

Interest Rates

Q. Mr. President, are you concerned about interest rates creeping up?

The President. No. I mean, what's happened is, the economy's getting much healthier. And you've had huge increases in home sales. We've had big increases in other economic activity. And when that happens, when the economy really begins to show signs of recovery, it's hard to keep interest rates at a 25- or 30-year low.

Because there is no inflation apparent in this economy, I don't expect a big increase in the rates. And we're going to watch it very closely obviously. But we've had an awfully good run with low interest rates, and a lot of people have taken advantage of them. From the time we announced the intention to have a serious effort to reduce the deficit, until I introduced my economic plan, until it passed, the interest rates dropped dramatically. And they've stayed down.

I was on a plane the other day coming back from one of my NAFTA meetings, and two of the people riding with me told me they've refinanced their homes this year. And one was saving just under \$300 a month, the other was saving about \$500 a month on the refinancing. These things have happened to millions of people around the country, and there's still good opportunities there for home mortgages, both for new ones and for refinancing.

But if the economy really picks up, there will have to be some movement in the interest rates. I don't think there will be a lot because—as long as we can keep inflation down. And I wouldn't be surprised, by the way, to see, as one of the experts reported in the press today, I wouldn't be surprised to see them drop again. I was kind of concerned when we had this big surge in housing and big surge in new investments that there might be a little pickup in it. But I'm not alarmed by it right now.

NAFTA Debate

Q. Mr. President, Ross Perot says he doesn't like the idea of the debate forum that the Vice President suggested. He says the Vice President ought to bring you and some of your spin doctors to his event. Is there any chance you'd agree to that?

The President. No, what Ross Perot wants, as always, is a show, not a debate. I mean, he basically wants Al Gore to show up at a rally that he's paid for with a crowd full of people that don't like NAFTA in the first place so they can shout at Al Gore, and in the hope that the shouting will obscure the arguments and the evidence and the facts. And that's not a debate or a discussion. What we suggested, and what Al did—it was all his idea, was that he call Larry King—Larry King host an honest and quiet and straightforward discussion that the American people could watch in their living rooms, one that would shed light and not heat. And I could understand why that's not Mr. Perot's preferred format. I mean, he'd rather have a rally where he's paid for it, has organized all these people to come, they're all against it anyway, and they shout at Al Gore. I don't blame him, but no sensible American would expect that to substitute for a debate. I mean, I think everybody can pretty well figure out—

Q. Do you think he's trying to wimp out?

The President. Win what?

Q. Wimp out of a head-on-head debate?

The President. You know, you all get into that name-calling character. I'm not going to do that. I think he's trying to negotiate the best possible position for himself. But it wouldn't be a credible debate for us to show up at his rally.

NOTE: The teleconference began at 1:23 p.m. in the Oval Office at the White House.

Letter to Congressional Leaders Reporting on the Cyprus Conflict

November 5, 1993

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I am submitting to you this report on progress toward a negotiated settlement of the Cyprus question. The previous report covered progress from the remainder of February, through July 15, 1993. The current report covers the remainder of July through September 15, 1993.

Shortly after the visit of U.S. Special Cyprus Coordinator Maresca, Special U.N. Representative for Cyprus Joe Clark visited Ankara July 21–22, where he met with Turkish Prime Minister Ciller, Deputy Prime Minister Inonu, Foreign Minister Cetin, and Ministry of Foreign Affairs Cyprus Expert Ambassador Ulucevik. Like Maresca, Clark stressed the need for public Turkish support for the confidence-building measures (CBMs) and was reassured by the Turkish side of its commitment to support the package.

Also on July 22 Mr. Clark met with U.S. Ambassador to Turkey Richard Barkley. Ambassador Barkley welcomed Mr. Clark's visit to Ankara, and noted the continuing high-level U.S. support for his mission. Both Mr. Clark and Ambassador Barkley welcomed the fact that there is now a more open and informed debate within Turkey about the Cyprus issue.

On July 26 in Nicosia, the U.N. Secretary General's Deputy Special Representative for Cyprus, Mr. Gustave Feissel, met with President Clerides of Cyprus. This was followed by a meeting on July 27, also in Nicosia, between Mr. Feissel and Turkish Cypriot leader Mr. Rauf Denktash. At both meetings, Mr. Feissel stressed the importance of overcoming the lack of information on the CBMs among the Turkish Cypriots.

U.S. Ambassador to Cyprus, Robert Lamb, met with Mr. Denktash on July 30 and reiterated the U.S. position that the CBMs offer the one feasible route toward cooperation. Mr. Denktash stated that he was preparing a list of technical questions on the CBMs, but saw no prospect of movement on the U.N. process, including the CBMs, until after the Turkish-Cypriot elections scheduled for November 28.

Although it was expected that Mr. Denktash would present his technical questions at his meetings with Mr. Feissel on August 6 and 7, he failed to do so. At those meetings, he told Mr. Feissel that any movement would have to wait for the scheduled elections to take place in the north.

On Friday August 13, Assistant Secretary of State for European and Canadian Affairs Stephen Oxman met with Turkish Foreign Minister Cetin in Washington. Mr. Oxman

reminded the Foreign Minister that the United States attaches great importance to a resolution of the situation in Cyprus. While noting that the Turkish Cypriots are in the midst of their election process, he stressed that it is of the utmost importance to maintain the momentum on the CBMs. Mr. Oxman said that the Turkish Cypriots now face the choice of either moving toward the CBMs package or being further isolated. Mr. Oxman also used this opportunity to urge the Turkish Foreign Minister to use Turkey's considerable influence with the Turkish Cypriots to move the process along—specifically, by publicly announcing Turkish support for the CBMs package, by encouraging early elections, and by urging the Turkish Cypriots to communicate promptly with the United Nations with regard to outstanding questions on the CBMs package.

Turkish Ministry of Foreign Affairs Under Secretary Ulucevik travelled to northern Cyprus August 24–26. While there he met with Turkish Cypriot leaders and privately relayed Turkey's support for the CBMs.

Mr. Clark visited Washington on August 26 and met at the National Security Council with National Security Advisor Anthony Lake, and at the State Department with Under Secretary Peter Tarnoff, European and Canadian Affairs Acting Assistant Secretary Alexander Vershbow, and U.S. Special Cyprus Coordinator Ambassador Maresca. In all three meetings, Mr. Clark expressed appreciation for U.S. initiatives in Cyprus and urged continued U.S. support to maintain progress on the CBMs. Mr. Clark emphasized that the status quo cannot continue and was costly to all involved. He also requested that the United States discuss with the Turkish government the need for the Turks to reiterate their support for the U.N. "set of ideas." Under Secretary Tarnoff reiterated the United States unwavering support for the CBMs and for Mr. Clark's role in promoting them. Ambassador Maresca agreed with Mr. Clark that we had to press for the promised list of specific Turkish-Cypriot questions about the CBMs package.

On August 26, Ambassador Maresca met with Mr. Sahinbas, Deputy Chief of Mission at the Turkish Embassy in Washington. Ambassador Maresca told Mr. Sahinbas that it

was important that all interested parties work to maintain the viability of the CBMs package past the election period in northern Cyprus. Ambassador Maresca and Mr. Sahinbas agreed that progress would be difficult until after the elections of November 28.

The final meeting during the period covered by this report was Ambassador Maresca's meeting with Under Secretary Ulucevik in Ankara on September 2. Ambassador Ulucevik spoke highly of the work of Mr. Clark and looked forward to presenting Turkish views to Mr. Clark in late September. Ambassador Maresca stressed the need to make positive progress on the CBMs package and supported Mr. Clark's efforts to develop understanding and sympathy for the package in the Turkish-Cypriot community.

Finally on September 14, the Secretary General issued his "Report on his Mission of Good Offices in Cyprus." The Secretary General noted that the President of Cyprus, Mr. Clerides, had reaffirmed his community's willingness to move forward with the provisions in the CBMs package proposed for Varosha and for Nicosia International Airport. The Secretary General also noted that the Turkish Cypriot leader, Mr. Denktash, continued his criticism of the package. The report stated that inaccurate and incomplete information had been presented on the impact of the Varosha/Airport provisions, thus causing confusion for the Turkish Cypriots. In addition, it said that the Turkish Cypriots looked to Turkey for guidance, but the Turkish government had not yet sufficiently conveyed its support for the package to the Turkish Cypriots. In the report, the Secretary General also proposed to send a team of senior experts to Cyprus in early October to address questions, which have been raised concerning the effects of the CBMs package.

The Secretary General's report ended on a cautionary note. He stated that it is not possible to continue the current effort indefinitely. He stressed that it is essential that he receive the full cooperation and support of the Turkish Cypriots. If the current efforts do not succeed soon, he continued, he would have to invite the members of the Security Council to consider alternate ways to promote the effective implementation of the United Nations many resolutions on Cyprus.

Despite the lack of progress during the period this report covers, we are still working for the approval of the CBMs. As I stated in my August 12 letter to Prime Minister Ciller, the United States seeks Turkey's support in helping to achieve a settlement. The Turkish-Cypriot community must recognize that if it rejects this proposal, which is viewed by the rest of the world as fair and constructive, it risks even greater isolation than it presently faces. I hope that this can be avoided. In the meantime, I will continue to lend full support to the U.N. efforts.

I will continue to use all my energies in assisting in finding a solution to the Cyprus problem and look forward to your support in this effort.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Claiborne Pell, Chairman of the Senate Committee on Foreign Relations.

Message to the Congress Transmitting the Republic of Korea- United States Fishery Agreement

November 5, 1993

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-256; 16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement Between the Government of the United States of America and the Government of the Republic of Korea Extending the Agreement of July 26, 1982, Concerning Fisheries off the Coasts of the United States, as extended and amended. The agreement, which was effected by an exchange of notes at Washington on June 11, 1993, and October 13, 1993, extends the 1982 agreement to December 31, 1995. The exchange of notes together with the 1982 agreement constitute a governing international fishery agreement within the requirements of section 201(c) of the Act.

In light of the importance of our fisheries relationship with the Republic of Korea, I