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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Cathy Millison to William Antholis, re: Tasker (6 pages)	05/15/1997	P1/b(1)

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[05/01/1997 - 05/15/1997]

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MSMail

DATE-TIME	01 May 97 13:30
FROM	Elkind, Jonathan H.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Denver Summit Draft Communique [UNCLASSIFIED]
TO	Pascual, Carlos E. Pifer, Steven K.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Guys:

Two things come to my attention about the attached draft Denver statement.

First, there is no special mention of Russia's attendance. Maybe that's just right. But I was wondering about whether the text could include an appropriately dignified and high-tone mention of the fact that the Denver Summit of the Eight represents a new step.

Second, there's no Chornobyl. Is that because we do not wish to have Russia being a voice on this issue?

Jon

From: Antholis, William J.
To: @AFRICA - African Affairs; @ASIA - Asian Affairs; @CEE - Central/Eastern
Europe; @DEMOCRACY - Dem/Human Affairs; @ENVIRON - Environmental; @EUROPE -
European Affairs; @EXECSEC - Executive Secretary; @FOREIGNAID; @GLOBAL -
Global Affairs; @INTECON - Economic Affairs; @INTERAM - Inter-American;
@LEGISLAT-Legislative Affairs; @NESASIA - NE/South Asia; @NONPRO - Export
Controls; @NSA - Natl Security Advisor; @OSTP - Office Science Tech;
@PLANNING - Strat Plan & Comm; @RUSSIA - Russia/Ukraine; @UP - APNSA Special
Assistants; @VP - VP Natl Security Affairs
CC: /R, Record at A1
Subject: Denver Summit Draft Communique[UNCLASSIFIED]
Date: Tuesday, April 29, 1997 10:15 PM

[[042997CQ.DOC : 3363 in 042997CQ.DOC]]

Attached please find draft communique for the Denver Summit. This document will be sent to Sherpas from the other members of the Eight (and the EU) COB Friday. This draft is being recleared by relevant agencies, due COB 4/30.

Please send all suggested revisions in line in/line out strikethru.

Thanks.

ATTACHMENT FILE DATE 29 April 97 22:9

ATTACHMENT FILE NAME 042997CQ.DOC

Denver Communiqu, DRAFT :
Denver Communiqu, DRAFT--DRAFT :

INTRODUCTION

1. In our continuing common effort to prepare for the next century, we met at Denver to strengthen and deepen the ties between market democracies, to secure and expand the benefits of integration and to confront global and political challenges that none of us can effectively face alone. In recent years, we have agreed on common approaches to global and political issues and on practical steps to create a more secure, stable and prosperous international system.

Our cooperation is producing dividends. Now we must build on this progress. We call on other states to join in supporting our efforts, as we continue to identify innovative ways to seize the opportunities and meet the challenges of our time.

SOCIAL AND ECONOMIC ISSUES

Small and Medium Enterprises

2. The contributions of small and medium-sized enterprises to jobs and innovation are widely recognized; we discussed new evidence which shows that young enterprises may be the real key to job creation.
At the same time that successful smaller and younger firms are creating new jobs and new ideas, many other shrinking or failing

small and medium-sized enterprises are shedding jobs. A certain rate of job loss is inevitable -- without some failed experiments we will not have successful ones. This turbulence, in fact, is responsible for a large fraction of productivity growth. In all of our economies, however, obstacles prevent some smaller and younger firms from developing into their full potential. These obstacles include: a lack of well-established credit histories or collateral making it difficult to borrow in credit markets; regulations that inhibit small and medium-sized enterprises from starting up or competing in certain sectors; lack of resources and knowledge necessary to take advantage of a global economy; and difficulties adapting existing technologies. Our governments discussed the best practices for dealing with these obstacles, focusing on policies that complement the market in providing support for small and young businesses. Examples include: [to be included from the individual country submissions].

Aging Populations

3. Increased life expectancy and improved health among the elderly are two of the major achievements of this century. In the next century, these successes present our countries with both challenges and opportunities.

4. In the coming decades, our nations will face financial challenges associated with aging populations. Longer life expectancies and lower birth rates are projected to significantly raise the proportion of the elderly population in our countries. Moreover, the general trend has been towards earlier retirements, despite declining disability among the elderly. Although the fiscal impact of population aging will, in many cases, not be fully felt for 20 years or more, we began a discussion of the challenges we will be facing

early in the 21st century. Early consideration of these challenges should help ease any needed adjustments. The aging-related challenges facing our countries differ in some respects. In Japan and continental Europe, for example, the principal financial challenge relates to public pensions, where the main source of difficulty is the aging of the population. In the United States and Canada, health care financing -- which involves not only the rising population share of the elderly, but also the cost, volume, and intensity of services they use -- looms relatively larger. Recognition of these differences may help clarify the issues that must be addressed by each country.

5. The Japanese "Initiative for a Caring World" proposed at our meeting last year provided an opportunity to focus attention on aging population issues from a "productive aging" perspective. In the coming year, our governments, working together and with the OECD and other international organizations, will identify barriers to continued labor force participation among older persons, appropriate incentives for prolonging productive activity and encouraging younger people to save more, and potential areas of international collaboration for future research and analysis. We call upon our governments to: (1) support expanded opportunities for intergenerational caregiving and volunteer activity; (2) help shape public attitudes toward an appropriate balance between government and personal responsibility for meeting health and long-term care needs; and (3) initiate collaborative biomedical and behavioral research efforts to help increase our understanding of the aging process, the factors promoting better health and reduced disability, and cost-effective medical interventions for chronic conditions at older ages. In addition, we encourage our governments to develop comparable longitudinal surveys and data bases to improve

cross-national demographic research on population.

Children's Health

6. {{Awaiting outcome of Environment Ministerial.}}

GLOBAL ISSUES

7. Global integration has tremendously benefited all our countries. Rapid advances in technology have helped to blur borders and shrink distances, spurring economic growth and binding all our nations closer together. Yet the forces of integration have also exposed us to a host of complex problems that defy unilateral solutions. Building on the efforts of each of our governments at home, and of international groups regionally and globally, we are committed to lead in identifying and confronting challenges that demand strong collective action. Last year at Lyon, we identified emerging infectious diseases and international environmental issues as areas requiring considerable attention. This year, we commit ourselves to working together -- and with the relevant regional and international institutions -- to make real accomplishments in these areas.

Infectious Diseases

Emerging Infectious Diseases

8. Last year in Lyon, we recognized that emerging infectious diseases, such as drug-resistant tuberculosis, malaria, and HIV/AIDS, present one of the most significant health challenges facing the global community. At this Summit we agreed to act in three critical areas: coordinating international response to outbreaks; developing a global surveillance network; and building capacity to detect and control infectious diseases in our own nations and in the developing world. Measures are already being undertaken in each of our

countries and by the World Health Organization (WHO) and other bilateral and multilateral mechanisms; we pledge to continue and revitalize these activities, to work with WHO and others to establish emergency response policies and procedures; to inventory and build upon existing surveillance networks; strengthen and link WHO's Collaborating Centers and other institutions; harmonize approaches to disease surveillance; monitor antimicrobial resistance; establish regional centers for training and disease diagnostics; and coordinate and implement capacity building programs in developing countries. A High Level Advisory Group will track our efforts and develop an action plan to improve the prevention, detection, and response to these disease threats.

International AIDS Vaccine Research Initiative and UNAIDS

9. In Lyon, we agreed on the importance of taking action to address the growing threat of emerging infectious diseases, including HIV/AIDS. In Denver, we agreed that the development of a safe and effective vaccine against AIDS is an urgent global public health imperative. We are committed to providing, in our own countries, the investments necessary to accelerate AIDS vaccine research.

10. We also pledge to work together to enhance international scientific cooperation and collaboration in this global initiative, and to work with the Joint United Nations Program on HIV/AIDS (UNAIDS) to address the legal and ethical issues related to vaccine testing. We reaffirm our commitment to provide funding for UNAIDS so that it may lead in the global effort to expand the scale and quality of the response to HIV/AIDS, and call on other nations to join in supporting UNAIDS' core activities and its Coordinated Appeal for Supplemental Activities.

11. Cooperation among scientists, governments and international agencies is critical to this new global initiative. Scientific progress in the development of an AIDS vaccine will provide important advances that will aid in the development of vaccines for

other infectious diseases that continue to threaten the world's population. Only a truly effective vaccine to prevent AIDS can limit and eventually eliminate the threat of AIDS and its devastating human, economic, and social consequences. We call on other states to join us in this endeavor.

Environment

UN General Assembly Special Session

12. Progress has been made in defining and promoting sustainable development in the five years since the 1992 Rio Earth Summit. This year's UN General Assembly Special Session on Environment and Development, provides an opportunity to develop a concrete and focused agenda for future efforts to promote sustainable development.
Underlying this agenda must be the awareness that sustained economic growth and social development is possible only when accompanied by sound policies to preserve our environment and manage our natural resources. At the Special Session, we must define a manageable list of priority issues for future work.

13. We will also highlight the important role citizens and communities have in working with their governments to achieve sustainable development at all levels. Educating our young people about the importance of sustainable development is critical to preserve the environment for future generations. To this end, we will invite other countries to participate in the Global Learning and Observations to Benefit the Environment (GLOBE) program at the UNGA Special Session.

Reform of UN Institutions

14. Strong international institutions are essential to coordinating global efforts to protect the environment and achieve sustainable development. The UNGA Special Session should confirm the leading role of the UN Commission on Sustainable Development (CSD) in integrating all aspects of sustainable development -- the social, economic, environmental and political.

15. The United Nations Environmental Program (UNEP) can play a leading role by fulfilling its new mandate of monitoring and reporting on the state of the environment; providing a forum for collaborative actions to protect the environment; integrating environmental concerns into the UN system; and urging compliance with international environment agreements. We urge the newly formed Committee of Environment Ministers to design and ensure implementation of reforms to improve UNEP's ability to carry out its mission and call the Secretary General of the United Nations to appoint a dedicated and capable Executive Director to lead UNEP in fulfilling its tasks.

Climate Change

16. We remain committed to confronting the problem of global warming. To do so, we must forge a strong agreement with realistic, legally binding emission reductions targets to control greenhouse gas emissions at the Third Conference of Parties to the UN Framework Convention on Climate Change in Kyoto. We support an agreement that maximizes national flexibility in meeting these targets so that the most efficient and cost-effective approaches are used. Developing countries too must take measurable steps to address this problem, and recognize that their obligations will increase over time.

17. To achieve emission reductions and secure a long-term solution to global climate change, we will pursue ambitious programs to develop and diffuse climate friendly technology. We have agreed to carry out a five-year $1 billion developing country climate change initiative. We intend to increase research to develop such technologies and will work with other multilateral institutions to ensure that climate friendly technologies are appropriately supported and applied in their programs. We urge the private sector

to intensify its efforts to develop and market non-carbon emitting technologies for the 21st century. This is a promising suggestion of detail, but needs a more explicit suggestion of who, what, when, how.

Forests

1. Forests are a natural resource vital to the well-being and prosperity of current and future generations. Countries must act urgently to halt forest destruction around the world. Together with private and public partners, we must implement the agreements on sustainable forest management our countries adopted in the Intergovernmental Panel on Forests. We urge countries to adopt internationally agreed criteria and indicators to assess the status of their forests; to implement national forest laws and programs; to eliminate illegal logging; to establish networks of protected forest areas; and to harness private investment in sustainable forest management. To implement these criteria we call on the UN General Assembly Special Session on Environment and Development to launch an intergovernmental framework to adopt a focused and coordinated action plan on management of our forest resources, promote transparency and national accountability, and build a consensus on other outstanding issues, including the merits of initiating negotiations toward a global forest convention.

Environmental Standards for Export Credit Agencies

2. As a next step in our efforts to promote sustainable development, we undertake to develop common environmental guidelines for official export credit agencies. To ensure that these guidelines are adopted by all countries that fund the export of private sector development activities, we propose that the OECD take the lead in developing these guidelines. Our respective export credit agencies will meet prior to November 1997 to review issues, share information and assess progress toward developing common guidelines. We will instruct

our
representatives to seek agreement among the OECD Participants to
the
Arrangement for Officially Supported Export Credits to develop
and
approve terms of reference for negotiations of common
environmental
guidelines to be approved by the OECD Ministers at their 1998
Ministerial, with a mandate for negotiations to be complete and
guidelines ready for approval and implementation by the 1999
Ministerial. In the interim, we will take actions immediately
to
ensure that our export credit agencies have access to the
necessary
technical expertise to develop environmental guidelines, and
once
guidelines have been agreed upon, to comply with them.

ON-GOING GLOBAL AGENDA

3. Our annual meetings have helped to forge strong common
approaches to
the global challenges of the next century. When we first met
as
The Eight in Naples, we laid the groundwork for a constructive
partnership to address the most pressing political issues of the
day.
At Halifax, we expanded this partnership to meet the most urgent
global challenges, and committed ourselves to revitalizing the
United
Nations as the central forum for that effort. At Lyon, we
committed
our governments to ambitious agendas for combating transnational
crime and terrorism, and cooperating on nuclear safety,
nonproliferation and arms control. This year, we have taken
important
joint steps in confronting these challenges. Throughout, our
goal
has been to devise a common approaches that rely not on creating
new
bureaucracies, but on promoting new cooperation. We call on all
states to join us in these endeavors.

Transnational Crime

4. We remain deeply committed to combating transnational
organized

crime and have actively worked to implement the 40 recommendations to counter transnational organized crime adopted last year at Lyon. By taking action within our own borders and with one another, we have developed measures to bring criminals to justice through legal assistance and extradition, to keep our borders secure through strengthened document security and alien smuggling standards, to protect our people from illegal trafficking in firearms, and to adapt to new threats through efforts on high tech crime. In particular, we will work to continue progress in these areas, and to respond to new trends in transnational organized criminal activity. In the coming year, we will forge a new cooperative approach to crimes involving growth in computer and telecommunications technology. We call on other states to work with us in these areas and direct our experts to continue to identify innovative to promote international cooperation to protect our common future from the scourge of transnational crime.

Terrorism

5. We condemn terrorism in all forms, irrespective of motive. We call on all states to adopt and ratify the 10 international counterterrorism conventions, and we will begin a diplomatic initiative to ensure that this takes place by the year 2000. To translate our condemnation into action, last year our governments adopted 25 recommendations to combat terror. In addition to the national steps each of our governments have taken to implement these recommendations, we also have taken common steps, including: introducing a draft UN convention on terrorist bombing which we urge be rapidly completed; promoting improved international standards for airport security, explosives detection, and vehicle identification.

We have pressed the OECD to accelerate consultations on encryption technology, called upon all states to provide lawful government access to encrypted material in order to prevent and investigate terrorist acts; and agreed to promote stronger laws and export controls on the manufacture, trade and transport of explosives.

6. We will continue to cooperate in these areas and extend our counterterrorist efforts to other critical spheres: exchanging information on technologies to deter and detect use of materials of mass destruction in terrorist attacks, developing means to deter terrorist attacks on electronic and computer infrastructure; working to strengthen maritime security measures and to implement International Maritime Organization standards; and developing a model protocol for security at international special events. We urge other states to join us in building bilateral and multilateral partnerships to combat terrorism.

Nuclear Safety

7. Our governments reaffirm the commitment made at last year's Moscow Summit on Nuclear Safety and Security. Nuclear safety must prevail over all other considerations in the use of nuclear energy, and we recommit ourselves to the highest internationally recognized safety standards for the siting, design, construction, operation and regulation of nuclear power installations.

8. We reviewed progress on nuclear safety since Moscow. The most significant accomplishment of the Moscow agenda is the entry into force of the Nuclear Safety Convention, which allow for expeditious safety upgrades of reactors by clearly establishing rules of public accountability for accidents. The imminent adoption at the International Atomic Energy Agency of a new Supplementary

Funding
Convention will also advance these efforts, and pledge that each of our governments will give early consideration to ratification so that the Convention can be brought into force before the year 2000.

UN Reform

9. Over the past two years, the UN has made significant progress in improving effectiveness and efficiency. We welcome Secretary General Annan's reform efforts. We hope the measures he has announced can be quickly implemented, look forward to additional proposals, and commit ourselves to working with all UN members to further these reform efforts.

10. In particular, we believe UN finances must be strengthened through a more equitable assessment system and by full and timely payment of obligations. The proportion of the UN regular budget contributed by any single member state should be reduced to avoid dependence on any one country. Peacekeeping assessments should be capped at 25%.

Budgets must be stabilized or reduced with some savings shifted to programs. Robust oversight mechanisms and sound personnel policies are critical.

11. On economic and social programs, the policy-coordination role of the Economic and Social Council for UN operational development programs must be enhanced. This should include improved collaboration with the Bretton Woods institutions, effective development coordination at the headquarters and field levels, and consideration of streamlining ECOSOC subsidiary bodies. An executive committee would help improve

policy management of ECOSOC. We welcome the recent reforms at UNCTAD and in the regional commissions in Europe, Asia, and Latin America, and hope these efforts will continue. We also support ongoing efforts in the Economic Commission for Africa to make it more relevant to pressing regional requirements. Specialized agencies should continue to set priorities as well as increase efficiency and effectiveness.

12. On development issues, we urge timely implementation of the Secretary General's reforms, strengthened integration at the country level, and a review of development funds and programs and specialized agency mandates for development. That review should address food security, setting a pattern for additional sector reviews. The system-wide Special Initiative for Africa has potential for enhancing donor coordination at headquarters and in the field. (Note: This last sentence -- as well as additional comments on ECA -- could be moved to the section on Africa.)

POLITICAL/REGIONAL ISSUES

DEMOCRACY

13. The worldwide growth of democracy is no guarantee of sustained success -- young democracies can be fragile and short-lived. We have a special responsibility and opportunity to help strengthen democratic values where they have taken hold and help extend their reach where they have not. We are already doing much. But we can be more effective by better coordinating our activities.

14. In our discussions in Lyon, where we agreed that "democracy, human rights and good governance are indispensable components of development." Recognizing that strengthening democracy is essential

to strengthening peace, we will establish a Working Group on Democracy. The Group will share information about their most effective democracy programs and examine ways to strengthen emerging civil societies. This effort will be explicitly coordinated with NGOs, which have made the most dramatic contribution to supporting political pluralism, expanding women's political participation, boosting business and labor support for democracy, and promoting good governance and the rule of law in transition democracies. The Working Group will also consider efforts with non-democracies and will report its achievements and recommendations to us at the 1998 Birmingham Summit, where we will consider further steps.

AFRICA

15. We support the ongoing movement towards more democratic political systems in Africa and are greatly encouraged by the strong performance of certain sub-Saharan countries in moving toward financial sustainability and more market-oriented economic policies. We are determined to support these reforms as effectively as possible.

Democracy Enhancement

16. Since 1990, more than twenty African countries have held free and fair elections. Democratic governance, in Africa as elsewhere, lays the foundation for human rights, including the rights of women, the rule of law, and economic development. We commend those African nations that have set an example by undertaking democratic reforms and call upon other African governments to follow their example.

Consolidation of democracy will remain a high priority for our bilateral and multilateral diplomatic and assistance efforts. Democracy promotion is, among other things, a critical conflict prevention strategy, as many conflicts arise when people or groups are excluded from political participation.

"Integrity In Government" Initiative

17. We offer a "Partnership for Integrity" to support African countries that are undertaking reforms of legal, regulatory, and judicial systems and to help strengthen legal and business associations and private professional organizations that are essential components of emerging civil societies. Our governments will better coordinate our individual activities and those of the multilateral development institutions to identify and encourage the most effective donor programs in these areas. This section needs more details about how, through what means, and by when these goals will be accomplished.We urge African countries to improve transparency of government procurement and will support those countries willing to launch national anti-bribery certification programs in their government procurement regimes. We call on all countries, particularly OECD members, to take immediate action to criminalize bribery, and to eliminate tax deductions for bribes.

"Information Empowerment" Initiative

1. Access to advanced telecommunications and electronic information networks in an open pro-competition policy environment is vital to expand capacity for economic growth, as well as alleviate poverty, and promote democracy and good governance. We have agreed to collaborate to promote widespread Internet connectivity in Africa in both urban and rural areas and to improve access to information and support development efforts. More detail: where? how? what forum? by when?

Peacekeeping/Conflict Prevention

1. We attach special importance to enhancing African peacekeeping and conflict prevention capacities as a way to strengthen the ability to manage humanitarian and political challenges. Africans, the UN,

and members of the Eight are forging a new international consensus that bolstering African peacekeeping and conflict prevention capacity should be the core priority of international efforts. Many bilateral and multilateral programs now under way should be closely coordinated and appropriately linked with the United Nations.

2. Over the course of the next year, we will seek to create a joint coordinating mechanism to enhance African peacekeeping capacities that will bring together a "coalition of the willing," comprised of African countries, subregional bodies, donors, the OAU, and the UN. We also call for the expanded utilization of the existing UN Trust Fund for African peacekeeping and conflict prevention; increased donor commitments to the OAU, Southern Africa Development Community (SADC) and other subregional bodies with specialized mechanisms for conflict mediation; and increased donor support to UN/OAU Special Envoy to the Great Lakes.

Nonproliferation and Arms Control

3. The expanding range of cooperation among our countries on arms control, nonproliferation and regional security helps to make our citizens safer and builds stability around the world. Since the April 1996 Moscow Summit on Nuclear Safety and Security, we have taken important steps to combat illicit trafficking in nuclear materials, and to identify technically feasible options for the safe management and disposition of fissile material no longer required for defense purposes. We will energetically pursue small-scale demonstrations of technologies for the long-term management and disposition of plutonium designated as no longer required for defense purposes, while continuing discussions of arrangements to

facilitate
further international cooperation in this area. Will there be any mention of inviting other states to participate in our countersmuggling efforts?

1. We have also worked together to advance and strengthen the international nonproliferation regime. The Comprehensive Test Ban
Treaty was a historic milestone in these efforts, and we call upon
all states to sign and ratify it rapidly. We applaud the entry into
force on April 29 of the Chemical Weapons Convention, a major step in
our collective effort to make the world safe from the threat of chemical weapons, and we call on all states that have not yet ratified it to do so as soon as possible. We reiterate our strong
support for the NPT and welcome the strengthening of the IAEA safeguards system and negotiations on a fissile material cutoff treaty. We reaffirm our strong support for the Wassennaar Arrangement, underscoring our commitment to promote responsible arms
export practices.

2. To sustain and build upon these accomplishments, we welcome the
progress on strategic arms control made at Helsinki in May, and look
forward to the early entry-into-force of the START II agreement and
the initiation of START III negotiations.

3. We will work together against the proliferation of weapons of mass
destruction and their delivery systems, particularly in regions of
tension and potential conflict. In this regard, we unequivocally
endorse the efforts of the UN Special Commission and the IAEA to
eliminate weapons of mass destruction capabilities in Iraq and to
implement fully all UN Security Council resolutions related to that
country. We reiterate our call for all States to avoid any cooperation with Iran which might contribute to the acquisition of a
nuclear weapons capability or enhance its WMD or missile capabilities, and reaffirm our support for implementing the

Agreed
Framework and monitoring of the freeze on and dismantlement of
North
Korea's nuclear program. We welcome the emerging high-level
dialogue
between India and Pakistan. We encourage both countries to
exercise
restraint in their nuclear and missile programs, to adhere to
the
CTBT so that it can enter into force, and to participate in
negotiations to ban the production of fissile material for use
in
weapons and other explosive devices.

Antipersonnel Landmines

4. We remain concerned with the proliferation of anti-personnel
landmines and the thousands of resulting deaths and injuries,
especially to civilians, particularly to children. We welcome
the
bans, moratoria, and other restrictions on anti-personnel
landmines
unilaterally declared by states. All states should adhere to
the
strengthened Protocol on Mines, Booby Traps and Other Devices,
after
the 1980 Convention on Conventional Weapons, as well as to the
new
Protocol on Blinding Laser Weapons. The international community
should "pursue vigorously an effective, legally-binding
international
agreement to ban the use, stockpiling, production and transfer
of
anti-personnel landmines with a view to completing the
negotiation as
soon as possible." As stated in UN General Assembly resolution
51/45
S of December 12, 1996, we encourage the international
scientific
community to develop technological solutions to mine detection
and
clearance, and for nations to strengthen their support for
humanitarian demining and assistance to mine victims.

MSMail

DATE-TIME	09 May 97 12:41
FROM	Helweg, M. Diana
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: statement and communique [UNCLASSIFIED]
TO	David B. Sandalow
CARBON_COPY	NO CC's on THIS MESSAGE

TEXT_BODY

DS -- please ignore the written message below. The documents are the most up to date.

From: Antholis, William J.
To: Veit, Kathy at Trip; Steinberg, James at Trip
CC: /R, Record at A1; Helweg, M. Diana; Pifer, Steven K.
Subject: statement and communique [UNCLASSIFIED]
Date: Thursday, May 08, 1997 06:47 PM

[[050697C3.DOC : 3131 in 050697C3.DOC]][[0506BST.DOC : 3132 in 0506BST.DOC]]

Jim -- Attached are final Eight Communique and Seven Statement, as sent.

To clarify my note from yesterday -- the Eight Communique was sent to Livshitz; both were sent to Russian Embassy. Embassy has said they will not send Seven Statement, and that it will not be subject of discussion. On the assumption that they do forward, I have begun notifying Seven partners.

ATTACHMENT FILE DATE	6 May 97 19:52
ATTACHMENT FILE NAME	050697C3.DOC

Denver Communiqu, DRAFT--DRAFT :

Denver Communiqu, DRAFT--DRAFT :

Draft Communiqu,
Denver Summit Of The Eight

INTRODUCTION

1. We, the participants in the Denver Summit of the Eight industrialized democracies, have discussed the steps necessary, both internationally and domestically, to shape the forces of integration to ensure prosperity and peace for our citizens and the entire world as we approach the twenty-first century. We have considered the challenges and opportunities for our countries of the aging of our populations, ways to foster the creation of good jobs for our people in a globalized economy, and measures to protect our children's health from environmental risks. We have agreed on measures to protect our global environment and have taken steps to protect our people from the dangers of emerging infectious diseases. We have continued and extended our work to counter the threats to our nations from international crime, terrorism, and nuclear dangers. We have committed our nations to strengthening democracy worldwide. We have resolved to integrate Africa more completely into the global economy, so that the twenty-first century will bring unparalleled prosperity to the nations of that continent.

2. Continuing the important steps we have taken at Naples, Halifax, and Lyon, the Denver Summit of the Eight marks a new and deeper participation by Russia in our efforts. A trend has been established that we hope will continue, to reflect the role and responsibilities that Russia is assuming as it moves forward to establish an advanced, industrial market economy.

SOCIAL AND ECONOMIC ISSUES

Small and Medium Enterprises

3. The contributions of small and medium-sized enterprises to employment in our societies are widely recognized. New evidence suggests that fostering a business setting conducive to the growth of dynamic young enterprises may be a key to job creation. We surveyed the obstacles to such growth, including unnecessary regulation and the unavailability of debt or equity capital at critical stages of a firm's growth. We also examined some exemplary

practices within our countries to promote the growth of these companies and considered how we might benefit from these successes.

The Opportunities and Challenges of Aging Populations

4. Increased life expectancy and improved health among our elderly are two major achievements of this century. In the next century, these successes will present us with both opportunities and challenges, as longer life expectancies and lower birth rates significantly raise the proportion of elderly populations in our countries. Prime Minister Hashimoto's "Initiative for a Caring World" has provided us the opportunity to focus on the implications of these developments.

5. We discussed the emergence of the concept of "productive aging," the desire and ability of many of the elderly to continue work or other productive activities well beyond traditional retirement age. We considered new evidence suggesting that disability rates among the elderly have declined significantly. We exchanged views on ways in which our societies can adapt to larger numbers of the productively aging, such as by removing barriers to flexible employment schedules.

6. Our nations will also face financial challenges associated with aging populations. Although the fiscal impact of population aging will not be fully felt for two decades or more, we began a discussion of the differing challenges our various countries face. While some of us face major challenges in maintaining our public pension systems, others will be most significantly affected by the demands of health care financing for the elderly.

7. We have instructed our officials, working with the OECD and other governmental organizations, to determine ways for our elderly to extend their productive activities. We have decided to begin collaborative biomedical and behavioral research efforts to increase our understanding of the aging process and to learn how to achieve lower disability rates. In

addition, we have directed our officials to develop compatible data in our nations so as to improve comparative demographic research on aging populations.

Children's Health

8. {{Awaiting full report of May 5 Environment Ministerial.}}

GLOBAL ISSUES

9. Global integration has benefited all our countries by spurring economic growth. Integration has also exposed us to a host of complex problems that defy unilateral solutions. In recent years our Summits have devoted increasing amounts of time to these issues. This year we discussed two key areas extensively.

Infectious Diseases

Emerging Infectious Diseases

10. Infectious diseases, such as drug-resistant tuberculosis, malaria, and HIV/AIDS, pose a significant health challenge to the global community. Deaths from infectious disease have risen sharply in the last decade for a variety of reasons, from the evolution of drug-resistant microbes to the increased and rapid movement of people around the world. In the coming year, our governments will plan for more effective coordination of international responses to outbreaks, develop a global surveillance network, and build medical and institutional capacity to prevent, detect and control infectious diseases globally. Central to this work will be strengthening and linking existing activities in and among each of our countries, and in other fora, especially the World Health Organization (WHO).

International AIDS Vaccine Research Initiative and UNAIDS

11. Developing a safe and effective vaccine against AIDS holds the best chance of limiting, and eventually eliminating, the threat of this disease. This remains an urgent global public health imperative. We will provide the investments necessary to

accelerate AIDS vaccine
research, and together will enhance international scientific
cooperation and collaboration.
Cooperation among international agencies, scientists, and
governments in the developed and
developing world will be critical. We call on other states to
join us in this endeavor.

12. The Joint United Nations Program on HIV/AIDS (UNAIDS) must
help expand the scale and
quality of the response to HIV/AIDS, particularly in addressing
the legal and ethical issues
related to vaccine testing. We will work as a group and with
others to assure that it has
resources adequate to fulfill its mandate.

Environment

UN General Assembly Special Session

13. We discussed the progress that has been made since the 1992
Rio Earth Summit in defining
and promoting sustainable development, and we commit ourselves to
taking action in areas
critical to advancing this agenda in the coming century.
Sustained economic growth and
social development require sound policies to preserve our
environment and manage our
natural resources. We urge the United Nations General Assembly,
at its Special Session
on Environment and Development, to be held next week, to develop
a manageable list of
priority issues and establish clear timetables for future work.
We reaffirmed that sustained
economic growth and social development require sound policies to
preserve our environment
and manage our natural resources.

Reform of UN Institutions

14. Strong international institutions are essential to
coordinating global efforts to protect the
environment and achieve sustainable development. The UNGA
Special Session should
confirm the leading role of the UN Commission on Sustainable
Development (CSD) in
integrating all aspects of sustainable development -- social,
economic, environmental and
political.

15. To address the urgency of global environmental problems, we have supported a new mandate for UNEP, emphasizing greater policy, program and financial accountability. These include: monitoring and reporting on the state of the environment; providing a policy forum for collaborative actions; integrating environmental concerns into the UN system; and achieving compliance with international environment agreements. The newly formed Committee of Environment Ministers should design and implement these reforms. We also encourage Secretary General Annan to appoint an Executive Director dedicated to and capable of accomplishing these tasks.

Climate Change

16. We must strengthen international efforts to confront climate change. We must forge a strong agreement that accepts meaningful, realistic, legally binding emission reduction targets to control greenhouse gas emissions at the Third Conference of Parties to the UN Framework Convention on Climate Change in Kyoto. We support an agreement that will advance us toward the ultimate goal of stabilizing atmospheric concentrations of greenhouse gasses at an acceptable level in an efficient and cost-effective way, and that maximizes national flexibility in meeting targets. Developing countries also must take measurable steps, and recognize that their obligations will increase as their economies grow.

Forests

17. Forests continue to be destroyed and degraded at alarming rates in many parts of the world. To reverse this trend we call on all countries to work with us to develop constructive programs that build capacity to eliminate illegal logging, implement national forest programs for sustainable forest management, establish networks of protected areas, assess the state of each nation's forests using agreed criteria and indicators, and harness responsible private sector investment in forests. We urge the Special Session of the United Nations General Assembly to launch an intergovernmental initiative for coordinated action to promote national

transparency and accountability and to build further consensus on global issues, including on the advisability of initiating a global forest convention.

Environmental Standards for Export Credit Agencies

18. Private sector financial flows from industrial nations have a significant impact on sustainable development worldwide. Governments can help promote sustainable practices by taking environmental factors into account when providing financing support for investments in infrastructure and equipment. We encourage the OECD Participants Group to develop common environmental guidelines for all Export Credit Agencies (ECAs) as expeditiously as possible. In the interim, we will take actions immediately to ensure that our ECAs have access to the necessary technical expertise to develop appropriate environmental guidelines, and once guidelines have been agreed upon, the authority and capability to comply fully with them.

Freshwater

19. We recognize that as populations increase, demands on freshwater grow. Increased human, industrial and agricultural wastes can diminish water quality, with adverse effects for human health and safety, particularly for children. We have asked our officials to make recommendations to us prior to next year's Summit on how bilateral and multilateral assistance can most effectively alleviate freshwater problems in developing countries, particularly water management, sanitation, and other impacts on children's health.

ON-GOING GLOBAL AGENDA

20. In the course of our last several Summits, we committed our governments to ambitious, ongoing agendas for confronting the global problems of transnational crime, terrorism, nuclear safety, and nonproliferation. We also took steps to encourage the United Nations to broaden and deepen its reform process so as better to meet the objectives of its charter.
We have sustained these initiatives by increasing cooperation

among our own governments and with existing international institutions, rather than by creating new bureaucracies. In the past year additional elements of these agendas have been implemented, and new steps agreed upon.

Transnational Crime

21. We have actively worked to implement the forty recommendations agreed upon at Lyon. By taking action within our own borders and with one another, we have developed measures to bring criminals to justice through legal assistance and extradition, to keep our borders secure through strengthened document security and alien smuggling standards, to protect our people from illegal trafficking in firearms, and to adapt to new threats through new efforts on high tech crime. In the coming year, we will advance these efforts, particularly our response to new trends in transnational organized criminal activity, with a special focus on crimes involving growth in computer and telecommunications technology.

Terrorism

22. We repeat our condemnations of terrorism in all forms, irrespective of motive. Last year, our Ministers adopted twenty-five recommendations to combat terrorism. We have worked together on many of these recommendations, including: drafting and negotiating a UN convention on terrorist bombing; promoting improved international standards for airport security, explosives detection, and vehicle identification; promoting stronger laws and export controls on the manufacture, trade and transport of explosives; calling upon all states to promote the use of encryption technologies as a legal and effective means of preventing and investigating terrorist and criminal acts.

23. We have instructed our Ministers to elevate diplomatic efforts to ensure that all states adopt and ratify the ten international counterterrorism conventions by the year 2000. We have instructed our officials to take additional steps: to exchange information on technologies to detect and deter the use of materials of mass destruction in

terrorist attacks; to develop means to deter terrorist attacks on electronic and computer infrastructure; to strengthen maritime security; and to develop a model security framework for international special events.

Nuclear Safety

24. We reaffirm our commitments from the 1996 Moscow Summit on Nuclear Safety and Security to give an absolute priority to safety in the use of nuclear energy.

25. We note with satisfaction the entry into force by the Nuclear Safety Convention. We welcome the imminent adoption by the International Atomic Energy Agency of a new Supplementary Funding Convention on nuclear liability called for at the Moscow Summit. This convention will create a global liability regime which removes legal barriers to international safety cooperation and provides for increased compensation for future victims of nuclear accidents. Each of our governments will give early consideration to ratification and take a leadership role to enable the Convention to be brought into force before the year 2000.

United Nations Reform

26. We welcome Secretary General Kofi Annan's reform proposals and look forward to their rapid implementation and to additional proposals. We commit ourselves to working with all UN members to realize these reforms.

27. The UN system must be placed on a firmer financial footing; through full and timely payment of obligations and a more logical and equitable scale of assessments that reduces the UN's dependence on any single country. Peacekeeping assessments should be capped at 25%. Budgets must be stabilized or reduced with some savings shifted to programs. Robust oversight mechanisms and sound personnel policies are critical.

28. The diverse challenges of economic and social development require the UN to coordinate the

policies of its various agencies more effectively. To this end, the UN's Economic and Social Council (ECOSOC) should strengthen its policy and coordination role for UN operational development programs through improved collaboration with the Bretton Woods international financial institutions, effective development coordination at the headquarters and field levels, and consideration of streamlining ECOSOC subsidiary bodies. An executive committee would help improve policy management of ECOSOC.

29. We welcome the recent reforms at UNCTAD and in the regional commissions in Europe, Asia, and Latin America, and hope these efforts will continue. We also support ongoing efforts in the Economic Commission for Africa to make it more relevant to pressing regional requirements.

30. We urge a thorough review of the UN's development funds and programs, including a system-wide review of the development roles and mandates of specialized agencies and commissions with significant development-related activities. We welcome the Secretary General's recommendations for how the various funds and programs can be better coordinated and integrated with one another, both in recipient countries and at UN headquarters. Improved integration and coordination is particularly urgent for the work of the UN in Africa.

POLITICAL/REGIONAL ISSUES

DEMOCRACY

31. Recent years have seen an unprecedented growth of democracy worldwide. Young democracies can be fragile and short-lived, however. We have a responsibility and opportunity to strengthen democratic values where they have taken hold and extend their reach where they have not.

32. Recognizing that strengthening democracy is essential to strengthening peace, we will work together in the coming year to build on our governments' most effective democracy

programs. Our efforts will focus on strengthening civil society, expanding women's political participation, boosting business and labor support for democracy, and promoting good governance and the rule of law in transition democracies. We will work in partnership with non-governmental organizations and with the Development Assistance Committee of the OECD. We also will consider common efforts for moving toward democracy where it does not now exist. We have requested our Ministers to report progress in this area and to make recommendations for consideration at our next Summit.

33. Democracy, economic growth and development cannot reach their full potential where corruption flourishes. We will actively work to eliminate the cross-border payment of bribes to government officials. We call on all countries, particularly OECD members, to take immediate action to criminalize and to eliminate the tax-deductibility of overseas bribes in commercial transactions.

AFRICA

34. At Lyon we called for a Partnership for Development, noting both that developing countries have a fundamental responsibility for promoting their own development, and that developed countries must support these efforts. We paid particular attention to the problems of Sub-Saharan African countries, many of which continue to face unusually severe challenges. We have extended our discussion of these challenges and how we can help meet them. We reaffirm the interest of the entire world in making Sub-Saharan Africa a full participant in the expansion of global prosperity.

35. We are encouraged by the adoption of democratic reforms in many Sub-Saharan countries. Since 1990, more than twenty African nations have held free and fair elections. Democratic governance, in Africa as elsewhere, lays the foundation for human rights, including the rights of women, the rule of law, and economic development. We commend those African nations that have set an example by undertaking democratic reforms, and will pay particular attention

to Africa in our efforts to promote democracy.

36. Effective and accountable governance is critical both to economic development and to strengthening democracy. We urge African countries to improve transparency of government procurement and will provide technical assistance to those countries that wish to develop national anti-bribery certification programs in their government procurement regimes.

37. We recognize that development assistance will continue to play an important role in alleviating poverty and promoting sustainable development in Africa. But development assistance cannot overcome bad policies. It is therefore essential that we work with African countries to ensure adequate and well targeted assistance for those countries which have the greatest need and which can use the assistance most effectively.

38. Increased prosperity ultimately depends upon creating an environment for private-sector led growth and successful integration into global markets. We are encouraged by the increasing number of Sub-Saharan countries that have adopted growth and market-oriented economic policies, including trade liberalization and investment climate improvement.

We will support further opening of African trade and investment regimes by working to provide enhanced access to our markets for the exports of those Sub-Saharan countries that are undertaking the most significant liberalizing initiatives in their markets.

We will support strengthening assistance to African nations which have further opened their markets.

We will review our own bilateral aid and trade promotion programs to ensure that they support climates conducive to economic growth and private investment. This includes efforts to promote democratic governance, sound public administration, infrastructure development, rural development, food security and the health and education of African peoples.

39. We welcome the United Nations' Initiative for Africa, and will work with the Secretary General, UN agency heads and African members to ensure its effectiveness. The UN Development Program's decision to allocate a portion of its resources based on program quality and country performance is a useful approach to assuring effectiveness, and we urge it be adopted more broadly in the UN's work in Africa.

40. Political stability and economic prosperity are furthered by effective local peacekeeping and conflict management capacities. To promote rapidly deployable African peacekeeping capacities, we will support the creation of a joint coordinating body, comprised of contributing African countries, appropriate subregional bodies, donors, the Organization of African Unity, and the United Nations. That body will coordinate training, joint exercises and equipment contribution, establish common peacekeeping doctrine, and ensure interoperability. We also call for the expanded utilization of the existing UN Trust Fund for African peacekeeping and conflict prevention; increased donor commitments to the OAU, Southern Africa Development Community (SADC) and other subregional bodies with specialized mechanisms for conflict mediation; and increased donor support to the UN/OAU Special Envoy to the Great Lakes.

NONPROLIFERATION AND ARMS CONTROL

41. Since the Moscow Summit on Nuclear Safety and Security, we have taken important steps to combat illicit trafficking in nuclear materials. We will expand participation in this program to include countries in Central and Eastern Europe, and in Central Asia. We will continue our cooperation in the safe management and disposition of material no longer required for defense purposes. To this end, we will pursue small-scale demonstrations of technologies.

42. We also have worked together to advance and strengthen the international nonproliferation regime. The Comprehensive Test Ban Treaty was an historic

milestone in these efforts, and
we call upon all states to sign and ratify it rapidly. We
applaud the entry into force on April 29
of the Chemical Weapons Convention, a major step in our
collective effort to make the world
safe from the threat of chemical weapons, and we call on all
states that have not yet ratified
it to do so. Consistent with our strong support of the NPT, we
welcome the IAEA's recent
adoption of a safeguards strengthening program. We urge active
negotiations on a fissile
material cutoff treaty. We reaffirm our strong support for
agreements that make up the
international export control regimes.

43. We welcome the progress on strategic arms control made at
Helsinki in May, and look
forward to the early entry-into-force of the START II agreement
and the initiation of
START III negotiations.

44. We endorse unequivocally efforts by the UN Special Commission
and the International
Atomic Energy Agency to eliminate weapons of mass destruction
capabilities in Iraq and to
implement fully all UN Security Council resolutions related to
that country. We reiterate our
call for all States to avoid any cooperation with Iran that might
contribute to the acquisition of
a nuclear weapons capability or enhance its chemical, biological,
or missile capabilities. We
reaffirm our support for implementing the Agreed Framework, to
freeze and dismantle North
Korea's nuclear program. We welcome the emerging high-level
dialogue between India and
Pakistan. We encourage both countries to exercise restraint in
their nuclear and missile
programs, and to bring their activities into conformity with
international non-proliferation
norms. We also encourage them to adhere to the CTBT so that it
can enter into force.

Antipersonnel Landmines

45. The proliferation of anti-personnel landmines continues to
cause thousands of deaths and
injuries, especially to civilians, many of them children. Last
year we committed ourselves
to spare no effort in securing a global ban on these weapons. To
that end, we take note of

the important efforts to achieve these goals at the Conference on Disarmament and through
the "Ottawa Process." Acting together, we secured overwhelming approval for a UN
General Assembly resolution, calling for "an effective, legally-binding international
agreement to ban the use, stockpiling, production and transfer of anti-personnel landmines
with a view to completing the negotiation as soon as possible." We welcome the bans,
moratoria, and other restrictions on anti-personnel landmines unilaterally declared by States.
All States should adhere to the strengthened Protocol on Mines, Booby Traps and Other
Devices. We encourage our scientists and engineers and those of other countries around the
world to develop technological solutions to mine detection and clearance, and for nations to
strengthen their support for humanitarian demining and assistance to mine victims.

Next Summit

46. We have accepted the invitation of the Prime Minister of the United Kingdom to meet in
Birmingham next year.

ATTACHMENT FILE DATE 8 May 97 18:44

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Confronting The Economic And Financial Challenges of The 21st Century
Denver Summit Statement by Seven

INTRODUCTION

1. We, the Heads of State and Government of seven major industrial democracies, and the
President of the European Commission, have met in Denver to discuss the challenges which
we face in economic, financial and other areas as we approach

the 21st Century.

2. Our goal is to ensure that our economic and financial institutions and policies are appropriate to meet the challenges that the 21st Century will bring. Key objectives are to promote growth, create jobs, and ensure low inflation. Financial stability is a crucial underpinning of economic growth and prosperity, and we must continue our work in promoting it. We also commit ourselves to continue our part of the development partnership undertaken at Lyon to support the efforts of all regions of the world to become fully integrated into the global economic and financial system.

FOSTERING GLOBAL GROWTH AND STABILITY

Macroeconomic ProspectsThe following section on country macroeconomic conditions is virtually identical to the April 27th G-7 Finance Ministers' Statement. Text is bracketed pending decision on whether Heads will discuss individual countries' situations; if so, some parts may require up-dating.

3. In our continuing effort to cooperate in support of global economic growth and prosperity, we examined the outlook for the G-7 economies and exchanged views on policy requirements. In the G-7 economies, maintaining or achieving sustained balanced expansion remains the key objective. We noted that many indicators are positive. Inflation remains low, and growth continues at a solid yet sustainable pace in some countries and is increasing in others. Moreover, fiscal action in many countries is reducing budget deficits and putting public finances on a more solid footing than has been observed in many years. With moderate growth, low inflation and improved fiscal positions, interest rates have generally declined over the past several years.

4. Yet challenges remain. Not all countries have yet seen a satisfactory recovery in job growth, and more needs to be done in some cases to improve structural performance and to restore sound long-term fiscal positions. Continued

attention to ensuring the soundness
of the financial system remains important in some countries.
[Most countries also face
distinctive problems related to their special circumstances,
requiring solutions suited to
their distinctive needs.

ù North America. The United States has been on a long upward
growth path, with a
marked fall in unemployment attributable both to the
long-lasting recovery and to a
dynamic labor market. It is important to remain watchful to
avoid a resurgence of
inflation and to continue the process of budget deficit
reduction as part of an effort to
increase national savings. In Canada, on the other hand,
growth was sluggish until the
second half of 1996, and considerable slack remains in the
economy. Employment and
output growth now appear to be strengthening in response to a
substantial easing in
monetary conditions made possible by the impressive progress
made on fiscal
consolidation and continued low inflation.

ù Japan. Japan has the objective of achieving a strong
domestic demand led growth and
avoiding a significant increase in the external surplus.
Further structural reforms, including
broader deregulation initiatives and appropriate fiscal
structural reforms, are important over
the medium term to revitalize the Japanese economy further.

ù Europe. In continental Europe the principal task is to
reduce persistently high
unemployment, which has serious consequences for growth, public
finances, and for
society as a whole. In addition to maintaining an appropriate
macroeconomic policy
stance, attention must be concentrated on implementing
structural reforms to reduce
barriers to job creation, reduce the role of government in the
economy and reform tax
systems. The economic situation in the United Kingdom is more
like that of the United
States, with a need to remain watchful of inflation and
maintain fiscal consolidation.]

RUSSIA'S INTEGRATION INTO THE GLOBAL ECONOMY

5. Our governments welcome the new round of Russian economic reform launched this year to promote sustained growth. Russia's plans for fundamental tax reform are essential to put that country's fiscal situation on a sound footing. We fully agree with Russia's intention to pursue this year structural reforms to improve the investment environment, promote competition, fight crime and corruption, and strengthen the social sector. In this context, full implementation of Russia's EFF program with the IMF is critical. In addition, we encourage Russia to deepen and expand its relations with the World Bank, involving both increased lending and guarantees, to support this formidable structural reform agenda.

6. We also strongly support Russia's entry into international economic fora as its economic system converges with that of the global market economy. In particular, we will work with Russia on reaching agreement on the conditions of its entry into the Paris Club with the goal of Paris Club membership for Russia in 1997. We support the goal of Russian accession to the WTO in 1998 and will support its efforts to meet WTO membership requirements.

SUPPORTING GROWING GLOBAL TRADE IN GOODS AND SERVICES

7. Trade and investment are essential to increased prosperity, sustainable economic growth and job creation. Globalization will only be sustainable if all workers enjoy the benefits of the resulting economic gains. We welcome the successful outcome of the WTO's first Ministerial Conference in Singapore in December, and the important trade agreements covering $1 trillion in information technology goods and telecommunications services achieved earlier this year. We commit ourselves to working constructively towards the conclusion this year of an MFN-based financial services agreement in the WTO that achieves significantly improved market access and national treatment commitments from a broader range of countries. We attach a high priority to

expanding the membership of the WTO on the basis of commitments to adhere to WTO rules and to provide commercially meaningful market access.

8. Support for further liberalization requires full and effective implementation of the Uruguay Round Agreements. We endorse the program of work already assigned to the WTO by these agreements and at Singapore. Additionally, we urge the early identification and pursuit of selected initiatives to further open markets and expand trade in selected sectors. The development of electronic commerce has the potential to yield great benefits to all our citizens. To do so, it must be able to grow in a stable, rule-based environment based on market principles. We have directed our officials to work with the OECD, WTO, and other appropriate international organizations to prepare a work program for negotiating agreements in pursuit of this end.

Customs Standardization

9. In Lyon we initiated an effort to standardize and simplify customs procedures. We urge that our customs experts complete their work in the next year and report to us at our next meeting on their efforts to standardize both the data required by customs administrations to carry out their responsibilities and the form in which data are to be reported electronically, and to reduce data requirements to a minimum consistent with effective administration of customs responsibilities.

STRENGTHENING THE STABILITY OF THE GLOBAL FINANCIAL SYSTEM

10. International financial markets are undergoing rapid changes, becoming increasingly global and complex. This presents new opportunities that can lead to increased efficiency in the functioning of the international financial system. At the same time, the changes present new challenges -- to consumers, to investors, and to the markets themselves. Beginning in Halifax and continuing through Lyon, we have encouraged financial regulators

to take measures to deal effectively with possible systemic or contagion risks and foster financial stability without stifling financial innovation or undermining the benefits of liberalization and competition.

11. In response to our call in Lyon, national supervisors and international regulatory bodies have developed concrete proposals for enhancing cooperation in the supervision of internationally-active financial institutions on an on-going basis and in emergency situations which will help the regulatory framework reflect market developments. Supervisors have developed tools to improve risk management procedures and strengthened firms' disclosure practices. G-10 Central Banks have taken steps to reduce settlement risk in foreign exchange transactions and, together with IOSCO, in securities settlement systems.

12. The Working Party on Financial Stability in Emerging Market Economies, comprised of representatives from the G-10 countries and emerging market economies, has outlined a concrete strategy to assist emerging economies in strengthening their financial systems. The Basle Committee, in cooperation with emerging economies, developed a set of "Core Principles for Effective Banking Supervision," which will contribute significantly to the adoption of improved prudential standards worldwide. In addition, the G-10 Working Party on Electronic Money agreed on a set of broad objectives and key considerations to help guide national approaches to emerging electronic payment technologies.

13. Promoting financial stability is an ongoing process to which we attach great importance. We have directed our Finance Ministers, in consultation with the relevant institutions and bodies, to report prior to the next Summit on progress implementing these proposals.

EXTENDING GLOBAL GROWTH AND STABILITY TO DEVELOPING REGIONS

Development Policy

14. We strongly reaffirm our close partnership with developing countries, the private sector, and the multilateral financial institutions in pursuit of sustained and equitable global economic growth and development. We remain committed --through this partnership and our individual efforts -- to meeting the interrelated challenges of eradicating deep-seated poverty, investing in human potential and dignity, and building on the clear lessons and major achievements of the past decade.

15. The defining principles of this partnership are: maintaining a sound global financial system, open trade and investment regimes, and sustained and balanced growth in the industrialized countries; focusing development assistance on priority investments in the human resources that are the ultimate source of self-sustaining economic growth and development; and selectivity in directing this assistance to countries committed to sound, market-oriented policies, transparent and accountable government, and the basic rights of individuals.

16. We particularly commit ourselves to act as partners with those Sub-Saharan African countries adopting the farthest reaching economic reforms. In particular, we call upon the international financial institutions to develop more fully by the fall IBRD/MF annual meetings enhanced financial and technical assistance to support those countries' market opening, as well as deep multilateral debt reduction under the HIPC initiative for qualifying countries; take steps to reduce and where possible extinguish bilateral concessional debt for the poorest; and cooperate in the transfer commodity assistance to Sub-Saharan Africa with a view to ensuring that such assistance focuses on the poorest countries undertaking bold reforms, and that the transfer of such assistance occurs through market-oriented means.

17. With the rapid evolution of international financial markets, the dramatic growth of

private sector investment flows, and the increasing disparities within the developing world, the role of the international financial institutions has never been more challenging, nor their leadership in key areas more important. It is therefore essential for the institutions themselves -- the World Bank, the International Monetary Fund (IMF), and the regional development banks -- to adapt their operations and sharpen their focus.

International Financial Institution Reform Agenda

18. We welcome the World Bank's commitment to a new direction under President Wolfensohn's Strategic Compact to increase the impact and effectiveness of Bank programs; develop strong new partnerships with the private sector; and focus operations on countries genuinely committed to sound policies and the welfare of all their citizens.

19. We note the critical role that the IMF plays in helping to steer the international financial system and to manage shocks to it. In this context, we recognize the policy reforms adopted in recent years and underline the importance of maintaining the momentum for reform in the Fund to ensure that the institution continues to be an effective and relevant force in the evolving global economy. We place particular importance on enhancing long-term growth potential through market-opening measures which have been an important part of many IMF programs. Amending the IMF Articles to make promotion of capital account liberalization a specific purpose of the Fund, and to give the Fund flexible, appropriate and carefully defined jurisdiction in promoting freedom of capital flows, will enable the IMF to adapt to new challenges in global capital markets.

20. Increasing the IMF's capacity to prevent financial crises through enhanced surveillance and greater emphasis, within its mandate, on banking and financial sector problems that could have significant macroeconomic implications, will aid in promoting good governance and transparency of policies in both program and non-program

members. Equally, assuring
appropriate transparency in Fund operations, while paying careful attention to
administrative expenses, will aid in maintaining and improving the Fund's own
effectiveness.

21. Recognizing the importance of ensuring that the IMF continues to have adequate
resources to fulfill its responsibilities for the international monetary system, we look
forward to further progress by the IMF Executive Board under the Eleventh General
Review of quotas. We also welcome continued progress toward a proposed amendment
of the IMF Articles to provide for an "equity" allocation of Special Drawing Rights, and
look forward to the IMF Executive Board's finalization of work on this as soon as
possible.

Debt Relief

22. We are pleased with the substantial progress that has been made in implementing the
new debt initiative for heavily indebted poor countries (the HIPC debt initiative). The IMF
and World Bank have established specific mechanisms for the provision of debt relief, have
transferred initial funds for this purpose, and have coordinated closely with other multilateral
institutions to assure their participation. The Paris Club has also demonstrated its
commitment to participate fully in this initiative on the basis of fair burden sharing. We
urge all parties to move forward with a commonality of purpose in implementing this
initiative.

23. We welcome recent decisions within the IMF and World Bank Executive Boards on
relief for initial countries and urge timely commitments by other creditors. The success of
the new initiative relies on strong debtor reform programs in combination with deep debt
relief. To increase the prospects for successful reform and debt sustainability, we urge all
creditors to provide relief throughout the interim period between decision and completion
points.

CORRUPTION AND FINANCIAL CRIME

24. We urge the IMF and the multilateral development banks to strengthen and expand, within their own areas of responsibility, their activities to help countries fight corruption, including measures to ensure the rule of law, improve the efficiency and accountability of the public sector, and promote good governance. We note with satisfaction the decisions by the OECD Ministers in May to urge implementation of last year's Recommendation to eliminate tax deductibility of bribes of foreign officials and mandate that member states move ahead with legislation to criminalize bribery.

25. We welcome the steps that the World Bank has taken to improve the transparency and openness of its procurement process. We urge the regional development banks to collaborate with the World Bank to establish uniform procurement standards modeled on those of the World Bank, including the use of standard documents, end ensure strong headquarters oversight of all facets of the procurement process.

26. International financial fraud remains a growing problem. At Lyon, we committed to continue to seek ways of facilitating the exchange of information on cases involving serious financial crime and regulatory abuse. We reaffirm this commitment, in accordance with our own domestic legal systems, and pledge to increase the anti-crime and anti-corruption content of our existing bilateral and multilateral programs of technical assistance in the areas of money laundering, customs clearance, revenue collection, and commercial law development.

27. Extending the FATF Mandate until 2004. (Sherpas have asked that FATF Steering Group prepare language at May 13 meeting).

NUCLEAR SAFETY

28. We have made significant progress in implementing the 1995 Memorandum of

Understanding with Ukraine on Chornobyl Closure. To date, projects have been agreed totaling over $1 billion. We reaffirm our commitment to assist Ukraine in mobilizing funds for energy projects to help meet its power needs in 2000 and beyond after Chernobyl's closure. We pledge $300 million for a new project to help Ukraine protect its public and environment from the deteriorating of the Chornobyl sarcophagus. We call upon concerned governments and other donors to join us at a special pledging conference this fall to ensure full implementation of this project.

29. We will renew for another year the mandate of the Nuclear Safety Working Group. This Group has served as an effective vehicle to coordinate our nuclear safety assistance policy and to advance the nuclear safety objectives agreed upon at the Moscow Summit.

MSMail

DATE-TIME	09 May 97 14:28
FROM	Antholis, William J.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	[UNCLASSIFIED]
TO	Davies, Glyn T. Millison, Cathy L.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	attached is tasker and sample. [[TSKR2.DOC : 3609 in TSKR2.DOC]][[EXMPLE.DOC : 3610 in EXMPLE.DOC]]
ATTACHMENT FILE DATE	9 May 97 13:52
ATTACHMENT FILE NAME	TSKR2.DOC

May 9, 1997

MEMORANDUM FOR WILLIAM BURNS -- Department of State
BENJAMIN NYE -- Department of Treasury
CLAUDIA COOLEY-- Department of Health and Human Services
WILLIAM NITZE -- Environmental Protection Agency
MICHELE JOLIN -- Council of Economic Advisors
MARGARET SULLIVAN -- U.S. Trade Representative

FROM: Glyn Davies, Executive Secretary
National Security Council

SUBJECT: Request for Briefing Materials for Upcoming Denver Summit Sherpa Meeting

To prepare Mr. Tarullo's briefing book, we would appreciate briefing papers and

talking points on the topics listed on the following page for the Denver Summit Sherpa
meetings to be held in Washington and at Airlie House, on May 22-24. Papers should
state explicitly and concisely desired outcomes -- i.e., how will things be different as a
consequence of the Denver Summit. They should also highlight problems -- real or
potential -- in the way of achieving these goals. Other countries' positions or priorities,
as evidenced in papers submitted and in their responses to our draft Communique
and/or Statement, should also be noted along with a brief description, where
applicable, of advances since the last Sherpa meeting.

Papers should be single-spaced and no more than two pages in length. They
should begin with no more than four key points:

(1) desired Summit outcome;
(2) desired Airlie House outcome, if different than (1), above;
(3) potential problems; and
(4) progress since the last Sherpa meeting.

Please submit briefing materials by COB Friday, May 16, cleared through
appropriate agencies and NEC. Please submit both hard copy and diskette (in either
Microsoft Word or WordPerfect format). Any questions should be addressed to the
Denver Summit Task Force (456-9288).

Terminology Note: For consistency, all general references should be to "the
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Topics at Eight: Agency lead w/ clearance:

SMEs' Job Creation CEA w/ Treasury, SBA, Commerce
Aging HHS w/ CEA, Treasury, State
Childrens' Health EPA w/ CEQ
Globalization Treasury w/ State

Global Issues:
Infectious Diseases OSTP w/ HHS, State, DPC
AIDS Vaccine HHS w/ OSTP, HHS, State,
DPC

Environment:
UNGA Special Session State w/ CEQ
UN Institutions State w/ Treasury
Climate Change State w/ CEQ, Treasury
Forests State w/ CEQ
ECA Standards Treasury w/ ExIm, EPA, CEQ, State
Fresh Water State w/ Treasury, CEQ
Other Countries' Proposals State w/ Treasury

On-Going Global Issues:
Transnational Crime State w/ NSC, DOJ, Treasury
Terrorism State w/ NSC, DOJ,
Treasury
Nuclear Safety: Russia State w/ NSC, Treasury,
DOE
UN Reform State w/ NSC, Treasury

Political/Regional Issues:
Democracy State w/ NSC, AID, Treasury,
USIA
Africa
Development State w/ Treasury,
USTR, AID, NSC
Conflict Management State w/ NSC
Other Countries' Proposals State w/ NSC, Treasury
Non-Proliferation & Arms Control State w/ NSC
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Nonproliferation
Landmines
Regional Political Issues State w/ NSC
Bosnia
Zaire
Haiti
Hong Kong
Middle East Peach Process
Iran/Iraq/Libya
Other (e.g., Cyprus)

Topics at Seven: Agency lead w/ clearance:

Macroeconomics
Global/Regional (G7) Treasury
Financial Stability Agenda Treasury
Russia Economics Treasury w/ State, NSC
Taxation of Assistance Treasury w/ State
Status of SIG State w/ NSC, Treasury, AID
Trade USTR w/ State, Treasury
Customs Standards Treasury w/ State
Development Policy State w/ Treasury, AID

Africa: Econ & Financial/IFIs Treasury w/ USTR, State, AID, NSC
IFI Reforms (MDBs & IMF) Treasury w/ State
Debt Relief (HIPC) Treasury w/ State
Corruption & Financial Crimes Treasury/State
Money Laundering/FATF Treasury w/ State
Nuclear Safety: Ukraine State w/ Treasury, NSC

ATTACHMENT FILE DATE 9 May 97 14:28

ATTACHMENT FILE NAME EXMPLE.DOC
UNCLASSIFIED

SAMPLE--UNCLASSIFIED--SAMPLE
SAMPLE--UNCLASSIFIED--SAMPLE
- -

UNCLASSIFIED
SAMPLE-SAMPLE-SAMPLE
(with apologies to State/OES)

INTERNATIONAL ENVIRONMENT/SUSTAINABLE DEVELOPMENT INSTITUTIONS

Key Points:

□ Want Denver to send a strong statement that the Eight want to reform environmental institutions. In particular, UNEP reform is critical so that it can better monitor environmental change and integrate policy across a range of issues and international
agreements.
□ Need to press Summit partners at Airlie to agree to a visible,
active, operational role for the Eight in making sure that reform happens.
□ Should try to balance desire of some countries to push for a more drastic reworking of UN environmental institutions against
those who think action will offend developing countries.
□ Our draft of the communiqu, text reflects conversations had with other Sherpas and other environment directors in response to the Nairobi meeting, and follows up on your note to Sherpas about the next steps forward.

Background:

The Lyon Summit committed the Eight to reforming the UN's weak and fragmented institutions responsible for the environment and
sustainable development. The Denver Summit should clarify the respective roles of these institutions and, in particular, should
call for major reform and restructuring of UNEP.

Desired Denver Outcome:

The Denver statement should clarify the roles of UNEP and the CSD, recognizing their lead roles in the development, respectively, of environmental and sustainable development policies. Now that we have a commitment to reform UNEP before the
organization is no longer salvageable, the Eight needs to take a
more active, operational role in following up on a series of measures, including:

- Finding the best possible leaders and managers to take the organization into the next century. Press the Cephalonians for their ideas on this.
- Revising UNEP's governance structure so it can receive policy guidance in between the biennial meetings of the Governing Council.

- Redefine UNEP's mandate so that it does not take on activities more appropriate to other bodies (e.g. capacity building, which should be handled by UNDP). We should seek an agreement from the Eight to report back at the UNGA this fall.

Goals for Airlie House

Airlie will be a good opportunity to address most of these issues. The Phoenicians care a great deal about this issue, and
are likely to want to engage their ministries on this. See if the
Phoenicians will talk to the Spartans about this issue -- which
will be critical to moving the entire block of developing countries to our way of thinking.

Addressing the policy coordination aspects of UNEP will require a
little more thought. You should suggest that we will present a
proposal two weeks before Denver about how we might focus a

set of
key priority issues.

Potential Problems

The Cretans have expressed a desire for an ambitious overhaul
of
the UN environmental system. You should ask them how the
expect
to pay for this, and which environmental institutions they
would
fold into it or shut down. The Cephalonians, on the other
hand,
will be reluctant to force their former colonial nations into
any
reform, so you'll need to convince them that this medium term
approach holds ultimately holds the best chance for success.

Progress Since the Last Sherpa Meeting

At the last Sherpa meeting, we have a clearer sense of what is
practical and desirable on this issue. Your letter suggesting
a
more operational approach toward this issue met positive
reactions
from several countries. The more lukewarm response of others
was
based in the fact that it was written in ancient Greek, which
several countries were not able to translate in time.

MSMail

DATE-TIME	14 May 97 20:28
FROM	Antholis, William J.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	side by sides [UNCLASSIFIED]
TO	Brown, Nancy E. Carter, Jacqueline F. Davies, Glyn T. Friedrich, M. K. Harmon, Joyce Helweg, M. Diana Hilliard, Brenda I. Joshi, M. Kay Kerrick, Donald L. Millison, Cathy L. Poole, Jennifer C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

here is the communique side by side

pls circulate to staff as a reference. it will be up to the various sous sherpas/pol dirs to redraft their sections.

cheers

[[0514TSKR.DOC : 5192 in 0514TSKR.DOC]]

ATTACHMENT FILE DATE	14 May 97 9:57
ATTACHMENT FILE NAME	0514TSKR.DOC

UNCLASSIFIED
UNCLASSIFIED

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MEMORANDUM FOR

MR. WILLIAM J. BURNS
Executive Secretary
Department of State

MR. J. BENJAMIN NYE
Executive Secretary
Department of the Treasury

MS. CLAUDIA COOLEY
Executive Secretary
Department of Health and Human Services

MR. FRED MONTGOMERY
Assistant USTR for Policy Coordination
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Request for Materials for the President's Briefing Book
for Denver Summit of the Eight, June 20-22.

Glyn T. Davies
Executive Secretary

Attachment
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Social and Economic Issues
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SMEs CEA w/ Treasury, SBA,
Commerce
1997 Global Agenda
Environment State w/ CEQ, EPA, Treasury
Infectious Diseases OSTP w/ HHS
Ongoing Global Agenda State w/ DOJ, NSC, Treasury,
Energy
Crime, Terrorism, UN,
Non-proliferation
Political Issues
Democracy State w/ AID, USIA, Treas.,
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Russia and Ukraine State w/ Treasury, NSC
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Others' Proposals State w/ Treasury

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MSMail

DATE-TIME	14 May 97 20:29
FROM	Antholis, William J.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	[UNCLASSIFIED]
TO	Pascual, Carlos E.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

carlos

thought you might be interested in a side-by-side look at who's saying what.

also, lets try to chat tomorrow.

bill

[[0514TSKR.DOC : 5146 in 0514TSKR.DOC]]

ATTACHMENT FILE DATE	14 May 97 9:57
ATTACHMENT FILE NAME	0514TSKR.DOC

UNCLASSIFIED
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MEMORANDUM FOR

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UN Institutions State w/ Treasury
Climate Change State w/ CEQ, Treasury
Forests State w/ CEQ
ECA Standards Treasury w/ ExIm, EPA, CEQ, State
Fresh Water State w/ Treasury, CEQ, AID
Others' Proposals State w/ Treasury

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UN Reform State w/ NSC, Treasury

Political/Regional Issues:
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Africa
Economic and Trade State w/ Treasury, USTR, AID, NSC
Conflict Management State w/ NSC
Others' Proposals State w/ NSC, Treasury
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Arms Control State w/ NSC
Nuclear Security
Nonproliferation
Landmines
Regional Political Issues State w/ NSC
Bosnia
Zaire
Haiti
China/Hong Kong
Middle East Peace Process
Iran/Iraq/Libya

Others' proposals

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Global/Regional (G7) Treasury
Financial Stability Treasury
Russia Economics Treasury w/ State, NSC
Taxation of Assistance Treasury w/ State
Status of SIG State w/ NSC, Treasury, AID
Trade USTR w/ State, Treasury
Customs Standards Treasury w/ State
Development Policy State w/ Treasury, AID
Africa: Econ & Financial Treasury w/ USTR, State, AID, NSC
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MSMail

DATE-TIME	14 May 97 21:01
FROM	Davies, Glyn T.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	CFW: side by sides [UNCLASSIFIED]
TO	Millison, Cathy L.
CARBON_COPY	NO CC's on THIS MESSAGE

TEXT_BODY

Cathy: Pls circulate to all geographic and functional directorates for their info Tx.

From: Antholis, William J.
To: Davies, Glyn T.; Helweg, M. Diana; @EXECSEC - Executive Secretary
CC: /R, Record at A1
Subject: side by sides [UNCLASSIFIED]
Date: Wednesday, May 14, 1997 08:28 PM

[[0514TSKR.DOC : 5408 in 0514TSKR.DOC]]

here is the communique side by side

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cheers

ATTACHMENT FILE DATE	14 May 97 9:57
ATTACHMENT FILE NAME	0514TSKR.DOC

UNCLASSIFIED
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MEMORANDUM FOR

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MR. J. BENJAMIN NYE
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DATE-TIME 14 May 97 21:15

FROM Davies, Glyn T.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: [UNCLASSIFIED]

TO Millison, Cathy L.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Cathy: Can you prepare this? If it is too messed up, can you work with Antholis' office so that they put in the right format? Tx.

From: Antholis, William J.
To: Davies, Glyn T.; Friedrich, Mary K.; Millison, Cathy L.; @EXECSEC - Executive Secretary
CC: /R, Record at A1
Subject: [UNCLASSIFIED]
Date: Wednesday, May 14, 1997 09:59 AM

[[0514TSKR.DOC : 5450 in 0514TSKR.DOC]]

here's the tasker. still not sure its in the right format.

ATTACHMENT FILE DATE 14 May 97 9:57

ATTACHMENT FILE NAME 0514TSKR.DOC

UNCLASSIFIED
UNCLASSIFIED

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UNCLASSIFIED

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Topics at Eight: Agency lead w/ clearance:

SMEs and Job Creation CEA w/ Treasury, SBA, Commerce
Aging HHS w/ CEA, Treasury, State
Childrens' Health EPA w/ CEQ
Globalization Treasury w/ State

Global Issues:
Infectious Diseases OSTP w/ HHS, State, DPC
AIDS Vaccine HHS w/ OSTP, HHS, State, DPC

Environment:
UNGA Special Session State w/ CEQ
UN Institutions State w/ Treasury
Climate Change State w/ CEQ, Treasury
Forests State w/ CEQ
ECA Standards Treasury w/ ExIm, EPA, CEQ, State
Fresh Water State w/ Treasury, CEQ, AID
Others' Proposals State w/ Treasury

On-Going Global Issues:
Transnational Crime State w/ NSC, DOJ, Treasury
Terrorism State w/ NSC, DOJ, Treasury
Nuclear Safety: Russia State w/ NSC, Treasury, DOE
UN Reform State w/ NSC, Treasury

Political/Regional Issues:
Democracy State w/ NSC, AID, Treasury, USIA
Africa
Economic and Trade State w/ Treasury, USTR, AID, NSC
Conflict Management State w/ NSC
Others' Proposals State w/ NSC, Treasury
Non-Proliferation
Arms Control State w/ NSC
Nuclear Security
Nonproliferation
Landmines

Regional Political Issues State w/ NSC
Bosnia
Zaire
Haiti
China/Hong Kong
Middle East Peace Process
Iran/Iraq/Libya
Others' proposals

Topics at Seven: Agency lead w/ clearance:

Macroeconomics
Global/Regional (G7) Treasury
Financial Stability Treasury
Russia Economics Treasury w/ State, NSC
Taxation of Assistance Treasury w/ State
Status of SIG State w/ NSC, Treasury, AID
Trade USTR w/ State, Treasury
Customs Standards Treasury w/ State
Development Policy State w/ Treasury, AID
Africa: Econ & Financial Treasury w/ USTR, State, AID, NSC
IFI Reforms (MDBs & IMF) Treasury w/ State
Debt Relief (HIPC) Treasury w/ State
Corruption &
Financial Crimes Treasury/State
Money Laundering/FATF Treasury w/ State
Nuclear Safety: Ukraine State w/ Treasury, NSC

Please submit briefing materials by COB Monday, June 2, cleared through appropriate agencies and NSC. Please submit both hard copy
and diskette (in either Microsoft Word or WordPerfect). Any questions should be addressed to the Denver Summit Task Force (456-9288).

Terminology Note: For consistency, all general references should be
to "the Denver Summit." Use "G-7" to refer only to issues discussed
at Seven. Use "the Eight" (as opposed to "P-8") to refer to all other discussions.

MSMail

DATE-TIME	15 May 97 18:36
FROM	Wozniak, Natalie S.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	May 15 McCurry Press Briefing [UNCLASSIFIED]
TO	Benjamin, Daniel Blinken, Antony J. Gray, Wendy Johnson, David T. LaFleur, Vinca A. Leavy, David C. Luzzatto, Anne R. Naplan, Steven J. Rubin, Eric S. Wozniak, Natalie S.
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 15, 1997

PRESS BRIEFING BY
MIKE MCCURRY

The Briefing Room

3:20 P.M. EDT

MR. MCCURRY: All right, ladies and gentlemen, today's delayed

version of the White House daily mishmash. Mr. Hunt, would you
like
to start the questions? Let me tell you a little bit about next
week. We're going to do two things for next week -- then we can
do
the budget.

First of all, on Tuesday next week, the President is going to
host
an event here related to our effort to remove people from welfare
to
work. He's following up on something he talked about in the
State of
the Union address, getting private corporations involved in
making
pledges to make employment opportunities available to those who
are
moving into the work force. And that is then followed two days
later
next week by the education town hall that we will do at the
Robert
Byrd, Jr. High School in Clarksburg, West Virginia. So in a very
real sense next week, we're talking about making those changes
that
as we prepare for a more competitive America in the 21st century,
lifting people out of welfare dependency and poverty, and
preparing
the next generations of Americans for the challenges they will
face
in the work force. Exciting week.

But by saying that, we can now put out the advisory for all the
West Virginia folks who have been asking for it.

Q What time is that meeting, the town hall meeting?

MR. MCCURRY: It's going to be around 1:00 p.m. in the afternoon.

That's next Thursday -- 1:00 p.m. It will be televised locally
up
there and he'll probably have some other event, community event
for a
larger audience while he's there, too.

Q Is that going to be just a day trip?

MR. MCCURRY: That's a day trip, yes. No overnights. I can
arrange that. (Laughter.)

Q The Tuesday event, is it a large eastern crowd, or who will you

be
inviting in?

MR. MCCURRY: It will be CEOs of five major companies that have taken it on themselves to organize the welfare to work partnership.
And then they'll be talking about what they're going to do to elicit
additional private sector assistance, in response to the President's
admonishment to the private sector that they need to be a part of the
effort to successfully implement welfare reform.

MR. TOIV: And a considerable number of other --

MR. MCCURRY: Those are the five organizers of this partnership and
there will be a large number of other businesses represented. Barry
can tell you more about who all is participating.

Q The organizers are at which companies?

MR. MCCURRY: The five that will be sort of spearheading the group
are Burger King, United Airlines, Monsanto, Sprint and UPS. There
will be a number of other representatives as well.

Now, budget update. Here's the latest from the front, from one of
our key participants. He says that our team from the White House,
led by Erskine Bowles, met with Speaker Gingrich, Majority Leader Lott this morning. They then took a break and our folks caucused with Democrats -- I think House and Senate Democrats. Maybe just Senate Democrats -- House and Senate? I forgot to ask.

Anyhow, we had a little caucus with our own, and then Mr. Bowles and company went back to work with the Speaker and the Majority Leader a short while ago. They're getting ready to probably be --
just a few moments ago and they expect they will be working a number
of hours more today.

Q Are there still 12 contentious issues or have they been reduced?

MR. MCCURRY: No, the list has been reduced. They're working

their
way through some of the outstanding issues and it's going
swimmingly.

Q In retrospect, does the President think perhaps --

MR. MCCURRY: Which means they're in deep water. (Laughter.)

Q In retrospect, does the President think perhaps it might have been
ready to get a written agreement before he came out and declared victory?

MR. MCCURRY: Absolutely not. It was important to get -- they had
good understandings, confirmed by all of these leaders in good faith,
based on their conversations. And then, as with any framework for a
budget agreement, they're now doing the hard work of codifying it.
The next step, obviously, is a set of written understandings that
will make it possible for the House and Senate budget committees to
draft a budget resolution which Congress has to act upon.

And, of course, following that, there will be all the work that the
authorizing and appropriating committees do to write legislation.

There will be fights back and forth and disagreements and haggling
over wording all the way up to the completion of the budget process.
Some of this is the normal part of the budget process, but it's
considerably easier when you start with a verbal agreement from the
leadership and the President, translate that into written
understanding, and then move on to a budget resolution and the
necessary budget legislation, which is what they're doing.

Q Mike, when your budget team stood before us that day that they
announced the deal, Gene Sperling said that the bulk of the tax cuts
would go to the middle class. Dick Gephardt this morning said, au
contrare, the bulk of the tax cuts go to the top income earners in
the country, as things now stand, and that there's going to be very

disproportionate tax cuts. How do you reconcile those?

MR. MCCURRY: Well, what they call the distribution tables won't be
done by the Treasury Department until they have actually got some specific legislative language that they're looking at, so I don't know that anyone, including Mr. Gephardt, are in a position at this
point to understand what the distributional impact of any tax code
changes would be.

We know what we have in our agreement. We've got those things that
target tax incentives and tax credits to middle income families, and
we're very confident that that is an important part of the package.
Now, how it breaks out versus some of the things the Republicans want to put in related to capital gains and others, I just -- I don't
know. I'm not -- substantively, I don't know that they are at the
point where they've agreed on those particulars yet.

Q That's not what Rubin said. He didn't talk about his own -- the budget you proposed, he said the deal that you made would show that
the bulk of the tax cuts go to the middle class.

MR. MCCURRY: And I think that remains true. That is what the agreement that they reached May 2nd requires, and they're trying to
codify that now in a way that they can demonstrate through the analysis the Treasury would do how it would affect people in different
income groups.

Q So Gephardt is wrong?

MR. MCCURRY: I don't think he's in a position to know what the distributional impact is.

Q But you're not even in a position to know because you said you don't know.

MR. MCCURRY: Look, we know what we shook hands on, and that's ultimately going to have to be in the agreement.

Q Can this deal still fall apart?

MR. MCCURRY: Only if people act in bad faith, and right now everyone's acting in good faith.

Q Is it the White House understanding that whatever the tax package
will be, it will be handled as separate legislation?

MR. MCCURRY: I think that's one of the elements that they're discussing, so I don't want to comment on that while they're most likely actively considering that issue.

Q Can you tell us what the understanding was when they shook hands?

MR. MCCURRY: I don't think as to how they would structure the legislation and when it would be presented to Congress for votes, I
don't think that was part of the agreement. It was more what would
be contained within the final structure of the agreement. But the sequencing of votes or how you would break up the bills I don't think
is something that they addressed. They may have talked about it, but I don't think that they tried to finalize any arrangements on that, partly because, obviously, some committee chairs on the Republican side felt that they have some prerogatives at stake on that
question.

Q Well, are they going down to the wire now since they have several
more hours of --

MR. MCCURRY: They're already beyond the wire because they've passed the deadline, but they're working and hope to resolve this soon.

Q Do Erskine Bowles and the others have direct contact today with Archer?

MR. MCCURRY: I don't know the answer to that. My understanding was that they saw the Speaker and the Majority Leader and presumably
some of the other Budget Committee folks that they've dealt with. I
don't know that they've dealt with any of the tax writing chairs.

Q Can they start the markup before this deal is codified?

MR. MCCURRY: They've indicated that they won't. I think the

Republican leadership has said that they want to wait until
they've
got this in hand before they try to write the resolution, but
there's
been, I think, enough contact back and forth that they could move
fairly swiftly to markup once they reach the agreements they're
attempting to reach now.

Q Mike, on the Hill today they're reviewing ValuJet and fire
suppression devices. There seems to be a variety of viewpoints
as to
when these devices need to go into aircraft -- not just new, but
refitting old aircraft. And yet, the FAA is trying to make a
rule
where you have -- with three versus five years. Passenger safety
groups want it done yesterday. Where does the White House stand
on
when they want these devices in?

MR. MCCURRY: I think we are pretty much leaving that up to the
FAA
to address, and they've done so. They've provided -- Secretary
Slater said that he understands that the FAA is moving
expeditiously
to address the requirements that they've got for airline safety.
We
have followed that because of the Vice President's role in
airline
safety questions, so we have had some contact both with
Transportation, with FAA directly. But they've got the lead on
dealing
with it.

Q But the passenger safety groups don't seem to be satisfied with
the
timetable. Are you prepared to adjust it and speed it up?

MR. MCCURRY: I'm sure the FAA will hear out their concerns and
act
appropriately.

Q Well, will the White House push the FAA?

MR. MCCURRY: We will follow their work, but we're satisfied that
it's being treated with a sufficient degree of urgency by
Secretary
Slater.

Q How do you feel about the closing down of the Washington Grand
Jury

on Whitewater?

MR. MCCURRY: I don't have any particular reaction to that. I don't know what it means, doesn't mean, or on what basis there would
be any useful comment I could make.

Q Has it closed down?

MR. MCCURRY: I don't even know that that's true. You would have to ask others who know.

Q I'm a little confused on the new Brady forum that the President talked about today in his speech. He said if you don't have proof of
residence then you can't make a purchase. But your fact sheet suggests that all you have to do is just make an affirmative statement that you live in a state. So all you have to do is just
say, I live here.

MR. MCCURRY: Come on, Barry. Barry told me he left it this way.

I'm trying to find the paper -- want me to get the cheat sheet for
you? Mr. Toiv.

MR. TOIV: They've promulgated regulations that authorize licensed
gun dealers to require specific proof of residency, like a driver's
license or utility bill, something like that to prove that you've been living in a particular place for 90 days.

Q The fact sheet says it's different for non citizens and citizens,
and suggests non citizens have to show -- citizens, all they have to
do is just make an affirmative statement. You're saying it's actually --

MR. TOIV: Well, citizens fill out a form as well and say they are
residents. But there's a stronger requirement for non citizens.

Q But the citizens have to provide proof, or can they just walk in,
say I live here, give me a gun?

MR. TOIV: Citizens have to show their residency, they have to

show
and ID.

Q Like a driver's license.

MR. TOIV: Like a driver's license, yes.

MR. MCCURRY: Not just a library card.

Q Also a question on the President's financial statement that you released today -- all those gifts that he received, does he keep those gifts, or does -- I thought if the gift was over a certain amount of money he had to give it away or he couldn't keep it.

MR. MCCURRY: No, no, he can keep them, and the purpose of the disclosure is anything that he then accepts as a gift is then publicly disclosed. The only restrictions exist on gifts that are
given by foreign governments if they are in excess of value of $245,
they have to be accepted on behalf of the U.S. government and they
get put into the National Archives as a gift to the people of the United States.

Q Well, all those gifts, including the golf clubs from Greg Norman,
he keeps that stuff?

MR. MCCURRY: Yes. Those are things that he elects to take personal possession of and he can do that; it just has to be properly
disclosed. These are not deemed to be income. They fall within the
gift provisions of the tax code.

Q How much more is he worth now than when he became President?

MR. MCCURRY: Well, if you consider net worth and look at the line
that says, "liabilities," considerably less than when he arrived.

Q Let's take away the legal debts. How --

MR. MCCURRY: I would have to go back and look. His range -- you can't get an exact valuation on the value of his assets by looking at this -- these disclosure statements are a little bit insufficient because they're not the same as a net worth statement.
So you can't describe this as net worth. But the range of assets

that he reports for himself, for Mrs. Clinton and for Chelsea in '96 ranges between $760,000 or $1.7 million. So it's a large distance there in the valuation categories, and whether that's up or down, I presume because of performance of the market and a strong economy and the growth in asset portfolios the President has enjoyed, it's probably somewhat up. But I can't calculate for you by what amount without looking at previous years.

Q Is the First Lady's money that is listed there still going to charity, she's not retaining that?

MR. MCCURRY: Yes -- well, we -- to get a better and more thorough understanding of the Clintons' finances I suggest you go back and look at their tax returns that we released last month, because that gives you exact dollar amounts for things like her royalty income, which are only reported here in broad categories. So this doesn't help you nearly as much as the public release of the tax return, which we did last month.

Q Do you know the story behind the $4,000 statue of Eleanor Roosevelt, and then the bust of Franklin Roosevelt?

MR. MCCURRY: I don't except what is indicated there in the report, that they were given, I think in one case, by the foundation up in Hyde Park.

Q The Eleanor Roosevelt Monument Fund that gave the $4,000 statue --

MR. MCCURRY: Right.

Q Was that at some ceremony or was it sent here?

MR. MCCURRY: I think it was sent here and is on display here. One of the -- the Franklin Roosevelt bust is the one that is in the Oval that you guys see when you're in the Oval.

Q And you're not aware of where the Eleanor Roosevelt statue is?

MR. MCCURRY: I can check on that.

Q -- Roosevelt Room --

MR. MCCURRY: I don't think so. Ann thinks it's in the Roosevelt Room. I don't think so, I think it's in the residence.

Q These are things they intend to keep when they leave the White House?

MR. MCCURRY: These are things they've taken personal possession of. They could donate them back at some point if they wish to.

Q He receives many more gifts -- these are the only gifts he wants to
keep personally.

MR. MCCURRY: Correct. This is a fraction of those things that are
reported at the Gifts Unit. People send stuff to the White House all the time for the President; those get properly cataloged and sent
off to the Gifts Unit. A lot of them get put into displays at the
Smithsonian.

Q The gift from Mr. and Mrs. Greg Norman, was that given at the time
of his knee? (Laughter.)

MR. MCCURRY: No, that was given -- because that happened in '97.

This is calendar year '96. This was when they were in Australia.

Q So he's actually used these clubs?

MR. MCCURRY: I don't know. He got them in advance. He got them prior to going and he took them down there when he played with "the
Shark."

Q What's the deal with the commemorative watches, the $10 commemorative watches?

MR. MCCURRY: They are premium items. (Laughter.) There's a watch
that apparently has a lovely photo of the First Couple on the face

of the watch, and they are described as being ultimately tacko. (Laughter.)

Q Does the President describe them that way?

MR. MCCURRY: I don't know if he describes them, or not. He loves them and they like to give them away to friends for fun.

Q Can we buy some?

Q If you get a Wolf Blitzer pen -- (laughter.)

MR. MCCURRY: I have a Wolf Blitzer pen.

Q Can you trade a Wolf Blitzer pen for a First Couple watch?

MR. MCCURRY: I don't know. I'll talk to the big guys. (Laughter.)

Q Because I might like to work that out.

MR. MCCURRY: You're willing to trade your Wolf Blitzer pen for a --

Q I might, I might.

Q No way.

Q Ultimately wacko. (Laughter.)

MR. MCCURRY: For one of those watches?

Q I might. You never know. I'd like to know what my options are.

Q Please, you're embarrassing me. (Laughter.)

Q Did the President wear that watch?

Q How about the Baby Bell stock? Shouldn't that be tucked into the blind trust?

MR. MCCURRY: No, these are Chelsea's stocks that she inherited from her grandfather. For sentimental reasons she has elected to keep them in her possession. Lawyers have looked at that and they don't see any conflict issues that arise from that. She just wanted to keep them mostly for her own personal reasons.

Q Under the law her assets have to be reported jointly with her parents. Is that --

MR. MCCURRY: Yes. Her assets, Mrs. Clinton's assets and the President's assets are all deemed reportable on the form.

Q And is there an age cutoff? I mean, if she --

MR. MCCURRY: I think she has to report because she's a dependent child. I think when she's no longer a dependent child or so claimed on, presumably, their tax return, she falls outside the reporting as such, I think. I'd have to double check that.

Q Mike, what are the little initials, JSDC?

MR. MCCURRY: J is joint asset, S is a spousal asset, DC is a dependent child asset.

Q Mike, on the payments to Williams and Connolly, it says between $1 million and $5 million. Do you know whether it's more towards the $1 million side or the $5 million side?

MR. MCCURRY: Well, those are all -- if you go back -- we did not attach to the disclosure to -- the actual document that was filed had two lengthy, lengthy attachments. They are the reports of the presidential legal expense trust, which we've already released to you and the exact dollar evaluation of the liabilities for their legal bills are there, so don't rely on these categories. Again, we've already publicly released exact dollar amounts on those.

Q The Jacqueline Kennedy Onassis memorabilia?

MR. MCCURRY: That -- apparently -- is it books -- books that were purchased at the Jackie Kennedy Onassis auction -- estate sale auction that was held, what, several months ago.

Q Do you know what kind of books?

MR. MCCURRY: I don't. I think they were books that had been in her personal library. I don't know the title of the books.

Q They were purchased and given to the Clintons, or the Clintons purchased them?

MR. MCCURRY: Given to the Clintons. Actually, I believe they were
ultimately destined for Chelsea. Some of these --by the way, her gifts have to be reported here, too, so some of these are gift items
given to her.

Q Mr. Kuchma's coming by tomorrow. What's he going to talk about?

MR. MCCURRY: I haven't seen the work up on that. We're talking about -- we obviously are going to give the government of Ukraine,
since they'll be intensely interested, our understanding and our views on the concluded document, Founding Act, between NATO and the
Russian Federation. That's of keen interest to the government of Ukraine. They will explore other issues related to environmental safety and nuclear safety that will presumably be part of the agenda
of the Denver Summit of the Eight. That has been an ongoing issue
before the leaders at the summit, and also economic and trade liberalization issues.

Those are the general categories. I'll try to get something a little more specific.

Q What do you think of the incredible difference between Yeltsin's interpretation of what was signed and what you all said here yesterday?

MR. MCCURRY: I'd say that there is a vibrant and dynamic political
culture in Russia that President Yeltsin must carefully navigate.

Q Including, like, misrepresenting what was in the Founding Act?

MR. MCCURRY: I don't --

Q Because he was flatly contradicting what people said at that podium
yesterday.

MR. MCCURRY: Well, the Founding Act is the Founding Act, and upon
approval by the North Atlantic Council as early as tomorrow, it'll be

plain for people to see in black and white.

Q Is the President ready to cut some of the aid to Israel in order to
get more aid for Jordan?

MR. MCCURRY: There's a long and a short answer to that. We have for some time been talking with King Hussein ways in which we can deepen and nurture the peace process that he has so ably advanced.
He has, in the opinion of the United States government, taken genuine
risks in support of peace and has made some requests that are related to the risks he has taken for peace.

We've been looking at ways that we might do that. We haven't made
any final decisions on that, but we will continue to consult closely
with the government of Israel and others in the region about how to
be supportive of some of the things that the King specifically has
requested.

Q Is he going to do it?

MR. MCCURRY: That was a pretty broad hint, but we don't have a specific answer to it.

Q Why don't you just say it?

MR. MCCURRY: Because I don't think it's been decided. I can't tell you something that hasn't been decided.

Q But what you seem to be implying is that that trade off would be with the approval of Israel -- Israel would sign off on the U.S. --

MR. MCCURRY: We would consult very closely with the government of
Israel on something like that.

Q Is that why the Foreign Minister, David Levy of Israel, is coming
here to talk about that issue right now?

MR. MCCURRY: The State Department already said that they anticipated a visit by him and it has a wide ranging agenda, but that may be one of many items on the agenda.

Q Can you give us a sense of -- since you have thrown out this broad
-- of the type of exchange or the type of aid that would be forthcoming toward Jordan and perhaps taken away from Israel?

MR. MCCURRY: Not specifically, no. I mean, they've got -- the largest dollar volume of assistance is obviously for security purposes, but there is also economic development assistance that's
providing a variety of ways in addition. But as most people know,
the largest bulk of our government to government assistance in that
region is related to military security.

Q Mike, looking ahead to tomorrow's --

MR. MCCURRY: And obviously $50 million -- that's the reported amount -- is something of a fraction of the total aid.

Q Mike, looking ahead to tomorrow's Tuskegee syphilis apology -- experiment apology, is the President or Dr. Satcher going to propose
a boost in STD prevention monies, which a lot of public health groups
seem to be criticizing, if there's not enough to go around?

MR. MCCURRY: He will have some specific ideas tomorrow on things that we can do to address in general the question of proper funding
and proper accountability for federally funded medical research, but
not specifically in that direction.

Q Will that include an aid package to boost the money?

MR. MCCURRY: Not beyond what's already contained in our budget.

Q Is it the kickoff of the President's effort to talk about race relations?

MR. MCCURRY: The President has been doing a number of things to kind of talk about diversity and talk about healing and talk about
reconciliation. And I think this fits into a pattern of things that
the President has pursued this year that really talk about how we can

come together as a very diverse country that should celebrate its racial ethnic diversity and use that as an element of our strength as we think ahead of the world we live in.

We live in a very diverse, multicultural world in which we need to compete effectively, and we do so best when we come together as one country and set aside our differences, whether they're gender based, racial based, based on ethnicity and use that as a way to advance the idea of one America. And I think this event tomorrow is part of that.

Certainly, the President, in a sense, was celebrating that when we talked about the race barrier being broken in major league baseball, he'll be talking about that next month when he speaks at the University of California at San Diego and really lays out in a broader way the way in which we can advance the kind of dialogue between races that will break down some of the prejudices that still exist in our society.

Q Has he seen the figures?

Q Mike, to follow up on Wolf's question, you talk about reconciliation, this was a hell of a breach of trust. How do you -- does an apology get it tomorrow? How do you --

MR. MCCURRY: Look, this was an extraordinary episode in the history of our country and a real blight on the record of the United States government. It has been dealt with in the technical legal sense that there have been compensation or recompense for those who were victims. But there's never been the formal apology that the President believes is deserved in this case. And it's something that the victims and their families and the residents of Macon County, Alabama will appreciate and have indeed sought, and the President thinks it's most warranted to give it.

Q But, Mike, many still think that it's a slap in the face that the

President didn't go to Alabama especially since these gentlemen are
so old.

MR. MCCURRY: I don't know -- if you will talk to some of those who
will be here -- I think four or five of the eight surviving members
will be here. One of them lives in Massachusetts and wouldn't have
been able to go to either location because he's unable to travel.

And the remaining folks who are in the area around Tuskegee would not
likely have been able to travel even to an event that would have
been there.

So we are satelliting the event there. I think the President
thought it was proper and dignified to use the seat of our government
and the White House itself as a place to render the apology. And
we've heard nothing but gratitude expressed by the families and the
representatives that we've dealt with. Maybe you're hearing
something from somewhere else, but we've been in very close contact
with the families.

Q Mike, once again, a Cuban American flotilla will leave Florida on
Saturday to demonstrate in front of international waters near Cuba.
Is the White House taking any steps to make sure no incidents occur?

MR. MCCURRY: Well, we, through both the Coast Guard and then their
overflights indicated through the FAA, monitor very carefully those
flotilla activities. We have had contact with the Cuban Foreign
Ministry through our interest section in Havana to talk about that
flotilla. We've received some assurances that they will take a
proper posture with respect to the flotilla.

But at the same time, we strongly urge those who participate not to
conduct any unnecessarily provocative actions, so that they protect
their own safety and the safety of others who want to commemorate

the
events that tragically resulted in the death of innocent airmen
over
international waters.

Q Mike, does the President think that the failure of the cloture
vote
on the comp time bill opens the door to maybe getting a bill that
he
can sign now?

MR. MCCURRY: He sure hopes so. I mean, we've got -- we have to
get -- we need to get a bill that preserves flexibility for
employees. This debate is real simple. It's about people should
have
the choice of getting paid overtime if they want overtime, or
getting the compensating time in hours off.

And the problem with the Ashcroft bill is it removed that
flexibility. The employer could make the decision. And there
are an
awful lot of people in this country who need to work overtime and
need that extra income to make ends meet. And they ought to have
that choice and that flexibility. And that's what they get under
the
President's bill. They would not have gotten that under the
Senate
bill which is why we indicated we would veto it.

And now I think they will go back to looking at the President's
proposal which is a reasonable one and a good one and which is
the
only bill that really preserves the kind of flexibility for
employees
themselves that really would make the idea of comp time a genuine
one for millions of American workers.

Q Who did you say was warned against provocative actions -- on the
Cuba question?

MR. MCCURRY: Some of those who were -- not warned -- but they
were
-- we advised them that they have to respect international
boundaries, international territorial waters and that they have
to
organize these commemorative events in ways that are not
unnecessarily provocative.

And we work -- you know, we've actually had good liaison with
these

groups through various federal offices down in south Florida. So we
work with them and try to understand what routes are going to be followed and how certain events will unfold. We've got the Coast Guard in a position to be cooperative. I think there are other Defense Department folks who get involved in monitoring some of that.

So I think we've had successful commemorative flotillas, and that's
what we want to see happen. We don't want to see anyone unnecessarily endanger themselves.

Q On the welfare initiative, how much progress has been made since the CEOs met with the President in January, and what are you going to
ask them to do now, what's next?

MR. MCCURRY: Well, we are -- we have asked them to be a part of the extraordinary commitment that the President sought from the private sector, to move a million people from welfare dependency into
work situations. And the response has been very, very gratifying.
The President, tomorrow, wants to applaud the CEOs who have taken it
on themselves to organize the effort to make this happen, to get others in the private sector committed to hiring off the welfare rolls. And tomorrow will be, in part, the celebration for some good
work that's been done in the private sector --

Q You mean Tuesday.

MR. MCCURRY: Next Tuesday, I'm mixing my days up. Next Tuesday will be, in part, a celebration of the good work that's been done since the President put that challenge before the private business
community in the State of the Union address.

Q Does this mean the White House is actually keeping track of how many people each one of these businesses have hired from the welfare
rolls?

MR. MCCURRY: I don't know that we're doing it here, but I think there are some folks who are working with this group that are going
to try to track those commitments, yes.

Q The First Lady of Panama is coming here tomorrow to meet with Hillary Clinton, the First Lady. Do you know about that meeting?

MR. MCCURRY: I don't. I'll have to check into that. Maybe get you some more on it.

Q To go back to the welfare. When you say, who are going to try to track those commitments, do you know whether any of these groups have already hired welfare recipients?

MR. MCCURRY: Some of them have. I think some of the companies have previously announced some of their own initiatives. There will be others that will be indicating their own intent. And we're beginning to build some momentum now for the effort in the private sector to hire people off of welfare and into work.

Q You mean someone outside of the White House is keeping track of these commitments?

MR. MCCURRY: I think they're actually going to announce the formation of an outside entity that will do some of that work. And that will be staffed -- a partnership, probably a nonprofit partnership that will help coordinate the work of these private sector interests.

Q Mike, related to Tuskegee, there's an interest group that called on the President today to acknowledge or make some apology for the anonymous CDC approved screening of babies for HIV, babies that were never treated for HIV after 1988. Is the President going to say anything about that or broadly talk about that at Morgan State?

MR. MCCURRY: I'd have to look into that. I'm not familiar enough with that to have an answer.

Q Can you talk a little more about the Morgan State address Sunday?

MR. MCCURRY: I'll do that tomorrow. We'll set that up tomorrow.

Anything else?

Q If the budget talks are expected to last for several hours, is
it
likely then that the documents codifying this agreement won't be finalized until tomorrow and that the mark ups won't be until tomorrow?

MR. MCCURRY: Let's hope so, then we can all go home.

Q No, but you're not expecting them today, or --

MR. MCCURRY: I wouldn't, you know -- it's almost 4:00 p.m. --
I'm
sort of, let's wait and not put the lid on the idea that they're going to do something today for a couple more hours.

Q Mike, has the President outright said that he would veto the
crime
bill if it comes to him as it was passed last week?

MR. MCCURRY: Yes, we put a veto --

Q You said he would veto it for sure?

MR. MCCURRY: Yes. I think we did. We put a specific veto
threat
against the House passed bill.

Q The House passed bill, the thing he was criticizing today, but
he
will veto it if it comes --

MR. MCCURRY: Right. In that form. Although, we've indicated
we'd
like to try to see changes made as it works its way through the Senate. Anything else today? Very good. Goodbye.

END

3:55 P.M. EDT

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