracy and economic opportunity.

President Kim has spoken of the powerful link between democratic governments and market economies. In the 21st century, nations will not be able to sustain great economic power unless their people are empowered, free to speak their minds, and create their own futures, unless there is equal opportunity and the rule of law.

America strongly supports the economic reforms President Kim is pursuing: opening markets, making financial institutions, businesses, and government more accountable. We will work with South Korea as it moves toward a full recovery and broader prosperity, with increased trade and investment that will benefit both our nations.

Mr. President, your leadership will guide Korea's economic recovery, but so will your example. If one man can triumph over such great adversity, then surely the Korean people can surmount their current challenges. The American people, including more than one million Korean-Americans who contribute so very much to our country, stand with you.

Let me also reaffirm America's steadfast commitment to our security alliance. We will continue working together for peace and stability on the Korean Peninsula and across Asia.

As President, I stood on the Bridge of No Return, where I saw the sacrifices made by American and South Korean troops to protect freedom. I also saw the young North Korean soldiers on the other side and imagined a future where people from North and South could walk freely across that bridge.

We strongly support South Korea's efforts to find common ground with North Korea. The United States also will continue to participate with China in the four-party efforts to build a permanent peace.

Let me conclude by saying something to men and women all around the world who work to protect human rights: Your work matters. You help transform nations and end tyranny. You save lives. Standing with me today is living proof—Kim Dae-jung, a human rights pioneer, a courageous survivor,

and America's partner in building a better future for the world.

Today let us celebrate the freedom that has brought so much hope to the end of the 20th century. But let us also strengthen our efforts to build even greater democracy and peace and prosperity for all our children in the 21st century.

Mr. President, again, welcome to the White House, and welcome back to America.

NOTE: The President spoke at 10:50 a.m. on the South Lawn at the White House.

The President's News Conference With President Kim of South Korea

June 9, 1998

President Clinton. Good afternoon. President Kim, members of the Korean delegation, let me first say again what a privilege it has been to welcome President Kim back to the United States and here to the White House. His remarkable life history reminds us that from Seoul to its sister city, San Francisco, people everywhere share the same aspirations for freedom, for peace, for the opportunity of prosperity.

President Kim once wrote from his prison cell, "If winter comes, can spring be far behind?" This morning I reaffirmed to President Kim our deep confidence in his efforts to reform the Korean economy, liberalize trade and investment, strengthen the banking system, and implement the IMF program. As he has said on many occasions, open markets and open democracies reenforced one another. The United States will continue our strong support for Korea's reform efforts.

In this context, I reaffirmed our commitment to provide bilateral finance if needed under appropriate conditions. We also discussed a number of concrete steps to promote growth in both our countries. We explored ways to more fully open markets and to further integrate the Republic of Korea into the global economy, including new discussions on a bilateral investment treaty. We signed an Open Skies agreement which permits unrestricted air service between and beyond our countries.

I expressed my appreciation for the decision by Korean Airlines to purchase over \$1

billion worth of Boeing airplanes. And I'm pleased to announce that the Overseas Private Investment Corporation has determined that Korea is again eligible for OPIC programs, in response to recent steps taken to protect worker rights. We also discussed the situation on the Korean Peninsula and reaffirmed the importance of our strong defense alliance.

Korea is a safer place today than it was 5 years ago, with a reduced nuclear threat and improved dialog between North and South. The United States applauds President Kim's efforts toward reconciliation. Now we hope North Korea will respond further to President Kim's gestures and that the four-party talks will soon resume, because we think they also can make a crucial contribution to progress.

I am pleased that yesterday, for the very first time the United Nations command and the North Korean military reached an agreement to hold general officer talks designed to resolve and prevent armistice-related problems along the DMZ. On specific matters, I thanked President Kim for his commitment to provide peaceful sources of energy to North Korea, and I repeated our determination to resolve problems over funding heavy fuel oil for North Korea as part of our agreement, reached in 1994, to freeze its nuclear program.

We will continue to provide food and humanitarian assistance and urge our allies to do the same. And we pledge never to give up the search for missing Americans.

President Kim and I discussed and shared concerns about the nuclear tests by India and Pakistan. Korea has lived with the threat of war for nearly five decades. The last thing the people of Asia need now is a nuclear arms race. South Korea has set a shining example for nonproliferation by abandoning nuclear weapons, accepting safeguards, and developing a peaceful nuclear program that brings benefits to the region.

And the Korean people have demonstrated the universality of democratic aspirations, bringing a springtime of hope and encouragement to advocates for greater freedoms throughout Asia.

Over the last half century, America has been blessed by the presence of Korean-

Americans and Korean students living and learning with us. Soon we will be offering new work-study benefits that will allow Korean students here in the United States to support themselves while in school.

Mr. President, your example reminds Americans what is very precious about our own democracy. I thank you for your visit. I thank you for your lifetime of commitment. When I go to Asia in 2 weeks, I will do so with a firm faith in the future of a dynamic and democratic part of the world, in no small measure because of your life and your triumphs.

Thank you.

President Kim. Today I had my first meeting with President Clinton since my inauguration. We engaged in a broad exchange of views on the situation on the Korean Peninsula and in Northeast Asia as a whole.

At the time of President Clinton's first inauguration, the United States faced a difficult economic situation. In the 5 years since then, President Clinton has transformed the American economy into the world's most competitive, producing new jobs, reducing unemployment, and achieving a balanced budget. President Clinton has also been unsparing in his efforts to maintain world peace, from Bosnia to Haiti, and to promote greater respect for human rights and democracy.

I attach great significance to my first summit meeting with a leader of such outstanding ability. In this meeting, President Clinton and I agreed to develop Korean-American relations to a higher level of partnership for the 21st century. We also agreed to work together to promote the security and prosperity not only of the Korean Peninsula but of the entire Asia-Pacific region, as well as the development of democracy in Asia on the basis of our shared values of democracy and market economy.

President Clinton and I are strongly of the view that close Korean-American relations are based above all on our security alliance for the preservation of peace on the Korean Peninsula. I explained my new administration's engagement policy toward North Korea and asked for the United States support and cooperation. President Clinton assured me of his full support and cooperation in this regard.

We agreed to further consider ways of promoting reconciliation and cooperation and the building of a lasting peace regime on the Korean Peninsula through the pursuit of the four-party peace talks and South-North dialog in a parallel and complementary manner. President Clinton and I agreed that progress in South-North relations and the improvement of U.S.-North Korean relations should be promoted in harmony. We also shared the view that the light-water reactor project in North Korea contributes to nuclear non-proliferation efforts on the Korean Peninsula and in the world as a whole, as well as to the strengthening of peace and security in Northeast Asia. We thus agreed to continue to cooperate closely to promote the project.

President Clinton and I also held in-depth discussions on the measures to overcome the current economic crisis facing our nation. I expressed my gratitude for the timely assistance of the United States during our foreign exchange crisis. I explained the results of our efforts to stabilize the financial sector and reconfirmed our resolve for a continued reforms. I explained the efforts of our Government to promote active and bold openings to induce foreign investments, and to institutionalize these efforts, we agreed to work out a bilateral investment treaty.

I also explained that for an early resolution of the economic crisis Korea needs increased investment and financial cooperation, and asked that the United States take a leading role in the assistance for our efforts to overcome the economic crisis.

President Clinton welcomed our efforts to overcome the financial crisis, including the economic reform measures. He said that our overcoming the economic crisis will have a positive effect on the resolution of the economic crisis in Asia and is in the interest of the United States, and that the United States will be unsparing in rendering all possible assistance.

President Clinton and I both strongly feel that the IMF, IBRD, and ADB have played important roles in enabling Korea to overcome the economic crisis. President Clinton and I also share the view that all economic trade issues between our two countries should be resolved in a mutually beneficial and amicable way through dialog and con-

sultation, and agreed to work together toward that end.

Thank you.

President Clinton. Thank you very much. Now we will alternate questions. I will call on a member of the American press corps, and then President Kim will call on a member of the Korean press corps. And we'll begin with Helen [Helen Thomas, United Press International].

Sanctions Against North Korea

Q. I have a question for each President. President Clinton, is the United States ready to lift sanctions against North Korea as proposed by President Kim?

President Kim, when will American troops be able to come home from the DMZ?

President Clinton. You're two for two there. First let me say that we discussed this matter in real candor. President Kim did not ask me to lift sanctions. What he asked me to do was to work with him to support a policy of reciprocity which would enable us to move forward with the reconciliation of the North and the South. And I said that I would be prepared to do that.

As you know, with regard to the specific sanctions, there are basically three categories of sanctions the United States has with regard to North Korea. At least one, and perhaps two whole categories would require, in my view, some legislative change to be modified. But there is some executive flexibility here. What I told President Kim I would do is to work with him.

I am encouraged at the bold vision and the confidence that he brings to this, and the genuine concern for the welfare of people in both nations. And I think that his initiatives, plus what we can do in the four-party talks with some issues that properly belong there, can really lead us to some progress here in the next few months and years. So I'm very hopeful.

President Kim. I do not intend to say anything that would interfere with American policymaking, but I do wish to say that our new government will approach the North Koreans based upon a strong security alliance with the United States but with flexibility and

to forge an atmosphere in which we can induce the North Koreans to open up, to encourage the moderate elements in North Korea.

We have nothing to fear from North Korea. To induce them to open up will be beneficial to the interests of our two countries, but to the peace of the Peninsula and Northeast Asia in general. Thus, if the United States should ease sanctions against North Korea, the when and how and the content would be a decision for the American Government to make, but we would not oppose and we would cooperate.

Assistance to North Korea

Q. A question to Mr. Clinton, President Clinton. According to the Geneva agreement, the United States is to provide crude oil to the North, and South Korea plays a central role in providing the light water nuclear reactors, but I understand the American Government has requested our Government to share some of the costs of the crude oil being provided to North Korea. What is your position now?

President Clinton. The North Koreans, as you probably know, have asked for the provision of crude oil and more under the agreement. And in the last few—several days, I have been able to invoke some provisions of American law which will permit me to fulfill our commitment there. Once we fulfill our commitment there, then we have to see where we are with the North Koreans and whether others will have to do more.

But you're correct, the most important thing that President Kim can do is to reaffirm the commitment of South Korea to fund 70 percent of the light water reactor, which he has done. And so I believe he has fulfilled his commitment, and I think I'm now quite confident that I will be able to fulfill America's commitment under this agreement.

Terry [Terence Hunt, Associated Press].

Tobacco Legislation

Q. Mr. President, the tobacco bill appears on the verge of collapse in the Senate. Today the Senate rejected an attempt to force a vote on the bill. Would you accept a limited measure to reduce teen smoking and at the same time meet Republican objections that the

McCain bill taxes too much and spends too much?

President Clinton. Well, first of all, I don't agree with that. I think it's clear that one of the things that will lead to a reduction in teen smoking is making cigarettes more expensive. And secondly, it's clear that we need to raise some funds to help States and the Federal Government defray the costs of paying for health bills related to smoking and to do the necessary medical research and to have the anti-smoking programs.

Now, having said that, it's my information—and yours may be more up to date than mine, but I did talk to Senator Lott and Senator Daschle this afternoon, and we're working hard to get this thing back on track and get into a position where a good comprehensive bill can pass the Senate. And as of just a few minutes before I came over here, I think there may be some developments this afternoon and this evening which will make that possible. And so I'm just going to hang on and hope for the best and keep working at this.

Q. What are those developments?

President Clinton. Well, we'll see, we'll see. We're working on it. But I do believe that the possibility of getting a comprehensive bill out of the Senate is greater now than it was this morning. There are still problems, to be sure, but we're getting closer to, I think, a principled compromise. I hope we are.

President Kim, would you like to call on someone?

Four-Party Talks

Q. The two of you have said that you will pursue the four-party talks and enter Korean dialog in harmony. Do you recognize Korea's leading role in this process?

President Clinton. [Inaudible]—the difficulties on the Korean Peninsula, and I think when there is movement, as there is now, being led by the Korean President, the United States should do all in its power to support that movement. That is what we have tried to do in other parts of the world. That is the sort of thing that led to a successful conclusion recently to the Irish peace process, with a vote of the people in Northern Ireland and Ireland.

I do think there are some discrete issues which, because of the terms of the armistice, can perhaps best be handled in the four-party talks. But the lead in all this should be the lead taken in the resolution by the parties themselves, between North and South Korea. And we will do what we can to support President Kim in that regard, and to support the North Koreans insofar as they respond in a positive way.

Would you like to answer, Mr. President?

President Kim. As President Clinton has said, I agree entirely. The nonaggression, arms reduction, these should be dealt with in the four-party talks. As for inter-Korean exchanges and cooperation, that should be dealt with in the bilateral inter-Korean dialog. The bilateral talks can be taken within the four-party framework or outside of that.

Situation in North Korea

Q. Mr. President—actually for both of you gentlemen. I wonder if you could give us your assessment of the situation in North Korea and just how dangerous the food shortages there make it. And also if the two of you could share your thoughts about the leader of North Korea, Kim Chong-il, who has remained kind of a mystery to much of the world. Do you feel he's someone who can be trusted?

President Kim. First of all, regarding Kim Chong-il, I don't think anybody knows well enough about him. Based upon our experience it's very difficult to say that you can trust a communist. But we feel the need to negotiate, and once you've reached an agreement, to hold them up to that agreement.

The North Korean regime at present is faced with many difficulties still. It is relatively stable, and I don't think it is going to collapse all that easily. But of course, the food situation, the overall economic situation is very bad. Normally, you could say that you cannot continue a regime based on such a difficult economic situation, but our intent is to persuade North Korea, to make it feel safe in opening up and so that it can resuscitate itself, follow the model set by China and Vietnam, and so that it can overcome such a hard situation at present.

If it remains in such a hard situation, it may decide to go the road of military provo-

cation, or if it stays the course, it may simply collapse and that will fall on our lap. So, for peace, for stability on the Korean Peninsula, we need to induce North Korea to open up and to regain the strength to live and grow on its own. And we have to help it in doing so.

President Clinton. I agree with President Kim's assessment of the leadership in North Korea. Let me just say, with regard to the food situation, it is serious, and we are concerned about it. The United States and South Korea have led the way in providing food to North Korea. And I'm actually quite concerned that the U.N. appeal which goes out periodically has not—to other countries—has not been fulfilled. And so I would hope that other countries that could also make a contribution that typically have when the U.N. has made such appeals, will do so. I think we have to do whatever we can to avoid severe malnutrition or worse.

But ultimately, the answer is not an annual food appeal. Ultimately, the answer is structural change in North Korea that would permit them to feed themselves and to purchase whatever foodstuffs they need from beyond their borders that they cannot grow. And that, I think, requires a positive response to President Kim's outreach, a rapprochement, a beginning of a resolution and, as he said, an opening up.

It was very interesting—I never heard anyone say it quite this way before—President Kim said to me this morning that if China can begin to open up and Vietnam can begin to open up and they can have very good results from doing so, then it's predictable that North Korea would get the same kind of good results if they would take the same path.

Korean Peninsula Energy Development Organization

Q. Regarding KEDO and the sharing of the cost, 90 percent for Japan and Korea; the remaining 10 percent is the problem. Korea has asked America to share that 10 percent. The other question is on economic cooperation. You agreed on an investment treaty, and you promised continued assistance and economic cooperation. Have there been other concrete pledges of assistance regarding the Korean economic situation?

President Clinton. Well, of course, we were very involved in the early assistance to Korea, and we have an emergency commitment should it be needed. My belief is that it will not be needed, because I think your country will do quite well now. In addition to that, I committed today to ask the Secretary of Commerce, Mr. Daley, to organize a trade and investment mission to Korea as soon as it can practically be carried out. And we will continue to do that.

With regard to KEDO, we have actively worked not only to secure funding to implement the accord we made with North Korea to suspend its nuclear program in all of its aspects but also to make sure the United States gave as much as we reasonably could. And this is a conversation that I hope President Kim will also be able to have with the leaders of the Congress, because I think there is a great deal of support for him in our Congress, even though there has been from time to time lukewarm support for KEDO. And I think many of our Members of Congress wrongly have viewed KEDO as something we were doing for North Korea instead of something we were doing for the stability of the Korean Peninsula, the safety and security of our allies and friends in South Korea and for the cause of defusing nuclear tensions everywhere.

In the wake of these nuclear tests in India and Pakistan I would think everyone all over the world would feel a bigger interest in seeing the agreement with North Korea be fully implemented.

Wolf [Wolf Blitzer, CNN].

China

Q. Mr. President, a two-part question on your policy toward China. The first part is there is a broad range of human rights activists, from Gary Bauer on the right to Kerry-Kennedy-Cuomo on the left who have appealed to you to avoid a visit to Tiananmen Square during your upcoming visit to China. Will you go to Tiananmen Square, as some of your advisers say you must given the protocol of the Chinese Government?

And the second part of the question is, why did you resist the advice of the Justice Department last February and give Loral a license to export another satellite to be

launched on a Chinese missile, even while the Justice Department was in the midst of a criminal investigation of Loral for allegedly providing technology information to China?

President Clinton. Well, let me answer the questions in reverse order. I didn't resist the advice of the Justice Department. I took the advice of the National Security Council, the Defense Department, the State Department, and the Arms Control and Disarmament Agency. The statute gives the State Department the responsibility to make a recommendation, and then gets the opportunity—the Defense Department and the Arms Control and Disarmament Agency are given the opportunity to concur. The National Security Council also gave the Justice Department the opportunity to make whatever comments they wanted, evaluated all that, and concluded that I should approve the satellite. It was sent to me in a decision memo which I approved.

And as you have seen from the practice in previous administrations and from all the evidence, it was, from my point of view, a pretty routine decision that I thought, on balance, if all those agencies felt that it was the right thing to do and it furthered our national interests, that I would do so.

Now, in terms of the trip to China, my own view is that if this is going to be a state visit to China and I am going to be the guest of the Chinese, that they should be designing the terms of the arrival ceremony, not me. I simply don't accept the proposition that observing their diplomatic protocol in any way undermines my capacity to advance the principles of the United States.

I appreciated the encouragement reflected in the ad I saw in the paper from a rather wide array of people, with the letter from Billy Graham and the statement from the Dalai Lama. President Kim and I talked about it today. I think in view of the—again I would say, in view of the recent economic events in Asia and the nuclear tests on the Indian subcontinent, it should be clearer than ever before that we have a strong national interest in developing a constructive, positive relationship with China.

Because of that relationship, I think it has been made more likely that political descent would be more respected—several political

dissidents have been released from imprisonment since President Jiang came here—and I intend to make our views clear and unambiguous. But I think that what Americans should want me to do is to make sure that I am as effective as possible not only in advancing our interests but in standing up for our values. And I'm going to do what I think is likely in the short run and over the long run to make our country the most effective.

South Korean Social and Economic Policy

Q. [*Inaudible*—increase of social vulnerables and thus it is very natural for Korean Government to try to use their own budget to help the social vulnerables. Having said that, one-third—roughly one-third of Korean budget is devoted to defense budget. And I want to know are you in favor of an idea that we use the defense budget, to use that money to help the social problems?

And just one more question. I believe you have said that you have talked with President Kim that to promote economic growth better, so what would be special measure to promote economic growth? Do you think that Korea might need a kind of Korean version of New Deal plan to promote economic growth, that Korea might need a kind of—to stimulate Korean economy?

President Clinton. Let me try to answer both questions, and if I might, I'd like to answer the second question first.

Your country has had a remarkable record of economic growth by any standard over the last few decades. I believe what has happened here is a bump in the road if you stay with the necessary reforms to reach the next level of development. All the evidence we have, not just concerning Korea but even concerning the United States and then countries that have a far smaller per capita income than Korea, is that no Government program can offset the flight of investment capital out of a country. And whether anyone likes it or not, all this money can move around the Earth in a matter of seconds. Therefore, I believe that the best social policy for Korea right now is an economic policy that will restore real growth as soon as possible. That is what will drive down unemployment. It will drive up family incomes. It will help fam-

ilies stay together and take care of older family members and do all the things that make a society a good society.

If I could do anything in the world for Korea just as a magician, if I were dictator of the world, I would restore high growth rates to your country tomorrow, and then the Korean people themselves would work through these problems in no time.

So that brings me to the next point. I think, therefore, that the most important thing I can do as the United States President and the friend of Korea is to restore the Overseas Private Investment Corporation guarantees for financing to make sure that you know there will be emergency support in the event you need it—that will make it less likely that you will need it—to get this investment mission going to your country, and to do anything else I can to try to support growth.

Now, your first question. I have to answer that the way President Kim answered the first question to me. That is, no President of one country can make a judgment about the national security needs of another country. But I will say this: Obviously, if the security situation in Korea improves to the point that you can reduce defense spending as a percentage of overall spending, that frees up investment for the other human needs of the country to build a stronger social contract.

However, security always comes first. Therefore, as an outsider I would say what President Kim is doing, in showing the vision and the confidence in your people to reach out to North Korea and encourage them to change and encourage a reduction in tensions, is the path most likely to change the security reality. As the security reality changes, then you can change the security budget. But the budget must follow the reality. And I think he's doing that.

Again, I would encourage the leader of North Korea and all those in influence there to respond to his farsighted overtures, and let's get this show on the road, as we say in America.

Thank you very much.

Kosovo

Q. Kosovo, sir? [*Inaudible*]

President Clinton. If I could say one word about Kosovo—

Q. Whether U.S. forces might be needed?
President Clinton. Well, I have authorized and approved accelerated NATO planning. And we are supporting and working with the British to get the strongest possible resolution through the United Nations. We're still trying to work out the wording of the resolution, but we have no dispute over the phrase that you have focused on, which is to use all necessary means to try to avoid ethnic cleansing and the loss of human life.

Let me say, all of you know that this is a very thorny problem, and while we're all worried about—deeply worried about seeing a repeat of what happened in Bosnia, we know there are some factual and legal differences between the two entities. But the main thing is that I am determined to do all that I can to stop a repeat of the human carnage in Bosnia and the ethnic cleansing. And I have authorized, and I am supporting, an accelerated planning process for NATO. And as I believe both the Secretary of State and the Secretary of Defense said yesterday, we have explicitly said that we do not believe any options should be taken off the table.

Thank you.

NOTE: The President's 160th news conference began at 3:40 p.m. in Room 450 of the Old Executive Office Building. President Kim spoke in Korean, and his remarks were translated by an interpreter. In his remarks, the President referred to evangelist Rev. Billy Graham; and President Jiang Zemin of China.

Remarks on Signing the Transportation Equity Act for the 21st Century

June 9, 1998

Thank you, Robin. You're a pretty hard act to follow. [Laughter] And thank you, Secretary Slater, for doing such a good job and for giving such a good sermon today. I thought he was going to pass the plate. [Laughter] Then I realized that you had already given him all the money; he didn't need to pass the plate. [Laughter]

I, too, want to thank the Members of Congress who are here. There are 40 or 41 here. But I would like to specifically acknowledge

and thank Senator Lott, Senator Chafee, and Senator Baucus, Congressman Shuster, and Congressman Oberstar, Senators Byrd, D'Amato, and Sarbanes, all the others who are here who have worked for this. I thank you so much.

Thank you, Governor Schaefer, for coming, and all the mayors who are here from all over our great country. Governor Voinovich wanted to come and be with us today, but he's back in Ohio with his mother who is ill. And our thoughts and prayers are with them.

Forty-two years ago this month, President Eisenhower signed the Federal Aid Highway Act into law. The bill was sponsored in the Senate by Albert Gore, Sr. It gave rise to the most efficient network of roads in the history of this country, connecting millions of Americans to the economic mainstream, ushering in two decades of unparalleled growth.

In 1992, when I got on that bus and rode across America, I was still the beneficiary of that farsighted action over 40 years ago. But I also saw that the concrete foundations built in the Eisenhower era were crumbling in some places, that more needed to be done in our cities, in our rural areas, and in all places in between.

It was clear to me then that if America were to roll into the 21st century at full speed we had to be willing once again to make historic and long-term investments in our roads, our bridges, our transportation systems. We've worked hard to do that for 5 years with enormous bipartisan support in the Congress, even as we were cutting the deficit and reducing the size of the Federal Government to its smallest in 35 years.

Today I am proud to sign this bill, the Transportation Equity Act for the 21st Century. It meets the challenge of building the pathways of the future, while maintaining the fiscal discipline that allowed us to achieve the first balanced budget in 29 years and an accompanying very high rate of economic growth. The act will strengthen America by modernizing and building roads, bridges, transit systems, and railways to link our people and our country together and to permit a freer flow of goods. Its supports, as you