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Daily Press Guidance - May 15, 1997

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Daily Press Guidance

**Thursday
May 15, 1997**

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Daily Press Guidance
Thursday, May 15, 1997

Domestic

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2. Late Term Abortion (Abortion)
3. Judicial Nominations (Nominations)
4. U.S. Public Health Service Syphilis Study (Health)
Apology and Morgan State speech
Bios of Survivors
Q & As
5. Race and Ethnicity Test Results (Minority)
6. Financial Disclosure for First Family (Potus Financial)
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12. FCC requirement for anti-liquor advertisements (FCC)
13. Air Safety (Air Safety)
14. Peace Officers' Memorial
15. New York Times editorial on R&D spending

Economic

1. CPI increase 0.1 % for April (Eco.)
2. Industrial Production is unchanged in April (Eco.)

Foreign

1. Zaire
2. CFE/AMB
3. Saudi Arabia
4. Fast Track
5. Immigration Law
6. Israel
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20. Bosnia
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Talking Points

Brownback/Lott D.C. Plan

May 15, 1997

- Based on what we know about the plan, it: (1) contains tax cuts we can't afford, and (2) doesn't address the structural problems in the District's relationship with the Federal Government.
 - The tax cuts in the plan are much like the tax cuts proposed by Delegate Norton several months ago.
 - We already have said that we can't afford tax cuts of that magnitude.
 - The structural problems in the District's relationship with the Federal Government are a key reason for why the District is in its current predicament.
 - Any plan that is serious about helping the District must address these structural problems.
- The President's D.C. Plan, which has the support of the Mayor and the D.C. City Council, contains tax relief that we can afford, and takes steps to address the structural problems in the District's relationship with the Federal Government.
 - It would provide the District with about \$300 million in grants and tax incentives to encourage business investment and increase development in the District.
 - It would increase the Federal share of the District's Medicaid reimbursements, assume the District's unfunded pension liability, and assume financial and administrative responsibility for the District's prison system.
- Overall, the President's plan would provide \$800 million in financial benefits over five years for the District, and growing amounts after that.

Late Term Abortion
May 15, 1997

BACKGROUND: You were asked yesterday how the President feels about receiving a letter from 10 former Presidents of the Southern Baptist Convention criticizing your position on late term abortion.

- Last June, the President received a letter from several former presidents of the Southern Baptists Convention criticizing the veto of the late term abortion bill.
- The President responded to their letter on June 7, 1996. (See attached.) In it, he says, "Let me be clear. I do not contend that this procedure, today, is always used in circumstances that meet my standard. The Procedure may well be used in situations where a woman's serious health interests are not at risk. I do not support such uses, I do not defend them, and I would sign appropriate legislation banning them."

Drafted: MEGlynn

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May 14, 1997
(Senate)

H.R. 1122 - Partial-Birth Abortion Ban Act of 1997
(Solomon (R) NY)

H.R. 1122 contains the same serious flaws as H.R. 1833, an identical bill that was passed during the 104th Congress and vetoed by the President on April 10, 1996.

The President will veto H.R. 1122 for the reasons he expressed in his veto message of April 10, 1996, which is attached.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 10, 1996

TO THE HOUSE OF REPRESENTATIVES:

I am returning herewith without my approval H.R. 1833, which would prohibit doctors from performing a certain kind of abortion. I do so because the bill does not allow women to protect themselves from serious threats to their health. By refusing to permit women, in reliance on their doctors' best medical judgment, to use this procedure when their lives are threatened or when their health is put in serious jeopardy, the Congress has fashioned a bill that is consistent neither with the Constitution nor with sound public policy.

I have always believed that the decision to have an abortion generally should be between a woman, her doctor, her conscience, and her God. I support the decision in Roe v. Wade protecting a woman's right to choose, and I believe that the abortions protected by that decision should be safe and rare. Consistent with that decision, I have long opposed late-term abortions except where necessary to protect the life or health of the mother. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions, with an appropriate exception for life or health.

The procedure described in H.R. 1833 has troubled me deeply, as it has many people. I cannot support use of that procedure on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available.

There are, however, rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to protect her against serious injury to her health. In these situations, in which a woman and her family must make an awful choice, the Constitution requires, as it should, that the ability to choose this procedure be protected.

In the past several months, I have heard from women who desperately wanted to have their babies, who were devastated to learn that their babies had fatal conditions and would not live, who wanted anything other than an abortion, but who were advised by their doctors that this procedure was their best chance to avert the risk of death or grave harm which, in some cases, would have included an inability to ever bear children again. For these women, this was not about choice -- not about deciding against having a child. These babies were certain to perish before, during or shortly after birth, and the only question was how much grave damage was going to be done to the woman.

I cannot sign H.R. 1833, as passed, because it fails to protect women in such dire circumstances -- because by treating doctors who perform the procedure in these tragic cases as criminals, the bill poses a danger of serious harm to women. This bill, in curtailing the ability of women and their doctors to choose the procedure for sound medical reasons, violates the constitutional command that any law regulating abortion protect both the life and the health of the woman. The bill's overbroad criminal prohibition risks that women will suffer serious injury.

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That is why I implored Congress to add an exemption for the small number of compelling cases where selection of the procedure, in the medical judgment of the attending physician, was necessary to preserve the life of the woman or avert serious adverse consequences to her health. The life exception in the current bill only covers cases where the doctor believes that the woman will die. It fails to cover cases where, absent the procedure, serious physical harm, often including losing the ability to have more children, is very likely to occur. I told Congress that I would sign H.R. 1833 if it were amended to add an exception for serious health consequences. A bill amended in this way would strike a proper balance, remedying the constitutional and human defect of H.R. 1833. If such a bill were presented to me, I would sign it now.

I understand the desire to eliminate the use of a procedure that appears inhumane. But to eliminate it without taking into consideration the rare and tragic circumstances in which its use may be necessary would be even more inhumane.

The Congress chose not to adopt the sensible and constitutionally appropriate proposal I made, instead leaving women unprotected against serious health risks. As a result of this Congressional indifference to women's health, I cannot, in good conscience and consistent with my responsibility to uphold the law, sign this legislation.

WILLIAM J. CLINTON

THE WHITE HOUSE,
April 10, 1996.

JUDGES

There has been increasing criticism of all sides for the number of judicial vacancies now at the federal level. Senator Hatch in a speech to Federal Judges Association blamed the Democrats and the Administration for the problem.

- You can look at the numbers for yourself. Whether its illegal immigration, border enforcement, or violent crime -- we need federal judges moving cases. This should not be a partisan issue. If the Senate wants to do something on this, they have 27 nominations waiting and in the weeks to come they will have quite a few more.

The numbers:

- Currently, there are 100 vacancies of the 844 judgeships in the Federal Judiciary.

72 District Court vacancies, 25 Circuit Court vacancies, 2 Court of International Trade vacancies, and 1 Federal Claims Court Vacancy totaling. *As of May 20, 1997, there will be 102 vacancies.*

- We have sent up 29 nominations to the Senate this Congress. Two more on the way this week, and 15-20 are in the vetting pipeline and should be ready by the July 4th recess.

In addition, the Senators with District Court vacancies have begun to send in names for the openings: 7 were received in the past week, and at least 5 more are expected in the next 2 weeks

- The Senate has only confirmed 2 judges, held only 2 nomination hearings, and have not moved on 27 pending nominations.

Why haven't you submitted more nominations?

The Senate has 27 nominations pending. There is no magic number of submissions before they begin to act on the names already before them.

If pushed: After the President selects a candidate, we have a rigorous vetting process which takes a good two to three months. This process at the front end provides an even stronger argument for the Senate to act immediately on the well qualified candidates which have already been nominated.

Record:

President Clinton has nominated more women and minorities to the Federal bench than any other President in the history of our country. President Clinton has nominated more candidates rated Well Qualified by the American Bar Association than any other president in the past century.

Mellody per Jon Yarowsky, Counsel

DRAFT: TUSKEGEE AND MORGAN STATE

Two events coming up this week offer opportunities to talk about the President's initiative on racial reconciliation:

- **Tuskegee Apology:** a ceremony recognizing the survivors of the study at Tuskegee, to be held at the White House on Friday May 16; and
- **Morgan State Commencement:** a commencement address at Morgan State University in Baltimore, Maryland on May 18.

General

When commenting on these events you may want to make these points:

- Both events are examples of the President's commitment to the issues of racial reconciliation, and to moving beyond past discrimination to current and future practices.
- Note the President's personal leadership in these events. (This is an opportunity to deal with the commission questions -- e.g. whose on it, what is it, etc. -- make the point that these events and the idea of a commission appointed by the President are not the story.)
- These events are part a comprehensive *Presidential Initiative* in which Bill Clinton, with his personal history and commitment, is directly and regularly involved. It is a process in which he has been engaged in over the last four years (e.g. Memphis and Austin speeches) and throughout his life, and which will intensify in the near future as he calls the American people's attention to this issue.

Tuskegee Apology

- The President will issue an apology on behalf of the federal government to the survivors (including families) of the study at Tuskegee. He will then go on to make several policy announcements which will address this issue, and help ensure that future scientific research will be more inclusive of, and sensitive to, racial minorities.
- The study at Tuskegee is a shameful episode in our nation's history, and it has left a legacy of distrust between the African American community and the research community. *The right thing to do is to acknowledge and apologize for the past, and then to institute action steps for the future.* This is a model for the kinds of action you may see recommended in the President's Initiative when appropriate.

Morgan State University

- In choosing to make his first commencement address at Morgan State University, a historically-black school, the President is also addressing the issue of racial division, but indirectly in that he is *not* delivering a speech on race to an African-American audience. It will be a major address about the role of science in preparing America for the 21st century.
- Thus, instead of speaking about race to a minority audience, the President will speak at Morgan State about an issue of national interest that transcends race; and will address the topic of race at the University of California at San Diego, a college and state with many races and ethnicities. This is an example of how he hopes in the coming year to inspire dialogue and conversation both about the issue of race itself, and among Americans of different races about the issues and values that bring us together.
- Of course, there is an obvious connection, which the President will address, between the role of science, the importance of having ethics that inform and guide our approach to science, and the study at Tuskegee .

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Questions and Answers Tuskegee Syphilis Study

Q1. What was the purpose of the Study? What was its official title? How long was it conducted?

A1. The U.S. Public Health Service Syphilis Study was officially called the "Study of Untreated Syphilis in the Negro Male" in Tuskegee. It began in 1932 as a study of untreated syphilis in 400+ African-American men who were at least 25 years of age and had syphilis for 5 years or longer. A year later a control group of 200+ African-American men without syphilis were added to the study. The study was undertaken to compare the course of untreated syphilis in black men with the results of an Oslo study on untreated syphilis in whites. The study was funded by the U.S. Public Health Service. The study was stopped in 1972.

BACKGROUND: The Tuskegee Syphilis Study was supposed to last 6-12 months with the purpose of documenting the course of disease and using that information to obtain funding for treatment. After a year, it was decided to continue the study until the men died. The Alabama Department of Health agreed to allow the study to be conducted in that state with the stipulation that some treatment be provided. The Tuskegee Institute and the local white physicians in Macon County also agreed to the study. The study was stopped in 1972 after a news story about the study caused public outcry. Left untreated syphilis remains in the body and begins to damage the internal organs including the brain, nerves, eyes, heart, blood vessels, liver, bones, and joints.

Q2. Why was it conducted in Tuskegee?

A2. In 1928, the U.S. Public Health Service conducted surveys of the prevalence of syphilis in Macon County, Alabama, which was one of several sites surveyed in the United States. The prevalence of syphilis among African-Americans was particularly high and many people remained untreated.

BACKGROUND: In 1930, the Macon County Syphilis Control Demonstration Project began; this project provided treatment which was a combination of neosalvarsan and mercury. This project was funded by the Rosenwald Fund. About 1400 patients were enrolled in the project; none of them received the full course of treatment because funding ended. In 1932 the Tuskegee Syphilis Study was started. The study was undertaken to document the course of untreated syphilis with the intention that the information could be used to obtain funding for treatment.

Q3. Why is the President issuing an apology for the Study now? Is this apology politically motivated?

A3. The President is issuing an apology in an effort to redress the wrongs of the past. He is apologizing now because it is the opinion of many that the legacy of the Study continues to have an adverse effect on the health of African-Americans. The Study continues to figure prominently in discussions of the difficulties experienced by the African-American population in obtaining access to medical care, being forthright with their physicians, participating in clinical trials, donating organs, and accepting advice from public health officials regarding prevention of diseases such as AIDS.

Q4. What was the Public Health Service's involvement? Who planned and implemented the Study?

A4. The U.S. Public Health Service funded the Syphilis Study and was responsible for the design and implementation of the study. Throughout the 40 years many physicians who were members of the

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U.S. Public Health Service were involved in the study, including designing the study, examining patients, analyzing results from the study, and publishing findings.

Q5. How many people were recruited into this Study?

A5. The total number of men enrolled in the study is not clear. It is generally accepted that over six hundred (600) African-American men were enrolled in the study, approximately 400 (399) African-American men who had syphilis and 200 (201) who did not.

BACKGROUND: Researchers told the men that they were being treated for "bad blood", a local term used at the time to describe several ailments, including syphilis. In exchange for taking part in the study, the men received free medical exams, free meals and burial insurance, but no treatment for syphilis. Although originally planned for months, the study actually went on for 40 years. When penicillin became the widely accepted treatment for the cure of syphilis in 1946, the question arose concerning the advisability of treating all those in the Study group. A decision was made at that time not to recommend treatment because: (1) no data were available on the efficacy of penicillin treatment in late syphilis, and (2) whether there were short- or long-term side effects of this drug had not been documented. The decision at the time -- although misguided -- was made that the possible risks to the patients from treatment outweighed their risks from the disease. And the men were not treated because there was a desire to complete the Study because no other data were available that would document the long-term effects of untreated syphilis.

Q6. What has been done to compensate Study participants and their descendants? Who is eligible for the compensation program?

A6. The Tuskegee Health Benefit Program is a comprehensive health benefit program that pays for all necessary medical services not covered by other insurance programs. In addition to Study participants, the program is also available to wives, widows, and offspring who may have been infected with syphilis as a result of withholding treatment for Study participants. The program is currently administered by the National Center for HIV, STD, and TB Prevention within the Centers for Disease Control and Prevention.

BACKGROUND: On March 3, 1973, the Secretary of the Department of Health, Education, and Welfare (HEW), Dr. Casper Weinberger, directed the Public Health Service to provide study participants with necessary medical care. Men and their families were offered comprehensive health assessments and lifetime medical services.

In addition, on July 23, 1973, Mr. Fred D. Gray filed a class action lawsuit on behalf of the Study participants against the United States government and others. The action, Pollard v. United States, U.S. District Court for the Middle District of Alabama, Northern Division, did not go to trial. Instead, on August 28, 1976, the parties entered into a Stipulation of Settlement that was ultimately approved by the court. A cash payment of \$37,600 to every living man with syphilis who was alive on July 23, 1973; \$16,000 to the heirs of each of the deceased men with syphilis; \$16,000 to every living member from the group of controls who was alive on July 23, 1973; and \$5,000 to the heirs of each of the deceased controls.

Q7. How much money was spent to fund the Study? How much money has been allocated for the Tuskegee Health Benefit Program?

A7. Records are not available that outline the cost of the Study. During the most recent fiscal year (1996), expenditures for the Tuskegee Health Benefit Program totaled \$2,789,715.

Q8. What procedures have been put in place to ensure that studies such as Tuskegee does not happen again?

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- A8.** In 1974 the National Research Act was signed into law, creating the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Also in 1974, Federal Regulations were developed creating institutional review boards (IRBs) that review and approve research involving human subjects. A critical part of this assurance is "informed consent," which identifies who is conducting the study, describes the background of the study, and specifically details the risks and benefits to subjects who choose to participate. In October 1985, the President established the National Bioethics Advisory Commission to review all current regulations, policies, and procedures with respect to human research to make sure these high standards are being met. Today, every institution which receives Federal funds to conduct research on human subjects must provide an assurance that it will adhere to Federal regulations governing research on human subjects.

BACKGROUND: The activities of local IRBs are among the many steps in place to ensure that a study such as the U.S. Public Health Service Syphilis Study does not happen again. A critical part of this assurance is "informed consent," which identifies who is conducting the study, describes the background of the study, and specifically details the risks and benefits to subjects who choose to participate.

- Q9.** Where are the records stored and how can they be requested for review?
- A9.** The Syphilis Study in Tuskegee records are stored at the National Archives Southeastern Branch located in East Point, Georgia. These records were transferred to the ownership of the National Archives, in accordance with Federal records management regulations, for safekeeping. The medical records, which contain personal medical information, are closed to the public until the year 2030. However, the administrative records are open for the public review.
- Q10.** How long was the Study continued after it was determined that syphilis could successfully be treated with penicillin? Why was the Study halted?
- A10.** Penicillin became known as an effective therapy for syphilis in the mid-1940's and became the standard of cure for treatment for syphilis in 1947. The Study continued for approximately 25 years after penicillin became the standard of treatment for the disease. The study ended in 1972 following a review of the study by the Tuskegee Syphilis Study Ad Hoc Advisory Panel who found the study to be unethical and recommended that it be terminated.
- Q11.** Was this Study considered ethical at the time it was conceived?
- A11.** This question is complex because the ethics of the study must be judged on two different dimensions. First, the men with syphilis were untreated, and secondly, the men were never informed about the purpose, risks and benefits of the study, nor did they consent to participate in the study.

Regarding the issue of treatment, in retrospect, the Study appears to have met ethical standards of the day at its outset, when penicillin (or other effective syphilis treatment) was unavailable.

Regarding the second issue, the Study was never ethical because the men were never informed about the study and never asked to consent to their participation in the Study.

BACKGROUND: However, most current consent documents include explicit information stating (or at least imply) that should new information or treatment become available, participants will be notified and offered treatment. Such issues are also considered during the annual ethical review process now required for each new research protocol. It is not unusual for current studies to be halted because effective treatment has become available.

- Q12.** Who made the decision, once penicillin became the standard of cure for syphilis, not to notify Study participants about the availability of this treatment? Why was this decision

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made?

- A12. In 1943, Dr. John Mahoney reported the first cures of primary and secondary syphilis with penicillin. When this drug became the widely accepted treatment for the cure of syphilis in 1946, the question arose concerning the advisability of treating all those in the Study group. A decision was made by PHS at that time not to recommend treatment because: (1) no data were available on the efficacy of penicillin treatment in late syphilis, and (2) whether there were short- or long-term side effects of this drug had not been documented. The decision at the time -- although misguided -- was made that the possible risks to the patients from treatment outweighed their risks from the disease. And, the men were not treated because there was a desire to complete the Study because no other data were available that would document the long-term effects of untreated syphilis.

BACKGROUND: Later, in the 1950s, the recommendation was changed, reflecting that penicillin was an effective treatment for the late stage syphilis. Also, there was a desire to complete the Study because the data that were available on the long-term effects of untreated syphilis were considered potentially flawed in that they came from a study that lacked controls and included limited autopsy results.

- Q13. Why do rates of syphilis continue to be the highest among African-Americans in the South?

- A13. It is not entirely clear why the rates of syphilis are highest among African-Americans in the South. Multiple factors are probably involved. Certain populations in the United States, especially economically disadvantaged African-Americans in some urban settings and in the rural South, have many interrelated and competing problems including poor access to quality medical care and substance abuse. These problems are often compounded by lack of knowledge about the symptoms, consequences, and prevention of syphilis and, in some communities, by social or religious norms that limit education about syphilis or other sexually transmitted diseases (STDs). Currently, CDC is conducting community-based syphilis intervention programs in five southern states (Arkansas, Louisiana, Mississippi, South Carolina, and Texas). The program is called, "Innovations in Syphilis Prevention in the United States: Reconsidering the Epidemiology and Involving Communities."

BACKGROUND: In some communities, the legacy of distrust left by the Tuskegee Study also is probably a contributing factor. However, these high syphilis rates and the resulting increased risk of HIV infection and high rates of syphilis in newborns can be eliminated. The country, overall, is now at historically low rates of infectious syphilis. Most communities in the United States, including almost 70% of counties, have already eliminated this infection. Approximately 50 percent of infectious cases of syphilis are now concentrated in less than 1.5% of counties.

- Q14. What evidence exists that the Tuskegee experience continues to discourage minority populations, especially African-Americans from accessing health care, participating in clinical research, or has had an adverse impact on their trust in government health officials?

- A14. It may never be possible to document fully the impact of the syphilis Study on minority populations. Health care behaviors, decisions to participate in clinical research, and attitudes toward government health officials are all shaped by many factors that are difficult evaluate. Furthermore, in some families and communities, the Study in Tuskegee may no longer be named explicitly as a problem, but, instead have been incorporated as the foundation for a range of conspiracy theories or generalized distrust of "the government."

BACKGROUND: The evidence that is available includes a study conducted by a researcher at the University of Alabama Health Studies at Tuscaloosa. African-Americans in general reported less interest in participating in health promotion and research because of their knowledge of the

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Study. African-American males in particular reported a high degree of resistance because of knowledge of the Study. The university study investigated the effect of the Study on participation in health promotion activities and research studies by African-Americans. The results may have implications for researchers recruiting African-American subjects for research studies and participation in health promotion, disease prevention, and health education programs. Data from the university study were presented at the 1995 American Public Health Association's Annual Meeting in San Diego. In addition, many other scholars have collected evidence to support the same or similar conclusions.

Q16. What was the involvement of the Tuskegee Institute in the Study?

A16. The Institute was aware of the Study and was consulted during the Study period regarding one or more areas.

Q16. We understand that there is a group called the Tuskegee Legacy Committee which made some recommendations regarding actions that should be taken to heal the wounds left by the Study. Did the President accept all of the recommendations of that group? If not, why?

A16. One of the principal recommendations of that Committee was that President Clinton publicly apologize to the living participants, their families and to the Tuskegee community. Also the committee recommended the establishment of a center at Tuskegee University to preserve the national memory of the study and transform its legacy. We are doing both.

BACKGROUND: Last year during a conference at Tuskegee sponsored by the U.S. Department of Health and Human Services on minority participation in research, the Tuskegee Study Legacy Commission was created to help all of us move beyond the PHS Syphilis Study in Tuskegee. The purpose of the Legacy Committee was to transform the legacy of minority distrust of the health and medical establishment into positive efforts to close the health gap between blacks and whites.

Q17. Is it really likely that a study begun more than 60 years ago and stopped nearly 25 years ago continues to have an impact today?

A17. Yes. The Study continues to be discussed by the mass media, academicians, and "the public" as an example of how certain minority groups (in this case, African-American men) can be exploited for seemingly "good" reasons, such as medical research. Obviously, other factors such as segregation, discrimination, and hate crimes against African-Americans, have also contributed to the mistrust some African-Americans have of the medical establishment, but the Study itself continues to figure prominently in discussions of the difficulties experienced by the African-American population in obtaining access to medical care, being forthright with their physicians, participating in clinical trials, donating organs, and accepting advice from public health officials regarding prevention of diseases such as AIDS.

Q18. Is syphilis an important health problem for the United States today?

A18. Syphilis is a serious, chronic infectious disease. It causes ulcers that allow the AIDS virus to be transmitted much more efficiently between people. The bacteria that cause syphilis can cross the placenta to kill the fetus or cause permanent neurologic damage in the baby. Recent studies suggest that heterosexual HIV transmission in the United States still largely follows the geography of the syphilis epidemic of the late 1980s and early 1990s.

Q19. What can we do about syphilis today?

A19. Today, syphilis is a disease that is inexpensive to diagnose and easy to cure. In 1997, we are approaching the lowest rate of syphilis ever reported in the United States. However, reported infectious syphilis rates are approximately 60 times higher among African-Americans than among

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white Americans, and syphilis is highly concentrated across the South. Syphilis elimination would eliminate both an important factor contributing to higher rates of HIV infection among African Americans and an unnecessary cause of fetal and infant mortality and disability.

Q20. Are you going to be the next Surgeon General?

A20. THAT IS THE PRESIDENT'S PREROGATIVE. I WOULD NOT PRESUME TO SPEAK FOR HIM.

Q21. How many of the original Study participants are going to Washington for the apology event?

A21. Four (4)

Q22. Who is paying for the participants to attend the Washington apology event?

A22. CDC is paying the expenses (travel, lodging, food) for 39 people; including four original Study participants, family members of several Study participants, and escorts.

Survivors of the U.S. Public Health Service Syphilis Study Attending the May 16 White House Ceremony

Herman Shaw, 94 - Mr. Shaw was born on May 18, 1902, to Frank Shaw and Elijah Bickerstaff in Tallapoosa County, Alabama. He was the valedictorian of his 9th grade class. Married to Fannie Mae Greathouse for 62 years, he has two children. His son, Herman Shaw, Jr., received a B.S. degree from Alabama A & M and a Masters from North Carolina A & T. His daughter, Mary Mullins, lives in Tallapoosa County and is a graduate of Tennessee A & I University. Mr. Shaw has six grandchildren and one great grandchild. For 44 years he worked at Tallassee Mill in Tallassee, Alabama. He belongs to the New Adka Baptist Church on Highway 50 in Tallapoosa County.

Charlie W. Pollard, 91 - Mr. Pollard was born on April 13, 1906 in Macon County, Alabama to Alma Grimmett Pollard and Lucius Pollard. He was married to Louisa Woods for 54 years. He has one daughter, Ralphine Harper. A life long resident of Notasulga, he is one of the community leaders who worked for civil rights. A farmer and property owner, he is the lead plaintiff in the case of *Pollard, et al. V. USA, et al.* He is also a member of Shiloh Missionary Baptist Church.

Carter Howard, 93 - Mr. Howard was born on February 18, 1904 in Macon county, Alabama to Ruthie Taylor Howard and George Howard. He grew up in the Oak Grove Community and is single. He has been a farmer and worked as a carpenter. He is a member of Mt. Ester A.M.E. Zion Church.

Fred Simmons, 100 - Mr. Simmons was born on April 6, 1897 in Macon County, Alabama to Amy Brown Simmons and Hines Simmons. He was married to Margaret Tolbert Simmons and has 21 children. Seven are living. A member of Mt. Pleasant Baptist Church, his work experience includes plowing, pulpwooding, public work on the railroad, and farming.

Race and Ethnicity

Q: Given the results of the Race and Ethnic Targeted Test released on May 15, what is the Administration going to do about OMB Directive No. 15 (on race and ethnicity standards)?

A: The Census Bureau has conducted a careful study -- the Race and Ethnic Targeted Test -- of the impact from posing the race and ethnicity question in different ways. An inter-agency group is now reviewing this evidence, as well as the evidence from other relevant surveys (the May 1995 supplement to the Current Population Survey and the 1996 National Content Survey). We anticipate publication of a Federal Register notice in early July that contains the report of this inter-agency group. After allowing comments on the Federal Register notice, OMB will announce a final decision on Directive No. 15 in mid October.

[Refer any detailed questions on the process to OMB, and any detailed questions on the results of the survey to the Census bureau.]

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 15, 1997

Attached is President Clinton's 1996 Public Financial Disclosure Report.

-30-30-30-

Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year)		Reporting Status (Check Appropriate Boxes)		Calendar Year Covered by Report	New Entrant, Nominee, or Candidate	Termination Filer	Termination Date (If Applicable) (Month, Day, Year)	Agency Use Only
		☒ Incumbent		1996	☐	☐		
Reporting Individual's Name		Last Name		First Name and Middle Initial		OGE Use Only		
		Clinton		William J.				
Position for Which Filing		Title of Position		Department or Agency (If Applicable)		Fee for Late Filing		
		President				Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a \$200 fee.		
Location of Present Office (or forwarding address)		Address (Number, Street, City, State, and ZIP Code)		Telephone No. (Include Area Code)		Reporting Periods		
		1600 Pennsylvania Avenue, N.W. Washington, DC 20500		(202) 456-1414		Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.		
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)		Title of Position(s) and Date(s) Held				Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.		
		N/A				Nominees, New Entrants and Candidates for President and Vice President:		
Presidential Nominee Subject to Senate Confirmation		Name of Congressional Committee Considering Nomination		Do You Intend to Create a Qualified Diversified Trust?		Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.		
		N/A		☐ Yes ☐ No		Schedule B--Not applicable.		
Certification		Signature of Reporting Individual		Date (Month, Day, Year)		Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.		
I CERTIFY that the statements I have on this form and all attached schedules are true, complete and correct to the best of my knowledge.		William J. Clinton		May 15, 1997		Schedule C, Part II (Agreements or Arrangements)--Show any agreements or arrangements as of the date of filing.		
Other Review (If desired by agency)		Signature of Other Reviewer		Date (Month, Day, Year)		Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.		
		Vig. L. Card		May 15, 1997				
Agency Ethics Official's Opinion		Signature of Designated Agency Ethics Official/Reviewing Official		Date (Month, Day, Year)				
On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).		Charles E. Ruff		May 15, 1997				
Office of Government Ethics Use Only		Signature Received and reviewed under Section 106(a) of the Ethics in Government Act of 1978 as amended		Date (Month, Day, Year)				
				May 15, 1997				
Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)								

(Check box if comments are continued on the reverse side) ☐

Reporting Individual's Name

SCHEDULE A

Page Number

2

William J. Clinton

Assets and Income

Valuation of Assets at close of reporting period

Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.

BLOCK A

BLOCK B

BLOCK C

Identify each asset held by you, your spouse, or dependent children for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period.

Identify each asset or source of income held by you, your spouse, or dependent children which generated over \$200 in income during the reporting period.

None ☐

Type

Amount

Examples		Central Airlines Common				X				X																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Reporting Individual's Name

SCHEDULE A continued

Page Number

3

William J. Clinton

Block A

Block B

Block C

Assets and Income

Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period.

Identify each asset or source of income which generated over \$200 in income during the reporting period.

Valuation of Assets

Income: Type

Amount

	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria
		X	X						X									X	X								
	X									X										X							
			X														X										
			X														X										
			X														X										
				X											X												
							X								X							X					
							X								X									X			
	X														X		X										

(1) ROYALTY INCOME RECEIVED THROUGH VIRGINIA KELLEY'S ESTATE FROM HER BOOK.

Reporting Individual's Name William J. Clinton		SCHEDULE A continued																Page Number 4										
Block A		Block B							Block C																			
Assets and Income		Valuation of Assets							Income: Type						Amount													
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period.		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria
1	AT&T		X													X		X										
2	PRESIDENTIAL LEGAL EXPENSE TRUST (NationsBank Checking and Money Market Accounts)				X							X									X							
4	"IT TAKES A VILLAGE" Simon & Schuster Inc. ⁽²⁾	X									X													X				
5	THE RIGGS BANK OF WASHINGTON, DC (Checking Account)		X									X										X						
6																												
7																												
8																												
9																												

Reporting Individual's Name William J. Clinton	SCHEDULE B	Page Number 5
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Part I: Transactions

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not

report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

None ☒

Identification of Assets		Purchase	Sale	Exchange		\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Certificate of divestiture
Example:	Central Airlines Common	x			2/1/91			x					
1													
2													
3													
4													
5													

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling \$250 or more; and (2) travel-related cash reimbursements received from one source totaling \$250 or more. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include

travel itinerary, dates, and the nature of expenses provided. Exclude anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth \$100 or less. See instructions for other exclusions.

None ☐

Source (Name and Address)		Brief Description	Value
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/90 (personal activity unrelated to duty)	\$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	\$300
1	Tangible Gifts - See Attachment 1		
2	Contributions to the Presidential Legal Expense Trust -		
3	See Attachment 2 (Report published by the Trust in August 1996) and		
4	Attachment 3 (Report published by the Trust in February 1997).		
5			

Reporting Individual's Name William J. Clinton	SCHEDULE C	Page Number 6
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Part I: Liabilities

Report liabilities over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. Exclude a mortgage on your

personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

Category of Amount or Value (x)

Creditors (Name and Address)		Type of Liability	Date Incurred	Interest Rate	Term if applicable	\$10,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1981	13%	25 yrs.			x				
	John Jones, 123 J St., Washington, DC	Promissory note	1989	10%	on demand					x		
1	Williams & Connolly Washington, DC	Obligations owed for legal fees	throughout 1996									X ¹
2	Wright, Lindsey & Jennings Little Rock, AR	Obligations owed for legal fees	throughout 1996				X					
3												
4												
5	¹ Between \$1,000,001 and \$5,000,000											

Part II: Agreements or Arrangements

Report your agreements or arrangements for:
(1) continuing participation in an employee benefit plan (e.g. pension, 401K, deferred compensation); (2) continuation of payment by a former employer (including severance payments);

(3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None ☐

Status and Terms of any Agreement or Arrangement		Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 11/91.	Doe Jones & Smith, Hometown, State	7/85
1	Retained pension benefit in defined benefit plan, fully funded, administered by the Arkansas Public Employees Retirement System's Board of Trustees.	Arkansas Public Employees Retirement System, Little Rock, AR	1/77
2			
3			
4			
5			
6			

Reporting Individual's Name William J. Clinton	SCHEDULE D	Page Number 7
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Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☒

Organization (Name and Address)		Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	11/91
1					
2					
3					
4					
5					
6					

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any

corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

Source (Name and Address)		Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1		
2		
3		
4		
5		
6		

YEAR: 1996

SCHEDULE B

PAGE: 1

PART II: Gifts, Reimbursements, and Travel Expenses

NAME (NAME, ADDRESS)	BRIEF DESCRIPTION	VALUE
Mr. L. Fabian Bachrach III Watertown, MA	Photograph of Eleanor Roosevelt	\$450
The Honorable Lawton Chiles Tallahassee, FL	Painting	\$350
Beth and Ron Dozoretz Norfolk, VA	Athletic equipment	\$1,200
Eleanor Roosevelt Monument Fund New York, NY	Statue of Eleanor Roosevelt	\$4,000
Mr. and Mrs. George S. Gering Los Angeles, CA	Golf driver	\$350
Mr. Paul Goldenberg La Brea, CA	Commemorative watches (\$10 per watch)	\$900

YEAR: 1996

SCHEDULE B

PAGE: 2

PART II: Gifts, Reimbursements, and Travel Expenses

SOURCE (NAME, ADDRESS)	BRIEF DESCRIPTION	VALUE
Bill and Ken Iscol Sound Ridge, NY	Jacqueline Kennedy Onassis memorabilia	\$900
Mr. Roger Martinez North Palm Beach, FL	Golf club	\$500
Mr. David M. Matter Pittsburgh, PA	Golf driver	\$400
Ms. Linda Miller San Patricio, NM	Framed lithograph	\$250
Mr. Verne Newton Hyde Park, NY	Bust of President Franklin Roosevelt	\$250
Mr. and Mrs. Greg Norman Globe Sound, FL	Golf equipment and apparel with the Presidential Seal	\$3,315

AR: 1996

SCHEDULE B

PAGE: 3

PART II: Gifts, Reimbursements, and Travel Expenses

SOURCE (NAME, ADDRESS)	BRIEF DESCRIPTION	VALUE
san and Talal Nsouli ashington, DC	Clock and accessories	\$1,155
. Cary B. Schuman in Rafael, CA	Golf clubs, golf bag	\$909
s. Ingelise Theilgaard enmark	Painting	\$750
s. Susie Russell Tompkins an Francisco, CA	Antique books	\$300

- * Attachments 2 and 3 referred to in Schedule B are the reports of the Presidential Legal Expense Trust, which were released in August, 1996.

WHAT IS THE PUBLIC FINANCIAL DISCLOSURE REPORT (SF 278)?

It is a report required by federal law (Title I of the Ethics in Government Act of 1978) that is reviewed by the Office of Government Ethics to determine compliance with applicable federal laws and regulations that relate to conflicts of interest and standards of conduct.

The section that pertains to gifts applies to the entire First Family, not the President alone.

As you can see from the gift portion of the report that is attached, the form provides columns in which to identify the source of a gift, a brief description of the gift, and the gift's value.

WHAT IS A GIFT?

A gift is any gratuity, favor, discount, entertainment, hospitality, loan, forbearance or other item of monetary value. It includes services as well as gifts of training, transportation, local travel, lodging and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred.

BACKGROUND INFORMATION: As you look at the report, you will notice that there are no entries for stays by the Clintons at the private residences of friends or acquaintances. That is because the Clintons are not required to disclose the value of the use of personal residences of other individuals so long as those individuals do not rent or use those properties for rental income. Those personal residences may include vacation homes.

WHAT GIFTS MAY THE FIRST FAMILY KEEP?

"Foreign" Gifts

The First Family may keep a gift from a foreign official source if the value of the gift is less than \$245. If a gift exceeds this amount, the gift is accepted on behalf of the United States government and becomes property of the United States government. These gifts are deposited in the National Archives for display in

the Clinton Presidential Library. (However, the First Family may purchase such gifts from the United States government.)

"Domestic" Gifts

The First Family may keep any gifts that are not from foreign official sources, regardless of value. Such gifts historically have been termed "domestic" gifts.

WHAT GIFTS MUST THE FIRST FAMILY REPORT?

"Domestic" Gifts

While the First Family may keep any domestic gift, a retained gift must be reported on the Public Financial Disclosure Report (SF 278) if the gift's value is \$250 or more.

Multiple gifts accepted from any single source in a calendar year that are each valued at \$100 or more are accrued. If the total of such gifts exceeds the \$250 reporting threshold, those gifts must be recorded on the Public Financial Disclosure Report.

BACKGROUND INFORMATION: If none of the gifts accepted from a particular source are valued at \$100 or more, none of that donor's gifts need to be reported, regardless of the number of gifts accepted from that source.

"Foreign" Gifts

The First Family may retain a foreign official gift if its value is less than \$245. Thus, such gifts would not be reported on the Public Financial Disclosure Form.

However, retained foreign official gifts from individual donors are subject to the same aggregation rules that apply to domestic gifts. That is, multiple gifts accepted from any single foreign official donor in a calendar year that are each valued at \$100 or more are accrued. If the total of such gifts exceeds the \$250 threshold, those gifts must be recorded on the Public Financial Disclosure Report.

BACKGROUND INFORMATION: Foreign official gifts valued at \$245 or more received in calendar year 1996 were reported by the White House Gift Unit in January 1997 in its annual report to the Secretary of State pursuant to the Foreign Gifts and Decorations Act.

HOW ARE GIFTS VALUED?

In accordance with statutory requirements, a gift's value is its retail value in the Washington, D.C., area. This value is determined by contacting retail establishments that sell similar items to determine the present cost in the Washington, D.C. market.

For items not readily available in the Washington, D.C., market, such as art or handmade objects, those items are appraised by outside professional appraisers.

WHAT IS THE VALUE OF THE GIFTS SUBJECT TO FINANCIAL DISCLOSURE?

Please refer to the First Family's Public Financial Disclosure Report for the total value of gifts to the First Family subject to financial disclosure during calendar year 1996. (This figure was not available at the time of the distribution of this memorandum.)

BACKGROUND INFORMATION: The total value of gifts to the First Family subject to financial disclosure for calendar year 1993 was \$11,393, for 1994 was \$13,130, for 1995 was \$12,240. During President Bush's term, disclosures were as follows: CY 1989 - \$26,839; CY 1990 - \$22,138; CY 1991 - \$21,329; CY 1992 - \$52,853. You should note, however, that the disclosure thresholds were lower during the Bush term than they are now.

WHAT ARE THE GIFT UNIT OPERATING PROCEDURES?

The White House Gift Unit is an office within the Department of Correspondence that consists of a director and four staff members. It records the receipt of all gifts to the First Family

(except from their relatives), determines the values of gifts received, documents the sources and values of gifts for reporting purposes, and makes an appropriate disposition of the gifts received, according to the wishes of the First Family.

DOES THE FIRST FAMILY PAY INCOME TAXES ON GIFTS?

The First Family, like other recipients of gifts, is not required under the Internal Revenue Code to pay taxes on gifts received.

WHERE DO GIFTS GO?

Gifts retained by members of the First Family become their personal property.

BACKGROUND INFORMATION: Pursuant to Gift Unit policy, all gifts are made available to the First Family.

The First Family donates many gifts to charity. To keep the First Family's donations private (in keeping with White House tradition), only items valued at less than \$100 (the aggregation figure for the \$250 reporting threshold) are donated to charity. Thus, such items do not appear on the Public Financial Disclosure Form.

Gifts not retained by the First Family go to the National Archives. Such gifts, because of the manner in which they document matters of public concern and import during the President's term, are designated for eventual use in the Clinton Presidential Library, or are donated to Charity.

Press Guidance
May 15, 1997

Southern Development Bancorporation Inc.

Chairman Spencer Bachus of the House Banking Oversight Subcommittee sent a letter to Secretary Rubin requesting information about whether Treasury officials demonstrated partiality in awarding funds under Treasury's community banking program to institutions associated with the First Family. The Community Development Financial Institutions (CDFI) program was established to encourage community development banks which stimulate small business. The letter apparently questions whether CDFI investments in Southern Bancorporation Inc., a development corporation founded by the then-Governor Clinton with involvement by Hillary Rodham Clinton to spur investment in poor and rural communities, were awarded on the basis of favoritism.

- The Treasury Department has already indicated that they believe the process was "absolutely fair and impartial.... with zero political influence."
- Furthermore, it is our understanding that Treasury intends to cooperate fully with Chairman Bachus to resolve any outstanding concerns.
- The President and First Lady are obviously committed to the ideas of microcredit and community development. They have not, however, been involved in the selection process for these awards (nor has their staff).

Background: The First Lady was on the board of Southern Development Bancorporation Inc until 1992. She no longer retains a position with them and has no financial ties to the institution.

Mellody per Howard Schloss, Treasury
 and Marsha Berry



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 30, 1997
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2 - Housing Opportunity and Responsibility Act of 1997 (Lazio (R) NY and 3 cosponsors)

The Administration supports many of the objectives of H.R. 2, and appreciates the passage of several amendments that improve the bill as well as the determination to enact long overdue program reforms. However, the Administration remains opposed to passage of H.R. 2 unless it is amended to address the concerns summarized below (and explained in more detail in the attachment).

H.R. 2 would codify much of the Administration's agenda for transforming the Nation's public housing system by: (1) facilitating the demolition and replacement of severely distressed housing developments, including replacement with mixed-income housing through partnerships with the private sector; (2) demanding prompt improvement of troubled public housing agencies (PHAs) or replacing their management; (3) promoting rent policies and coordination with supportive service efforts that encourage work; and (4) getting tougher on crime.

Administration Concerns. Although the Administration appreciates the purposes of H.R. 2 and the improvements in the bill, the Administration remains opposed to H.R. 2 unless it is amended to:

- Provide more targeting of scarce housing assistance to the neediest families;
- Set the payment standard at no higher than the Fair Market Rent;
- Set the minimum rent at \$25 per month for public housing and tenant-based assistance and allow HUD to grant hardship exemptions;
- Address the serious flaws in the home rule flexible grant option;
- Delete the "Housing Evaluation and Accreditation Board";
- Delete the "self-sufficiency agreement" between PHAs and public housing residents or recipients of tenant-based assistance;
- Delete Community Development Block Grant (CDBG) sanctions against local governments contributing to the troubled status of a PHA; and
- Delete the apparent requirement that private owners of federally assisted housing be provided with information regarding the criminal conviction records of adult applicants for, or tenants of, that housing.

Pay-As-You-Go Scoring. H.R. 2 would affect direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of this bill is under development.

* * *

Comp Time Update
May 15, 1997

Q: Any comment on today's Senate vote on flex time?

A: Today's vote gives the Senate an opportunity to develop a flex-time proposal that will give employees real choices. The President believes that real flex-time must protect the 40-hour work week, and the basic principle of over-time pay (time-and-a-half), while offering real employee choice and protecting employees against abuse. The proposal by Senator Ashcroft fails to meet those criteria. The Senate Democrats have offered a proposal that mirrors the President's proposal and can now form the basis of true flex-time bill.

[Background: Today, the Senate voted against cloture on Senator Ashcroft's flex time bill. Senators Baucus, Kerrey, and Landrieu have proposed an alternative based on the President's proposal. We should use today's vote to push the Democratic alternative, particularly since some news reports have suggested that we oppose flex-time outright. See attached one-pager for background on our grounds for opposing Ashcroft.]

TALKING POINTS ON PRESIDENT CLINTON'S COMP TIME PROPOSAL

Thursday, May 15, 1997

The President's Proposal Offers Employees Real Choice and Flexibility: The Ashcroft Bill Gives All the Choice -- and all the Control -- to Employers

President Clinton's comp time proposal strengthens families by offering employees choice and flexibility:

- If they work overtime, they can be paid time and a half, as the law now requires, or they can take that payment in time-off to be with their families -- an hour-and-a-half off for every hour of overtime they have worked.
- Simply put, employees make the choice that is best for them -- money in the bank or time on the clock. That means more choice, and more flexibility, for working families.
- Comp time can be used for vacation, extended maternity leave, or to spend more time with one's children or parents -- making it easier to raise children and balance the obligations of home and work.

The Republican version of "comp time" legislation that is up for a vote today would make families worse off than they are today -- taking away their choice and flexibility, often denying them the benefit of time-and-a-half for overtime worked, and effectively repealing the 40-hour workweek.

Under the Ashcroft Bill, now awaiting a vote in the Senate:

- Some employees who work an extra hour would get only an hour off -- less overtime than they would be eligible for today, or under the President's proposal. *That's money out of their pocket.*
- Employers can force employees to make up their time off -- for example, by making them work over the weekend without paying time-and-a-half. *They could not do this under the President's proposal.*
- Employers can deny employees' request to use comp time for critical family needs by claiming the business would be "unduly disrupted." *They could not do this under the President's proposal.*
- Employers can decide to cash out an employee's earned comp time above 80 hours at any time with 30 days notice, even if the employee had a long-planned use for it -- such as maternity leave. *They could not do this under the President's proposal.*
- Employees are not adequately protected against losing the cash value of the comp time they have worked for and earned if their employer goes bankrupt. *The President's proposal offers this crucial protection.*

- Employers can eliminate paid leave plans and replace them with comp time plans, leaving employees worse off. *This is flatly prohibited under the President's proposal.*

THE CLINTON AND ASHCROFT BILLS ARE LIKE NIGHT AND DAY:

- *The Ashcroft bill ends the 40 hour work week and the basic right to time-and-a-half pay for overtime work.* The President's bill protects and guarantees them.
- *The Ashcroft bill gives employers all the control and flexibility.* The President's proposal gives more choice, control and flexibility to employees and their families.
- *The Ashcroft bill offers no protection against unscrupulous employers.* The President's proposal does.

The vast majority of our employers will be fair to their workers under any system. But as we modernize our laws to fit a changing workplace we have to uphold historic safeguards for all our employees. It should be up to employees and their families, not employers, who should choose if, when and how they take and use comp time.

As President Clinton said in his March 22 Radio Address: "The moment a responsible comp time bill hits my desk I will gladly sign it...[but] I will have to veto any legislation that fails to guarantee real choice for employees, real protection against employer abuse, and real preservation of fair labor standards including the 40-hour week."

GUIDANCE ON DISASTER SUPPLEMENTAL
MAY 15, 1997

- * The House will take up the bill today, assuming they are able to get passage of a rule. They failed to do so yesterday, but changes made in the proposed rule are expected to make it acceptable to a majority today.
- * Assuming the bill passes today, we anticipate a House-Senate conference Tuesday.
- * Our position continues to be that the Congress should not hold up disaster assistance to hundreds of thousands of people in 33 States in the Midwest and elsewhere in order to fight over political issues.
- * **The President will veto this bill if it contains the continuing resolution provision. We obviously don't think the government should be shut down, but let's keep in mind we never did that. They did. We are not going to accept a provision that effectively undermines the balanced budget agreement we've just spent months achieving.**
- * See attached highlighted SAP

TOIV



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

(House Floor)
May 14, 1997

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

HR. 1469 -- MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR RECOVERY FROM NATURAL DISASTERS, AND FOR OVERSEAS PEACEKEEPING EFFORTS, INCLUDING THOSE IN BOSNIA (Sponsor: Livingston (R), Louisiana)

This Statement of Administration Policy provides the Administration's views on H.R. 1469, as reported by the House Appropriations Committee. The Administration appreciates the prompt action of the House Appropriations Committee on the President's supplemental requests. The bill contains \$5.5 billion in urgently needed disaster assistance. To ensure an expeditious response to the tragic natural disasters that continue to afflict hundreds of thousands of citizens in 33 States, and for the efficient operation of our troops abroad, it is essential that this bill remain free of extraneous issues that could slow its progress.

The Administration continues to believe that the requested supplemental funding is for matters truly emergency in nature and, therefore, that the requested funding should not be offset with rescissions. However, recognizing that the House Committee has determined that offsets are to be included in the bill, the Administration has concerns with several of the specific offsets identified in the House Committee bill, which are discussed below. In addition, the Administration objects to certain language provisions, described below.

In the April 23, 1997 letter to the House Appropriations Committee providing the Administration's views on the draft Committee bill, OMB Director Raines described the Administration's concerns with a number of provisions in the Committee bill and urged that the bill be kept free of extraneous provisions. While the Committee bill continues to include a number of objectionable provisions, the Committee addressed several of the Administration's concerns and is free of provisions that would threaten approval of the bill. Regrettably, the rule makes in order ^{one} two amendments, that if approved, would threaten approval of the bill.

"Automatic" Continuing Resolution

It is the Administration's understanding that an amendment will be offered that would create an automatic continuing resolution for FY 1998 based on the McCain-Hutchison language. While the goal of ensuring that the Government does not shut down again in the absence of enacted appropriations is a worthy one, such a provision is clearly extraneous to this emergency disaster relief legislation. The President has indicated that he would veto the bill if such a provision were included in it.

Bosnia

won't be offered

The Administration understands that an amendment may be offered that would mandate a date certain for withdrawal of U.S. forces from Bosnia. The President's senior advisers would recommend that he veto the bill if such an amendment were adopted. Such an amendment could jeopardize the safety of our troops and damage our national security interests. It would seriously undercut the U.S. commitment to help implement the Dayton Peace Accords and successfully complete the NATO-led mission in Bosnia, resulting in a serious loss in U.S. credibility with the Bosnian parties, with our allies, and with other countries participating in the SFOR operation.

The Administration continues to believe that the duration of SFOR's mission should provide sufficient time to establish conditions to maintain security and stability in Bosnia without an outside military presence. However, this effort can only succeed if the parties and the international community remain assured of U.S. leadership and commitment to peace in Bosnia.

WIC

The President's budget requests a \$100 million FY 1997 supplemental for WIC to maintain the FY 1996 year-end participation level of 7.4 million. Our most recent information from States suggests that a minimum of \$76 million in new budget authority is necessary to maintain the FY 1996 year-end participation level. The funding level proposed by the House Committee would result in State agencies having to cut participation by 150,000 to 200,000 low-income women, infants, and children by year's end. The Administration remains firmly committed to fully funding the WIC program at a participation level of 7.5 million persons in FY 1998 and strongly supports the amendment to provide the full \$76 million this year.

Reductions to FEMA Disaster Relief and Other Non-Defense Programs

The Administration would oppose the amendment made in order in the rule which would eliminate \$2.4 billion of FEMA Disaster Relief funds and require the President to reduce non-defense discretionary spending by \$3.6 billion (-1.5%). Enactment of such a reduction two-thirds of the way through the fiscal year would result in reductions of nearly 5% in the final four months of the fiscal year.

Nunn-Lugar Reductions

won't be offered

The Administration strongly opposes the amendment made in order in the rule that would substitute over \$600 million in rescissions of Cooperative Threat Reduction (Nunn-Lugar) funds for existing offsets contained in the bill to fund contingency operations in Bosnia. The CTR program is a critical element in the Administration's strategy to ensure long term security and partnership in U.S.-Russian relations. The termination of the CTR program, which would result from the proposed rescission, would seriously compromise that relationship.

Contingent Emergency Fund

On April 23rd, the President requested \$300 million for funding additional emergency expenses arising from the consequences of the devastating flooding in North Dakota, South Dakota, and Minnesota. The President requested that \$200 million of this amount be provided to the Unanticipated Needs account within Funds Appropriated to the President. The Administration appreciates the quick action of the House Committee in providing funding. However, in rejecting the Administration's proposal to provide the \$200 million as a contingency fund in the Unanticipated Needs account, the Committee has failed to provide the flexibility that is essential for the President to respond appropriately to a variety of funding requirements that continue to emerge from the unfolding disaster. We urge the House to adopt the Administration's proposal, which recognizes the substantial uncertainty surrounding the Upper Midwest's enormous needs.

Community Development Block Grant Program

The Administration encourages the House to provide requested supplemental funding for the Community Development Block Grant (CDBG) program. These funds would enable CDBG to repeat its past successes of working in concert with FEMA and other agencies to help victims of disasters rebuild their lives and their homes. The complementary programs of CDBG, FEMA, and SBA hastened the recovery from the 1993 Midwest floods and many other disasters. CDBG programs serve different purposes than SBA and FEMA programs.

The Department of Housing and Urban Development and OMB will work together to establish administrative procedures ensuring that CDBG funds are used to redevelop the affected communities to be viable and disaster-resistant, in a manner that complements other relief and recovery spending. For example, the additional funds could be used to buy out properties as part of a relocation effort and/or elevate structures out of the flood hazard; to relocate lower-income families from flood plains; and, to provide grants or loans to businesses and families who lack the income, savings, or credit history to qualify for an SBA loan.

Endangered Species Act

Amendment won't be offered

The Administration opposes the inclusion in the bill of a waiver of the Endangered Species Act (ESA). Current law already allows Federal agencies to implement effective emergency procedures in order to accommodate the ESA during emergency responses to floods, and these procedures are routinely used and have been used during the recent flood events. While the Administration believes that the February 1997 policy statement issued by the Fish and Wildlife Service adequately addresses emergency situations affected by flooding and that additional legislation is unnecessary, we conclude that the language in the House Bill, as revised in the version of the bill reported by the House Appropriations Committee, is acceptable because it is consistent with that policy and will provide essential flood protection to the American people while maintaining the capability to protect endangered species.

Conservation Reserve Program (CRP)

The Administration objects to language that would restrict CRP sign-ups in FY 1997 to 14 million acres. This action would deny willing landowners the opportunity to enroll land for which the environmental benefits exceed their agricultural production value. In light of the 25 million acres recently offered for CRP enrollment, the provision would at best delay the ability to enroll the optimum number of acres. This provision is also misplaced in this bill because it would not result in any FY 1997 savings. Federal payments on FY 1997-enrolled CRP acres would not begin until FY 1998.

Assisted Housing

The President's FY 1998 Budget requests that Congress appropriate funds sufficient to renew all expiring housing assistance contracts in FY 1998 and all future years. The Administration does not object to funding FEMA's Disaster Relief program through the rescission of \$3.8 billion of recaptured excess reserves in HUD's assisted housing program, provided that the Congress is committed to approving sufficient resources to renew all expiring housing assistance contracts in FY 1998 and future years.

Concerns with Certain Offsets

The Dual Use Applications Program helps to develop and incorporate technologies used and tested by the cost-conscious commercial sector into military systems. By adopting these dual-use technologies, the Department will be able to take advantage of cost savings that flow from the production efficiencies of larger-scale commercial manufacturing lines. Reducing funding for this program would result in higher costs for future defense systems. This is an Administration priority, and the Administration strongly opposes the rescission contained in the Committee bill.

The Administration strongly objects to rescinding \$1 million of unobligated balances from the Ounce of Prevention Council. Rescission of these funds, which represent roughly one-third of the Council's total funding, would substantially reduce the work of the Council in coordinating crime prevention efforts at the Federal level and assisting the communities to make their neighborhoods safer. The Council is in the process of awarding \$1.8 million for youth substance use prevention grants and evaluating its existing grant programs. The Council has received over 300 applications from communities and community-based organizations from all across the country for these grants.

The Administration strongly objects to the House Committee action that would limit FY 1997 spending from the Fund for Rural America to \$80 million, representing a \$20 million, or 20 percent, reduction. The Fund's creation in the 1996 Farm Bill was a significant factor in the President's decision to sign that legislation because of its mandate to aid farmers, ranchers, and

rural residents in their transition to reliance on a market economy. This provision would likely result in an over 40 percent reduction in the agricultural research portion of the Fund's activities this year, significantly reducing programs that would enhance needed information and technological assistance to rural areas.

Restoring Benefits for Certain Legalized Aliens

The Administration has proposed legislation to restore SSI and Medicaid benefits for disabled legal immigrants and children of legal immigrants. To ensure that benefits for needy legal immigrants are not abruptly curtailed, the Administration would strongly support a simple extension of benefits through the end of the fiscal year to all legal immigrants currently receiving SSI. This approach would ensure that the Congress has sufficient time to enact the components of the Administration's legislative proposals, consistent with the recent bipartisan budget agreement, and that SSA has sufficient time to implement the legislation. The Administration supports the amendment made in order in the rule.

Federal Election Commission

The Administration appreciates the provision of \$1.7 million in additional funding for the Federal Election Commission (FEC) in the House Committee version of the bill and would oppose the elimination of these funds. The Administration encourages the House to remove the restrictions on these funds that would require their expenditure on automated data processing systems (ADP). The Administration requested these funds for the express purpose of supporting additional staff and related costs for investigations and audits pursuant to the Federal Election Campaign Act. While additional ADP costs are a component of these investigations, they are not the key purpose of the request.

Supplementals Not Approved

The Administration has requested a \$22.8 million emergency supplemental appropriation for NOAA to fund both hatchery repair and fishery habitat restoration. We are disappointed with the House Committee's view that NOAA's proposed fishery habitat restoration activities are not directly connected to disaster assistance and that only funding for hatchery repair is proposed. The flooding in the Northwest has resulted in direct damage to important fishery habitat. NOAA's proposed habitat restoration activities are intended to address this damage and to mitigate the impact of damage from future floods.

Supplemental funding of \$6.25 million is needed to restore funding for the Nutrition, Education, and Training program of the Department of Agriculture. This funding was unintentionally eliminated when permanent mandatory funds for the program were deleted after Congress had already passed the FY 1997 appropriations act. These funds help to provide basic nutrition education to teachers, food service workers, parents, and children.

Other Issues

- Brookhaven National Laboratory. On April 23rd, the President proposed \$19.7 million for the Department of Energy's Brookhaven National Laboratory for activities relating to remediation of groundwater contamination. Appropriate offsets were included in the proposal. The Administration encourages the House to support this proposal.
- Devils Lake. The Administration strongly urges the House to include the requested authorization language and construction funding for an emergency outlet at Devils Lake, North Dakota. With the lake at unprecedented levels and having the potential to cause high additional damages, an accelerated emergency process is necessary to reduce the risks of potential flood damages.
- Restrictions on Navy Financial Management. The Administration strongly objects to section 2105 of the House Committee bill, which would place extreme restrictions on the conduct of the Navy's financial management. This provision takes the unprecedented step of requiring congressional approval for the hiring of civil service employees within the Department of the Navy, a clear infringement on the Executive Branch's authority to manage its employees. In addition, the provision would require the Navy to submit all reprogrammings for prior approval by the Appropriations Committees, regardless of dollar value. The length of time required to submit such documents and obtain approval would impose an undue burden on the Navy and prevent efficient management of its programs and resources. Further, this provision would condition the President's authority -- and the authority of certain agency officials -- to use funds appropriated by this Act on the approval of Congressional committees. The Administration would interpret such provisions to require notification only, since any other interpretation of such provisos would contradict the Supreme Court Ruling in DNS vs. Chadha.
- River Basin Appointments. The Administration is pleased that the House Committee has included language to allow continued Federal participation on the Susquehanna and Delaware River Basin Commissions. However, the Administration opposes the requirement that the Federal representatives to these Commissions be military officers of the Corps of Engineers. This requirement is overly prescriptive. The President should have the discretion, as he does under the existing compacts, to choose the Federal representatives on these Commissions.

5.13.97
5.14.97

002

Talking Points on Shapiro, Vacancies & Holder
Tuesday, May 13, 1997
Contact: Myron Marlin 616-2777

SHAPIRO

Is it true that Howard Shapiro, the FBI's General Counsel is quitting?

- You would have to ask the FBI. But I don't believe they are commenting.

VACANCIES

How do you explain that Justice still does not have a confirmed number 2 or 3 person, and is still lacking a permanent Solicitor General, Civil Rights head, and Criminal head?

- We are working together with the Attorney General and the Judiciary Committee to fill the vacancies that are still open at the Justice Department as quickly as possible. In fact we hope that [Eric Holder] the number 2 position there will be confirmed shortly.

ERIC HOLDER

Is it true that Holder's confirmation hearing has been delayed?

- I understand that's true. Apparently the Judiciary Committee asked for some additional information. And the Justice Department asked for a few days to ensure that what is provided does not jeopardize any pending matters. So the Department agreed to postpone. [You should probably check with Justice.]
- 

Press Guidance

May 15, 1997

FCC ANTI-ALCOHOL ADS

Background: Yesterday, the FCC was asked, in a petition from the National Council on Alcoholism and Drug Dependence, MADD, and 22 other groups, to require stations that air ads for alcoholic beverages to also air anti-alcohol ads. Thirty years ago, federal regulators implemented a similar strategy requiring the airing of ads countering cigarette commercials. Reed Hundt has said that this approach worked when applied to the cigarette industry and should be considered here.

Q: What is the Administration's position on the petition asking the FCC to require broadcasters to air anti-alcohol ads?

A: We're still reviewing the petition and don't yet have a view on how the FCC should respond. But it presents some interesting ideas, and we're giving it close consideration.

Silverman

Conversation with Kagan/OPD

Press Guidance
May 15, 1997

Air Safety

There is a hearing today before the House Transportation and Infrastructure Subcommittee on Aviation to discuss air safety one year after the ValuJet crash. The NTSB is expected to criticize the airlines for not moving quickly enough on measures to ensure fire suppression and smoke detection in all aircraft. Partly to mute today's anticipated criticism, the airlines announced last night that they would retrofit smoke detectors and fire suppression devices by the year 2003. The FAA, however, announced that their proposed rule would require that they intend to require retrofitting in three years.

Do you have any reaction to the announcement by airlines to voluntarily retrofit aircraft for smoke detectors and fire suppression devices?

The announcement is a step in the right direction but the FAA has said it plans to move more aggressively with a proposed rule. Independent of that, our understanding is that the FAA plans to work with the airlines to help them exercise their voluntary program to retrofit aircraft as soon as possible.

Are you concerned that the airlines will not live up to their pledge to install these devices?

Either way there will be smoke detectors and fire suppression devices in cargo holds of all airlines. Airlines can live up to their commitment to the American people to install them or we can do it through federal regulations. One way or another it will get done.

Are you concerned by recent criticism that the FAA is not moving quickly enough on developing a proposed regulations for fire suppression and smoke detection?

Secretary Slater stated that he is satisfied that the FAA understands the need to move as expeditiously as possible. We understand the FAA is committed to a schedule that will have a proposed rule out by the end of spring.

Background: The Secretary indicated in a letter to NTSB last night that there would be proposed rule in the next five weeks and assured him that the proposal will become final this year. Further, he said that the FAA stands ready to work with airlines outside the rulemaking process to achieve voluntary and immediate installation of these devices.

Mellody per Bill Schultz, DOT

PRESIDENT CLINTON ATTENDS THE PEACE OFFICERS' MEMORIAL CEREMONY

May 15, 1997

Today, President Clinton will make two new anti-crime announcements at the Peace Officers' Memorial Ceremony on the West Grounds of the U.S. Capitol. The event, sponsored annually by the Fraternal Order of Police, will honor the 116 officers killed in the line of duty in 1996, the fewest officers since 1959. Also attending the ceremony but not participating in the program will be Treasury Secretary Robert E. Rubin, Attorney General Janet Reno, Treasury Under Secretary for Enforcement Ray Kelly, U.S. Marshalls Service Director Eddie Gonzalez and members of Congress including Senators Joe Biden, Pat Leahy and Strom Thurmond and Representative Bart Stupak. The sequence of events is as follows:

- The National Anthem will be performed by a police officer.
- Chaplain Adolph South gives the invocation
- Karen Lippe, President of the FOP Auxiliary, makes welcoming remarks.
- Gil Gallegos, National President of the FOP makes remarks and introduces the President.
- The President makes remarks.
- Gloria Estefan sings "Always Tomorrow."
- Gil Gallegos makes closing remarks.
- The President, accompanied by Gil Gallegos and Karen Lippe, places a flower in a memorial wreath.

The names of the 116 fallen officers will be enshrined on the National Law Enforcement Officers Memorial (located in Washington D.C. on E Street NW between 4th and 5th Streets). The memorial was built in 1991 and bears the names of more than 14,000 federal, state and local law enforcement officers who have died in the line of duty.

A fact sheet on the President's anti-crime announcements and the Administrations record on making America's communities safer are attached.

**Presidential Announcements
Peace Officers Memorial
May 15, 1997**

Announcements

Today, President Clinton made two new anti-crime announcements at the Peace Officers Memorial Ceremony:

- 1) **Leading by Example on Gun Safety.** Consistent with his March 5, 1997 directive, President Clinton reported that all FBI and ATF agents-- nearly 13,000, or 20% of all federal law enforcement officers-- have now been provided child safety locks to prevent accidental or unauthorized use of their firearms. The remaining federal law enforcement officers will be provided with child safety locks no later than October 15, 1997.
- 2) **Strengthening Brady.** President Clinton announced that the Treasury Department has sent out revised versions of Form 4473 ("Brady" form) to all federal gun dealers, helping to ensure that only legitimate and eligible residents of a state are able to purchase firearms.

Child Safety Locks on Firearms

- Every day, firearms claim the lives of too many children. In 1994, 185 accidental deaths by gunshot involved children age 14 and younger. Many of these deaths could have been prevented. A child safety lock can prevent children from hurting themselves or someone else, and render a gun useless to a thief. These simple devices cost as little as just over \$4 each. Asking the federal government to lead by example, the President directed his agencies to issue child safety locks to all federal law enforcement officers.

Revised Brady Form

- In response to the tragic Empire State Building shooting by a foreign visitor in February 1997, the President directed Treasury Secretary Rubin to review options to restrict gun access to foreign visitors and to tighten requirements for proof of residency. Prior to the revisions, Form 4473 -- which all firearms purchasers must complete -- did not require gun purchasers to affirmatively give their state of residence, or require information documenting a noncitizen's residence in the state for the 90-day period, as required by federal regulation.
- The new form requires purchasers to make an affirmative statement that they reside in the state of the gun dealer; and in the case of noncitizens, require that they show secondary forms of identification to prove state residency, such as a utility bill or lease.

Clinton Administration's Anti-Gang and Youth Violence Strategy

- The President's strategy seeks to break the back of violent gangs, reduce youth violence, and provide kids with alternatives to steer them away from gangs, guns and drugs. In addition to requiring federally-licensed gun dealers to provide child safety locks with every gun sold, his strategy includes \$200 million for local prosecutors and anti-gang task forces; extends the Brady Law to prevent violent juveniles from ever purchasing a gun; and funds afterschool programs to keep kids off the streets and out of trouble.

President Clinton and America's Police: Building Stronger, Safer Communities Together

May 15, 1997

A Strategy That Works:

Lowest number of law enforcement officers killed in the line of duty in over 35 years. In 1996, 116 federal, state and local law enforcement officers were killed in the line of duty, a dramatic 30% decline over 1995. This is the fewest police officer fatalities since 1959.

Crime rates have dropped for five straight years. For five years before President Clinton took office, violent crime was *increasing* in America. The President's anti-crime strategy has helped reverse this trend -- and violent crime has now *dropped* four years in a row. According to both the National Law Enforcement Memorial Fund and the Concerns of Police Survivors, "The decline in violent crime across America appears to have resulted in a dramatic decrease in the number of police officers killed in the line of duty during the past year..." [National Law Enforcement Officers' Memorial Fund (NLEOMF) and Concerns of Police Survivors (COPS), Press Release, 12/31/96]

Putting 100,000 new community police on our streets. President Clinton promised to put 100,000 new community police officers on the street to protect our communities -- increasing our nation's police force by nearly 20 percent. Since passage of the President's 1994 anti-crime bill, 64,000 of these officers have been funded. According to the National Law Enforcement Memorial Fund, "the COPS program initiated by President Clinton to put 100,000 new officers on the street is helping [reduce law enforcement fatalities] -- more police to deter crime and back each other up." [NLEOMF and COPS, Press Release, 12/31/96]

Protecting law enforcement from deadly assault weapons. Because criminals should never outgun law enforcement officers, the President's 1994 anti-crime bill banned 19 of the deadliest cop-killing assault weapons. The President banned guns like the Uzi, which are the weapons of choice for drug dealers and gangs. The number of officers killed by an assault weapon dropped from 10 in 1995 -- to one on 1996.

Preventing criminals from buying handguns. In 1993, the President signed the Brady Bill. Since its passage, the bill has prevented 186,000 stalkers, fugitives and felons from buying handguns. And the number of police officers killed by firearms declined by nearly 25 percent -- from 71 in 1995 to 55 in 1996.

The Agenda Ahead: The President wants to build on this record of accomplishment by -

- ✓ **Finishing the job of putting 100,000 community police officers on the street.**
- ✓ **Ending the use of cop-killer bullets.** These armor piercing bullets serve only to endanger the men and women we ask to protect us every day.
- ✓ **Targeting gangs with new prosecutors and tougher penalties.**
- ✓ **Requiring child safety locks on every gun.**

Peace Officers Memorial Event
Questions and Answers
May 15, 1997

Q. What is the Peace Officers Memorial?

The Peace Officers Memorial is one of several events that takes place during National Police Week each year to commemorate the deaths of law enforcement officers slain in the line of duty. It is sponsored by the National Lodge of the Fraternal Order of Police (FOP) -- the nation's largest law enforcement organization with some 277,000 members -- and has been held every year since 1982. Thousands of law enforcement officers from across the country attend each year.

Q. What anti-crime initiatives did the President announce at the Peace Officers Memorial today?

A. First and foremost, the President attended the Peace Officers Memorial to commemorate the deaths of the 116 law enforcement officers slain in the line of duty in 1996. While fewer officers died this year than in any other since 1959, too many of our officers are killed and assaulted every year. The President has always honored the service and sacrifice of these officers and their families by attending police memorials during Police Week.

At today's service, the President announced two actions taken by the Administration to continue to fight crime and violence. These are:

(1) Child Safety Locks -- Consistent with his March 5th directive, the President reported that all FBI and ATF agents -- about 13,000 or 20% of all federal law enforcement officers -- have been issued child safety locks for their firearms, and that the remaining officers will be provided with locks by October 15th at the latest.

(2) Revised Brady Forms -- The President also announced that the Treasury Department has sent out revised Brady forms (Form 4473) to all federal gun dealers to help ensure that only legitimate residents of a state are able to purchase firearms.

Q. Are these really new announcements?

A. Today's announcements demonstrate how quickly the Administration is implementing the President's directives. It has only taken about three months from the date of the tragic Empire State Building shooting to ATF sending out new 4473 forms-- which reflect revised federal regulations-- to the over 150,000 federally-licensed gun dealers. Two and a half months after the President directed his federal agencies to provide child safety

locking devices to all federal law enforcement officers, we can say that all FBI and ATF agents have them. This represents about 20 percent of all federal law enforcement officers. Moreover, this Administration is committed to ensuring that all federal law enforcement officers receive child safety locks for their guns no later than October 15th.

Q. How many officers were killed in the line of duty in 1996?

A. In 1996, 116 federal, state and local law enforcement officers were killed in the line of duty -- a 35% decline over 1995. This is the lowest number of law enforcement officers killed in the line of duty since 1959 -- and well below the annual average over the past decade of about 160 deaths.

Q. Why such a sharp decline in the number of police officers slain?

A. There are a variety of reasons, but I understand that law enforcement organizations and victims groups agree on 3 important reasons: (1) more and better-trained police officers (nearly 700,000); (2) a reduction in the number of firearms-related fatalities (from 71 in 1995 to 55 in 1996, or about half of the overall decrease); and (3) increased used of bullet resistant vests.

Q. Can you tell us more about the revised Brady form? How has it been changed?

A. Last March, in response to the tragic Empire State Building shooting by a foreign visitor, the President asked Secretary Rubin to review options to address existing deficiencies relating to the purchase of firearms by nonresident aliens. In response, the Treasury Department has revised the Brady form (Form 4473) to help ensure that only legitimate residents of a state are able to purchase firearms.

These new forms will require prospective gun purchasers to formally attest that they are residents of the state in which they are purchasing the firearm. For noncitizens, the revised Brady form requires proof that the 90-day residency requirement in federal regulations has been met. This can be accomplished through supplementary forms of identification, such as utility bills or lease agreements.

Q. What was the President's directive on child safety locks?

On March 5, 1997, President Clinton directed all federal agencies to issue child safety locks for guns issued to federal law enforcement officers. Today, President Clinton announced that the Federal Bureau of Investigation (FBI) and the Bureau of Alcohol, Tobacco and Firearms (ATF) have already provided safety locks to all their law enforcement agents. All other Federal law enforcement officers -- such as the Drug Enforcement agents and U.S. Marshals -- will be equipped with child safety locks no later than October 15th of this year.

Together, the FBI and ATF represent about 20% of the total number of federal law

enforcement officers.

Additionally, the President renewed his challenge to Congress to pass comprehensive juvenile crime legislation that includes his proposal to require all federally-licensed gun dealers to provide child safety locks with every gun sold. This provision has the strong support of national law enforcement organizations, such as the Fraternal Order of Police and the Major Cities Chiefs.

Q. Can child safety locks really make a difference?

- A. Every day, firearms claim the lives of too many children. They are responsible for 12% of fatalities among American children and teens, including many tragic accidents.

Many of these deaths are preventable. A safety lock can prevent a child from hurting themselves or someone else with a gun. It can also render a gun useless to a thief or criminal. Moreover, child safety locks are simple devices-- costing as little as \$4 each. These devices prevent a gun from being discharged without first being deactivated-- through a key or mechanical or electronically-operated lock.

Q. What is the Administration's position on the H.R.3, the Juvenile Crime Control Act?

- A. The President is opposed to the legislation because it is not a comprehensive plan to attack gangs and juvenile crime. A 1996 report released by the Justice Department's Office of Juvenile Justice and Delinquency Prevention projected that if trends continue as they have over the past 10 years, juvenile arrests for violent crime will more than double by the year 2010. This is why President Clinton has made juvenile crime and gangs his top law enforcement priority over the next four years.

America's Anti-Gang and Youth Violence Strategy must declare war on gangs; target funding for additional local prosecutors to pursue, prosecute, and punish gang members; extend the Brady Law so violent teen criminals will never have the right to purchase a gun; require federal dealers to sell a child safety lock with every gun, to protect our kids from using guns to hurt each other or themselves; and target resources to keep schools open late, on weekends, and in the summer to keep young people off the street and out of trouble.

The legislation passed in the House last week fails to provide any of these necessary measures to give law enforcement, prosecutors, and parents the tools they need to combat gangs and youth violence in their communities.

The President will continue to work with Congress to ensure passage of legislation that will give our children the safest and most secure future as possible.

Q. What does the Administration's juvenile justice proposal do?

- A. The legislation that President Clinton announced on February 19 is part of his overall Anti-Gang and Youth Violence Strategy. The strategy seeks to break the back of violent gangs, reduce youth violence, and provide our kids with positive alternatives to steer them away from gangs, guns, and drugs.

Among many other measures, the strategy provides critical resources for state and local prosecutors to target, prosecute and convict violent youth gangs. It permits Federal prosecutors to prosecute juveniles in adult court when they commit violent crimes.

It requires child safety locks for guns to prevent accidents and thefts and extends the Brady Law so that violent juveniles can never own a gun.

It also creates afterschool initiatives to keep kids off the streets and give them positive alternatives. It will give communities the resources and support to establish comprehensive curfews, anti-truancy efforts, create youth violence courts, and effective prevention initiatives.

Q: WHAT IS YOUR RESPONSE TO THE *NEW YORK TIMES* EDITORIAL ON R&D SPENDING?

A: It's important to draw a distinction between civilian R&D and defense R&D, which the editorial unfortunately does not do. With the end of the Cold War, we can invest relatively more in productivity-enhancing civilian research. Under President Clinton, civilian R&D spending has risen by 11 percent -- from \$30 billion in 1993 to \$34 billion in 1997. [That's faster than the rate of overall inflation of 9.8 percent.] As a share of total Federal R&D investments, civilian R&D has risen from 42 percent in 1993 to 45 percent this year.

The President's FY 1998 budget builds on this solid record by proposing a 4 percent increase in civilian R&D next year. For example, it includes significant increases in funding for:

- The NSF (an increase in budget authority of \$97 million, or 3 percent);
- The NIH (an increase of \$337 million, or 3 percent);
- The Advanced Technology Program -- a cost-shared program to develop technologies critical to the competitive position of U.S. industries (a \$50 million or 22 percent increase);
- The Manufacturing Extension Partnership -- a program to help smaller manufacturers use new technologies to improve their operations (a \$34 million or 36 percent increase); and
- Next Generation Internet (\$100 million next year) -- to support the Next Generation Internet program, which will develop a research network that can reach speeds 100 to 1000 times faster than today's Internet

The President remains committed to investing in these and other R&D projects while balancing the budget for the first time in a generation.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

'97 MAY 15 AM 8:58

May 15, 1997

MEMORANDUM FOR WHITE HOUSE SENIOR STAFF

FROM:

ALICIA H. MUNNELI *[Signature]*

SUBJECT:

Consumer Price Indexes for April, Labor Department Release, Thursday, 8:30 a.m.

The consumer price index increased 0.1 percent in April, in line with market expectations.

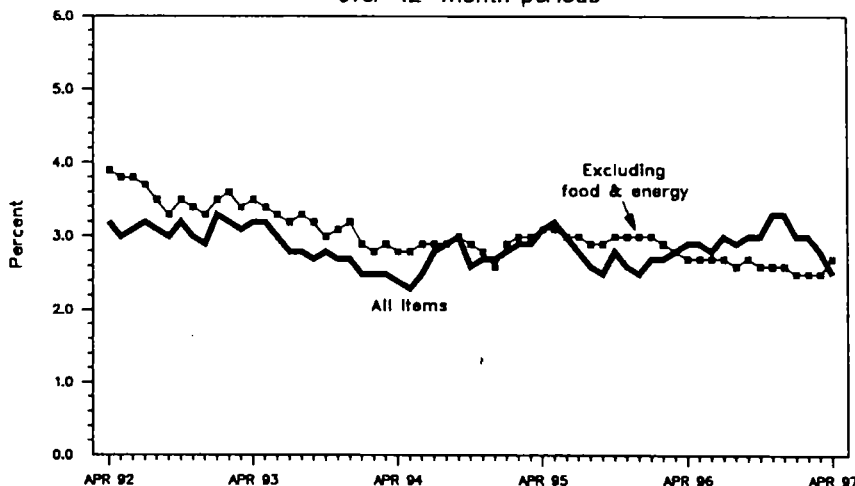
- Energy prices fell 1.5 percent--after a similar decline in March.
- Food prices edged down 0.2 percent.

The core CPI (which excludes food and energy) increased 0.3 percent in April, slightly above market expectations. The index was boosted by large price increases in tobacco and apparel commodities. Apparel prices had been flat or in decline for 3 years, and this was their first significant increase.

The core CPI increased 2.7 percent over the 12 months ending in April--unchanged from the year-earlier pace. Food and energy prices, which had boosted inflation in 1996, have fallen thus far in 1997 so that total CPI inflation has now slowed to only 2.5 percent over the past 12 months (chart).

This report, together with yesterday's PPI, indicates that inflation remains under control. Nevertheless, the uptick to a 0.3 percent increase in the core CPI from a 0.2 percent per month average over the previous 12 months may raise a few eyebrows.

CONSUMER PRICE INFLATION
over 12-month periods



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

May 15, 1997

'97 MAY 15 AM 8:58

MEMORANDUM FOR WHITE HOUSE SENIOR STAFF

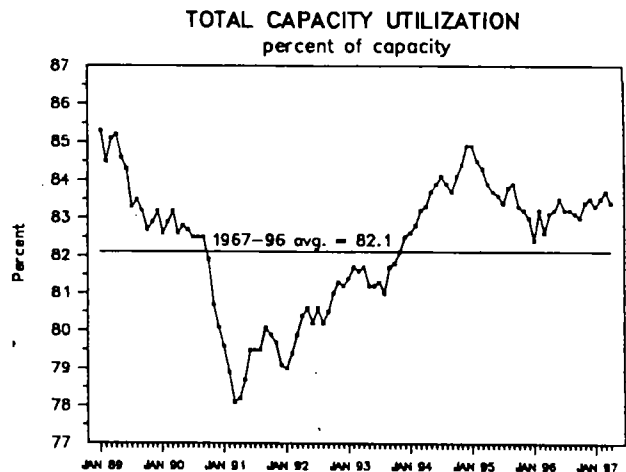
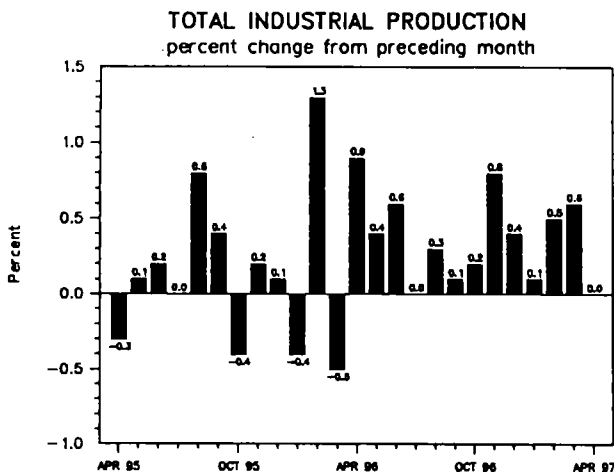
FROM: ALICIA H. MUNNELL *AM*

SUBJECT: Industrial Production and Capacity Utilization in April, Federal Reserve Release, Thursday, 9:15 a.m.

The Federal Reserve's index of industrial production was unchanged in April--a bit below market expectations. The March increase was revised down to 0.6 percent from the previous estimate of 0.9 percent.

- o Manufacturing output edged down 0.2 percent primarily because of strikes in the motor vehicles industry. Outside of motor vehicles, durables production increased moderately, with sizable gains in computers and semiconductors. Nondurables production edged down 0.1 percent.
- o Production by utilities increased sharply due to relatively cool weather in April.

Capacity utilization edged down 0.3 percentage point to 83.4 percent in April--a bit below market expectations. The April level is only slightly higher than the rate associated with stable inflation.



ZAIRE

Q: Why didn't Mobutu-Kabila talks take place?

A: Our understanding is that, at the last minute, Mr. Kabila expressed concerns regarding security and logistical arrangements and declined to travel to the South African ship docked in Pointe Noire, Congo.

We have seen press reports indicating President Mandela plans to meet with Mr. Kabila today in Cape Town. We also understand Mr. Kabila has ordered his troops not to advance further pending these discussions in South Africa. For further details regarding the rescheduling of talks, I would refer you to the Government of South Africa.

We hope talks will continue between the principal parties to create conditions for a peaceful transfer of power to an inclusive transitional government.

Q: Is the U.S. in contact with Mobutu and Kabila?

A: We continue to maintain regular contacts with both leaders, and we continue to support the reports of the South African government and UN/OAU Representative Sahnoun to find a peaceful resolution to the crisis.

Q: Can you provide an update on the situation in Kinshasa and on rebel movements?

A: Kinshasa remains calm. Due to some confusion over the intended duration of the general strike which began yesterday, some markets are open today and pedestrian and vehicular traffic is increasing.

We understand that AFDL forces have advanced to the Combo River less than 100 kilometers from Kinshasa.

Q: Did Kabila's rebel alliance request the U.S. to freeze Mobutu's assets in the U.S.?

A: No.

CFE FLANK AGREEMENT

CFE Treaty Implications

- We are pleased that the Senate approved the CFE Flank Agreement unanimously (100-0) and in a timely manner. The United States has thus met the May 15 deadline for approval.
- This agreement will ensure the continued integrity of the CFE Treaty and its flank regime, which provides for strict limits on conventional forces in sensitive areas, such as the Caucasus region. This agreement will facilitate negotiations now underway to adapt the CFE Treaty more broadly that will take account of the changes in Europe since CFE signature in 1990.
- [If asked: Nearly all the 30 CFE countries have approved the agreement. We hope that all approvals will be provided by today, so that the agreement can enter into force on time.]

Description of Documents Released

- The letter to the Senate or “signing” statement makes clear the President’s position on several of the Conditions on the Senate’s resolution of ratification, particularly with respect to his Constitutional authorities.
- The President also provided several certifications to the Congress, as required by the Resolution of ratification. These are both with respect to CFE flank matters, and an ABM MOU on succession.

ABM MOU on Succession (Condition 9)

- As the President said in his signing statement, Condition 9 to the Resolution of Ratification, which requires submission to the Senate of any agreement governing ABM Treaty succession, is a matter of particular concern. This is because it addresses a matter reserved to the President under our Constitution but also because it is substantively unrelated to the Senate’s review of the CFE Flank Document.
- As the signing statement goes on to say, it is clearly within the President’s authorities to determine the successor States to a treaty when the original Party dissolves, to make the adjustments required to accomplish such succession and to enter into agreements for this purpose. Throughout our history the executive branch has made a large number of determinations concerning the succession of new States to the treaty rights and obligations of their predecessors.
- The ABM Succession MOU negotiated by the United States effectuated no substantive change in the ABM Treaty requiring Senate advice and consent.

- **Nonetheless, in light of the exceptional history of the ABM Treaty and in view of the President's commitment to agree to seek Senate approval of the Demarcation Agreements associated with the ABM Treaty, the President has, without prejudice to the legal principles involved, certified, consistent with Condition (9), that he will submit any agreement concluded on ABM Treaty succession to the Senate for advice and consent.**

SAUDI ARABIA

Bin Ladin

- His message and his methods are reprehensible.
- The U.S. has military forces in the Persian Gulf to protect its vital interests.
- Host governments, including the Saudi leadership, share these interests and are our valuable allies.
- Terrorist threats are not going to force us to abandon our interests or our friends in the region.
- In the meantime, we are taking every step to protect our forces in the area from terrorist attack. Our units in Saudi Arabia are already on high alert.

Khobar Bombing

Q: Is the suspect in Canada being interviewed? Is he cooperating with the U.S.? Is he coming to the U.S., etc.?

A: This is an ongoing criminal investigation.

It would be inappropriate for us to comment on such details.

I refer you to the Justice Department."

Q: Are we getting cooperation from Syria on the Khobar bombing investigation?

A: The investigation into the Khobar bombing is ongoing. We do not comment on investigations in progress.

Regarding Syria, I'm not going to discuss the details of our diplomatic exchanges with other governments, particularly when they involve a matter under investigation.

Q: Are the Saudis helping? What have we learned from the suspect detained by Canada?

A: As I've said before, we have gotten cooperation from the Saudis and we've been assured at the highest levels of the Saudi Government that more cooperation will be forthcoming.

As has been reported, Canada has detained an individual who may have information about Khobar. I'd refer you to the FBI for any comment on that.

Q: But the Canadians charged this guy with participating in the bombing and the papers they filed indicate he has links to Syria and Iran. Do you concur with the Canadian assessment of his culpability? Does this mean we're going to finally take action against Iran? Will it be military action?

A: Canada did make some specific allegations in the papers the Canadian government filed with its own courts. As you know, we, too, have an investigation ongoing.

At this time in our own investigation, it is neither necessary nor appropriate to make specific public charges or allegations. The FBI, the agency in our government that is in charge of this investigation and the agency that has been working with Canada, will follow all leads and will take them to their appropriate conclusion.

We are treating this as a criminal, law enforcement investigation. I'm not going to speculate about the outcome of the investigation or any actions that outcome might require.

Q: So you're ruling out any military action against Iran based on the clear and convincing evidence Canada's authorities have submitted to their courts?

A: I'm declining to speculate on the outcome of the case. Nothing more, nothing less.

FAST TRACK

- Committed to getting fast track through the Congress.
- Will continue to work with Congress to pass fast track authority.
- High level Administration officials have been meeting with key members on both sides of the aisle to push this legislation forward.
- Hopeful that we will succeed.

Q: It has been reported that the President is planning to delay his request for fast track authority to accommodate the budget process. Is that true? Does this signal Administration retreat on fast track? Has Gephardt scared the President off?

A: Not at all. The President is still firmly committed to seeking fast track authority to open foreign markets. It is critical if we want to continue creating good jobs for American workers.

Every President since Ford has had fast track authority for key periods, and the reasons for it now are more compelling than ever. Over 11 million U.S. jobs now depend on exports, and these jobs pay 13-16 percent more than the average U.S. job. Today, 95 percent of the world's consumers live outside the U.S., and the vast majority of those consumers live in the emerging and fastest growing markets of Latin America and Asia. We simply must continue to open these markets for U.S. exports if we are to succeed in the global economy.

We cannot afford inaction. If we are not seizing opportunities to break down trade barriers and open foreign markets, we can be sure other countries will act -- to the benefit of their companies and their workers.

The United States has nothing to fear. We are the most competitive large economy in the world as judged by independent experts. But our ability to define the nature of our trade relationships will in significant measure determine our leadership role in the next century. Fast track authority is the most important factor determining these relationships.

As you know, we have been consulting with Congress to develop bipartisan support for this legislation. We think that is the best way to build a strong foundation for this effort. We will continue to consult with Congress as to the substance, tactics and timing of the fast track initiative.

Q: It has been reported that the Administration is weighing the dropping of labor and environmental goals from fast track trade authority legislation, a move certain to infuriate labor unions. Is this true?

A: As we have stated before, our goal is to build the broadest possible support for the fast track legislation. To that end, Ambassador Barshefsky and others have been consulting actively with members of Congress representing all points of view on this subject, and with all interested parties, including organized labor. We will continue to do so with the goal of enacting legislation that receives broad support.

COURT RULING ON IMMIGRATION LAW

Background: A federal judge in Miami issued a temporary restraining order halting the deportation of Nicaraguans and other immigrants affected by a provision of the new immigration law that would have the effect of making them ineligible for “suspension of deportation.”

- **Refer questions regarding the judge’s ruling to INS.**
- **As President said last week, while strongly support immigration law, believe there are harsh, unanticipated consequences.**
- **Especially true for immigrants who have resided in the US for years under temporary status and for whom deportation would mean disruption to families, children.**
- **Administration remains committed to working closely with Congress over coming months to seek to address these issues in a humane way.**

ISRAEL

GUN AND ISRAELI DIPLOMAT

Q: Do you have any comment on the Israeli diplomat bringing his gun to a White House tour?

A: No. I understand that matter is being handled in the normal law enforcement and diplomatic channels.

ISRAELI AGENT

If asked about press reports accusing U.S. Government official of being an Israeli agent:

- As a matter of practice we do not comment on intelligence matters.

If pressed:

- We do not comment on intelligence matters.

Q: Have you been in touch with the Israeli Government about this matter?

A: This is an intelligence matter; I'm not going to comment on any aspect of it.

NATO-RUSSIA DRAFT ACCORD

- From the beginning of this Administration, President Clinton set as a key foreign policy goal the achievement of a peaceful, stable, undivided and democratic Europe.
- In March in Helsinki, Presidents Clinton and Yeltsin discussed the future of European security. They agreed on the importance of building a cooperative relationship between NATO and Russia.
- Wednesday in Moscow, NATO Secretary General Solana and Russian Foreign Minister Primakov reached agreement on the text of a NATO-Russia document, called the NATO-Russia Founding Act.
- The Act provides the basis for an enduring partnership between NATO and Russia, a partnership giving Russia a historic chance to secure its rightful place in Europe.
- The Act defines the terms of a fundamentally new and sustained relationship -- in which NATO and Russia will consult and coordinate regularly and, where appropriate, act jointly -- as NATO and Russia are working together in Bosnia today.
- We applaud the hard work of Mr. Solana and Mr. Primakov, and of many others. The NATO-Russia relationship is a key element of the security architecture that we are building for Europe for the 21st century.
- Its new relationship with Russia is part of NATO's effort, in the aftermath of the Cold War, to adapt to new circumstances and meet new challenges.
- NATO remains the bedrock of Euro-Atlantic security and will retain all of its prerogatives.
- In just a few weeks, NATO will invite the first new members to join the Alliance, as full members with all rights and responsibilities of membership.
- Enlargement will extend the benefits of the stability and security that Western Europe has enjoyed for decades to Central and Eastern Europe.
- Some doubted we could proceed with enlargement and a new relationship with Russia in parallel. But through steady, consistent leadership, the United States, in a truly bipartisan fashion, is in fact building a better Europe, without lines, without gray zones, without secret deals, but with hope and confidence.

LASER INCIDENT

M/V KAPITAN MAN Incident

Background: On Friday, April 4, 1997, a Canadian military helicopter was illuminated by a suspected laser device aboard the Russian merchant ship M/V KAPITAN MAN. At the time of the incident, the M/V KAPITAN MAN was in US territorial waters approximately 5 nautical miles northwest of Port Angeles, Washington. The Canadian helicopter was on a routine maritime patrol flight with a US Navy observer embarked. After the incident, M/V KAPITAN MAN continued on to a routine port call in Tacoma, Washington.

On Saturday the Canadian pilot of the helicopter and the US observer, a US Navy Lieutenant assigned as a liaison officer to the Canadian Maritime Pacific Command, sought medical attention for eye pain. The examining physician diagnosed their condition as consistent with the damage caused by laser burns. The eye damage they suffered is expected to be non-permanent. Photographs of the M/V KAPITAN MAN taken by the Canadian helicopter could be interpreted as indicating that a laser-type device may have been pointed at the helicopter from the bridge of the vessel (one photo shows a bright red spot of light but not the device from which the light originates).

On Monday morning, April 7, 1997, the US Coast Guard notified the Master of M/V KAPITAN MAN in writing that the vessel was being detained in port for a Coast Guard inspection to determine if hazardous materials or conditions were present on the vessel. The Coast Guard inspection commenced at about 8:30 p.m. EST and lasted approximately two hours. The inspection team searched for the laser device, interviewed the vessel's officers and crew, and inspected the ship's logs. The Master and crew of the vessel were cooperative, opening all compartments that the inspection team desired to inspect. No laser device was found, there was no evidence that an installed device had recently been removed, and the officers and crew claimed they did not have a laser device aboard the vessel and had not shined one at the Canadian helicopter.

The Coast Guard inspection team departed the M/V KAPITAN MAN at about 1:30 a.m. EST April 8th, and the Coast Guard released the vessel from detention.

Q: **What is the condition of the injured men?**

A: The initial evaluation by Canadian military physicians was that the eye damage would be non-permanent. The two men were then taken to Brooks Army Medical Center in Texas for further examination and evaluation. Physicians there concurred in the Canadian physicians' evaluation.

Q: Why was a Canadian military helicopter flying around a ship in U.S. territorial waters?

A: The Canadian helicopter was on a routine maritime surveillance patrol in the Strait of San Juan de Fuca, which lies between the United States and Canada. The M/V KAPITAN MAN was in the inbound traffic lane, which lies on the U.S. side of the Strait. Our two nations work closely together to ensure the safety and security of shipping in the Strait.

Q: Why was a U.S. Navy officer in the Canadian helicopter?

A: The U.S. Navy lieutenant is a liaison officer assigned to the Canadian Maritime Command Pacific. The U.S. and Canadian armed forces work closely together in many areas, including maritime patrol and reconnaissance. The U.S. Navy lieutenant's presence on the Canadian helicopter was a routine part of his liaison duties.

Q: On what grounds was the Russian ship detained?

A: The U.S. Coast Guard has statutory authority under the Ports and Waterways Safety Act and the Magnuson Act to inspect vessels in U.S. ports and waters for hazardous materials or conditions, and to detain vessels for this purpose.

Q: Who conducted the inspection? Did Canadian officials participate?

A: The inspection was conducted by the U.S. Coast Guard. They were assisted by a Russian linguist for crew interviews and U.S. military personnel to aid in identifying any laser-type devices that might have been found. No Canadian officials participated.

Q: Did the U.S. Government notify the Russian Government of this incident?

A: We informed the Russian Government of the incident and that the M/V KAPITAN MAN had been detained by the U.S. Coast Guard for inspection.

Q: How did the Russian Government react to our actions?

A: The Russian Consulate in Seattle offered their services to assist the Coast Guard in their inspection of the ship. The Coast Guard expressed willingness to conduct the inspection with a Russian consular officer present. The Russian Consulate in Seattle elected not to participate. The Russian Government has indicated that it will cooperate in our investigation of this incident.

Q: If no laser device was found on the Russian ship and the crew denied shining a laser at the Canadian helicopter, how do you explain the eye damage suffered by the two men?

A: I am not going to speculate on possible causes of their injuries. The Department of Defense is continuing to investigate the incident.

Q: Why was the Russian ship released?

A: The Coast Guard inspection team reported that they had satisfied the purpose of the inspection, which was to determine if hazardous materials or conditions were present on the vessel. The inspection team found no hazardous materials or conditions, and the Coast Guard informed the Master of the M/V KAPITAN MAN that the order detaining his vessel had been canceled.

For use only if asked:

Q: If the Russian ship did point a laser at the helicopter, would it be a violation of the ban on blinding laser weapons?

A: Until we have a great deal more information, we could not say whether the system that was used would be prohibited under the 1996 Protocol on Blinding Laser Weapons. The Convention on Conventional Weapons protocol on Blinding Laser Weapons prohibits only the employment of "laser weapons specifically designed, as their sole combat function, to cause permanent blindness to unenhanced vision, that is to the naked eye or to the eye with corrective eyesight devices." Laser systems that are not covered by the Protocol are widely used by the armed forces of many nations, including those of the United States, for purposes such as detection, targeting, range-finding, and communications.

Q: Has the protocol on blinding laser weapons entered into force?

A: No, but signatory states have taken on an obligation to respect its terms to "the fullest extent possible" pending its entry into force." The CCW Protocol on blinding laser weapons was signed on May 3, 1996 and requires the ratification of twenty countries. It was submitted to the Senate for advice and consent to ratification on January 7th of this year. Although Protocol IV has not yet entered into force, the Final Declaration adopted by all CCW parties at the conclusion of the conference at which Protocol IV was adopted stated that all parties "solemnly declare ... their desire that all states, pending entry into force, respect and ensure respect of the substantive provisions of Protocol IV to the fullest extent possible."

Q: Does the U.S. Government plan to protest this incident to the Russian government?

A: As I said, our investigation continues; once we have determined exactly what happened, we will consider further appropriate actions. I should note that the Russian government has been responsive and cooperative in this matter.

RUSSIA/NIS

Current

NATO-Russia Agreement

(see above under NATO-Russia)

- Yesterday announced they have reached agreement -- on final draft of document defining terms of new partnership between NATO and Russia.
- NAC met yesterday in Brussels to review document. (FYI: text ad ref to NATO capitals under silence procedure -- due to be discussed, approved by Friday, May 16.)

If asked about Paris summit

- Russians expressed interest in late May NATO-Russia summit to sign NATO-Russia document. French have expressed interest in hosting NATO-Russia summit to sign document. We believe document should be signed at highest political level and welcome French invitation. ("official" invitation still to be issued -- would expect that to occur AFTER NAC approves text -- that should happen Friday (5/16) in Brussels.)

General

NATO-Russia (expanded)

- Plans for NATO enlargement proceeding on schedule -- Madrid summit on track; will issue first invitations to prospective new members at July 8-9 meeting.
- Enlargement part of broader effort to build comprehensive European security system, which includes strong NATO-Russia relationship. Going forward in way that does not threaten any nation's security, enhances stability in Europe.

In Helsinki, President and Yeltsin disagreed over enlargement but agreed to work together to build cooperative NATO-Russia relationship.

- See Russia as partner of NATO in shaping more secure, stable and undivided Europe. That is good for United States, Russia and Europe.

Denver Summit of the Eight

- Denver meeting will be Denver Summit of Eight; will build on increased Russian involvement; Yeltsin to arrive and depart with others; will be one press conference by leaders of the Eight.
- Seven will still discuss economic, financial matters; expect this to be small part of agenda.

MEXICO

Background: The U.S.-Mexico Interparliamentary Union, which meets annually, is meeting in Sante Fe this weekend. They had hoped to swing through DC to see POTUS but we couldn't get it on the schedule.

- **President is very pleased he was able to meet separately with political party leaders during his visit to Mexico, which gave him the opportunity to hear their views on the current situation in Mexico.**
- **He looks forward to learning about the Sante Fe meeting from the U.S. Co-Chairs, Senators Hutchison and Dodd.**

IRAN

IRAN AND LIBYA SANCTIONS ACT (ILSA) -- BALAL PROJECT

Q: In today's Wall Street Journal article, "U.S. Oil Firms Attend Conference in Iran" it says that Iranian officials have reached an agreement with a British oil company to develop an offshore field. The project could cost \$140 million or more, but would likely be designed to avert U.S. reprisals. Does this deal violate ILSA?

A: We have seen reports about a possible contract award for development of Iran's Balal oilfield project, and are seeking additional information. We will not discuss specific projects until determinations of sanctionable activity are made.

We are reviewing all projects which may be relevant to the application of ILSA. ILSA is the law, and we will apply it fully.

(Note to Briefer: According to press reports on May 9, the parties reportedly awarded the contract are Bow Valley Energy of Calgary, Alberta, Canada, and an engineering firm called Pell Frischmann, which may be British or Swiss or have a mixed corporate nationality. The WSJ article of May 12 referred to the contract going to a "British oil company." It is likely, though not certain, that this was a reference to Pell Frischmann.)

Q: What is the State Department reaction to the announcement of a contract award on an Iranian oil project to a Canadian/British consortium?

A: We have seen reports about a possible contract award for the Balal project, and are seeking additional information.

Q: Isn't this project, the Balal field, one of those the Department listed in the Federal Register? Doesn't that mean this is a sanctionable deal?

A: The Balal project was among those we listed in the Federal Register as having been publicly tendered in the oil and gas sector in Iran. As the notice indicated, conclusions about sanctions should not be drawn from a project's inclusion on or absence from the list.

We are reviewing all projects which may be relevant to the application of ILSA. We will not discuss specific projects until determination of sanctionability are made.

Q: Some say the Administration is backing off the imposition of ILSA sanctions or granting automatic waivers because of the "deal" last month with the EU. Can you comment?

A: As we have said before, the U.S. made no commitment, legal or other, to grant waivers to European firms for activities in Iran or Libya. ILSA is the law, and we will apply it fully.

EARTHQUAKE

Background: With regard to U.S. response to Iranian earthquake, in the past we have provided aid to the victims of other Iranian earthquakes. For example, in 1990 when Iran was hit with a quake of the same magnitude, we gave Iran \$800,000 in cash and kind (blankets) donations. In last February's earthquake (which was not nearly as devastating as this one), we provided \$25,000 in aid.

The International Federation of the Red Cross is asking for \$8.2 million in emergency aid. State is proposing a \$100,000 donation . We and Democracy (Rich Ragan) believe that is appropriate figure.

Q: Is the U.S. going to provide any humanitarian aid for the Iranian earthquake victims?

A: This is a humanitarian tragedy.

The International Federation of the Red Cross has issued an appeal for emergency aid. We are determining an appropriate donation which we can make to this appeal.

State announced Monday that the USG would be making a \$100,000 donation through NGOs.

TURKISH INCURSION INTO IRAQ

Q: What is your reaction to the incursion of Turkish forces into northern Iraq today to attack PKK strongholds?

A: We understand that the Turkish military has launched an operation against PKK forces in northern Iraq. Based on information available so far, this action appears similar to Turkish operations that have taken place in the past.

The U.S. supports the right of Turkey to defend itself against the terrorist PKK, which uses northern Iraq as a staging ground to mount attacks into Turkey.

At the same time, we have repeatedly stressed that operations of this sort must be limited in scope and duration, and that adequate safeguards must be taken to protect the lives and property of the civilian population.

This message was repeated today in Ankara and we have been assured by the Turkish government that this operation will be conducted with these concerns in mind.

TRIPS AND VISITORS

- Ukrainian President Leonid Kuchma will be in Washington May 14-16 to conduct the inaugural meeting of the U.S.-Ukraine Binational Commission with Vice President Gore. He will meet with President Clinton during his visit. *(FYI: POTUS meeting scheduled for Friday 5/16 at 4:15pm)*
- President will travel to Netherlands May 28 for U.S.-EU Summit and Marshall Plan commemoration event. President has accepted invitation to stop in London to meet with Prime Minister Blair.
- President Kiro Gligorov of the Former Yugoslav Republic of Macedonia in Washington June 17 for working visit with the President.
- Denver Summit June 20-22.
- POTUS will travel to Denmark in July in conjunction with the July 8-9 NATO Summit in Madrid.
- President's visits to Brazil, Argentina and Venezuela rescheduled to October 12-17.
- APEC Summit in Vancouver, Canada November 24-25.

Visit of President Aliyev of Azerbaijan

Background: The President wrote Aliyev Friday, inviting him to visit Washington, "perhaps in late July or August." Amb Kauzlarich delivered the letter to Aliyev on Saturday, who promptly had the part regarding the invitation read to the Azeri press.

- POTUS has invited Aliyev to visit Washington; date TBD, possibly in the late summer.

CHINA

MFN

Q: What is the Administration position on a short, e.g., 3 or 6 month, extension of China's MFN status?

A: The Administration supports the current approach of unconditional renewal of MFN for one year. We share the concerns of those in Congress who want to express support for continuation of Hong Kong's current way of life and freedoms. However, it should be understood that a short-term extension would create uncertainty and damage confidence in Hong Kong, just at the time it most needs to maintain its strength and vitality. That is why residents of Hong Kong and their elected representatives overwhelmingly favor unconditional MFN for China.

Q: [If asked] Will the President renew China's waiver of MFN status this year?

A: The Administration supports the current approach of unconditional renewal of MFN for one year.

(FYI: We have not made decision re veto -- don't want to suggest we think we will lose. We would like permanent MFN, but we also want that suggestion to emerge from the Hill, not us.)

Q: Can you clarify whether Martin Lee has called for a permanent extension of MFN or just one year?

A: Martin Lee publicly said he supports unconditional one year renewal. In addition, Hong Kong Governor Chris Patten has written the President and Congressional leadership supporting the full and unconditional extension of China's MFN status as an essential ingredient for maintaining confidence in Hong Kong.

(FYI: Privately, he told some in Congress a short renewal might be a good idea.)

Q: Did top Chinese officials approve plans to buy influence/is it continuing?

A: Number of allegations have appeared in the newspapers. As you know, on-going investigation; because issue is law enforcement matter, dissemination of information limited to protect the investigation. Under the circumstances, not appropriate for me to comment.

Q: Effect on U.S. policy

A: As we have said in the past, should allegations of illegal activity/ funneling campaign contributions prove true, would be a serious matter and take appropriate action. Both the Vice President and the Secretary of State have communicated that message to senior Chinese officials. Since the investigation is on-going, it would premature to speculate on just what response would be appropriate.

Q: Should AG share more info with you?

A: As have said in the past, difficult balancing question between national security and law enforcement concerns.

Q: How come FBI briefing intelligence committee and not you?

A: Not aware of the content of any briefing to the Hill.

MIDDLE EAST PEACE PROCESS

DENNIS ROSS MEETINGS

Q: Can you update us on the Ross Mission in the Middle East?

A: Ambassador Ross continues to consult with leaders in the region on efforts to restore negotiations. He met with Israeli FM Levi today (Wednesday).

He will participate in a meeting of Israeli and Palestinian officials Wednesday evening in Tel Aviv, at which they will discuss issues related to re-starting their negotiations.

(FYI only: Ross now expected to return to U.S. Friday night.)

Q: Can you confirm that Israeli Foreign Minister Levi will have meetings at the White House during his visit to Washington on Friday.

A: National Security Adviser Berger will meet the Foreign Minister, after he meets with Secretary Albright at the State Department.

Q: Some commentators have accused the Administration of not taking on the responsibility it should to save the Middle East peace process, even if that means putting some pressure on Israel to compromise. What are you doing?

A: At a time when the peace process is experiencing serious difficulties, there is a temptation to look for quick fixes or easy answers to explain the lack of progress.

That's not our approach. President Clinton has made it clear since the beginning of his Administration that he is committed to helping the parties to make peace after five decades of war and violence.

The President and Secretary Albright and are in regular and constant contact with Arab and Israeli leaders in order to do everything we can to get the negotiations back on track. The talks we have had over the past two months, including two meetings with Prime Minister Netanyahu, have been for the purpose of developing an approach which will move the process closer to our goal of a comprehensive peace.

For these efforts to succeed, two things are necessary: Zero tolerance for terror, including a 100% effort to prevent it, and a readiness by both sides to take steps that build confidence in the integrity of the negotiating process.

We understand the urgency of moving ahead, but we're not going to be rushed. We need to make sure that both sides are ready to take the steps necessary for credible negotiations.

Q: Can you confirm stories in the Israeli press that the U.S. plans to cut \$50 million in aid from Israel and Egypt, in order to give it to Jordan?

A: We don't have any specifics.

-- As you know we've been doing all we can to assist the parties to get the peace process get back on track. We are looking at ways we might assist those nations who are willing to take risks for peace.

-- For some time now, the President has been seeking ways to provide substantial assistance to Jordan. King Hussein has taken genuine risks for peace; he deserves support.

-- We are still examining ways we might do that. No final decisions. We've been in close consultation with the Israelis and others in the region about this.

BRAC

- There have been four rounds of base closures and realignments since 1988. To date, we have contracted our base structure by 18 percent. During the same period, we have reduced the size of U.S. military personnel by 33 and 1/3 percent. Procurement spending has been reduced by almost 70 percent from its peak before the end of the Cold War.
- When the current BRAC round -- the last one authorized by legislation -- is completed in 2001, the contraction in the base structure will be about 21 percent, which still lags behind the one-third reduction in the force.
- The Pentagon has been looking at this in connection with the Quadrennial Defense Review (QDR). The Pentagon has concluded that we are paying for more infrastructure than we need. Secretary Cohen is considering whether we should seek additional base closures. Budget pressures and the requirement for robust modernization dictate that we look for ways to reduce the base structure.
- Additional BRAC rounds would require legislation. We will need to work with the Congress on this issue.

KOREA

Korean War POW/MIA's

Q: What actions are you taking to account for Korean War POW/MIA's and what comment do you have on the report that an American serviceman, Charles Robert Jenkins, who defected in the mid-60's is alive? Does Mr. Jenkins want to come home and have you taken steps to bring him back to the United States?

A: First, on the POW/MIA accounting issue. We have had a series of bilateral talks with North Korea to launch a program of accounting for American service personnel lost in the Korean War. We have received 172 sets of remains ('92-'93) and recently concluded a joint recovery operation that resulted in the identification of one serviceman. Unfortunately talks last week in New York did not result in any agreement for additional joint recovery operations or initiation of archival research, an important component to making any accounting effort successful. We will continue to pursue this humanitarian issue with North Korea until we are satisfied we have done all that is possible to find the answers so many Americans who lost loved ones in the War still seek.

Regarding recent reports about Americans living in North Korea, I can say that the Defense Department has received similar reports, which we believe to be mostly hearsay. We are aware, however, of possibly four Americans who defected to North Korea in the 1960's and appear to be living there of their volition. Sgt. Jenkins, Ms. Harrell's brother, may be one of these defectors. We have asked North Korea to allow us to interview Americans believed to be living in North Korea, but have received no assurances. Nor has the North made any comment about the number or names of the defectors.

Finally, we will pursue the question of POW/MIA accounting as well as our efforts to gain access to Americans living in the North independent of other issues being discussed with the North Koreans, including the four party talks.

Food Aid/Four Party Talks

Q: Have the U.S. and South Korea linked the provision of food aid to North Korea to the acceptance by Pyongyang of the four party peace talks?

A: We have not linked food aid to the four party talks. We have provided some \$25 million in humanitarian assistance to North Korea this year. South Korea has participated in the international food appeal as well.

Defector

Q: Does North Korea possess nuclear weapons as reported by the recent defector?

A: Have long believed that North Korea might possess nuclear ambitions. That's why we negotiated the framework agreement in 1994 that froze North Korea's nuclear program, placed it under international safeguards, and will eventually dismantle it.

Not sure the defector's allegations add anything to our knowledge about North. ROK has agreed to provide us access to him so that we can make independent evaluation.

We always are alert to the possibility that conflict could erupt on the peninsula. We, U.S. Forces Korea and our South Korean allies are vigilant in monitoring the military situation in the North. Our forces in combination with the South are the best deterrent to a North Korean attack.

BURMA

Q: Why did you wait so long to invoke Cohen-Feinstein sanctions?

A: We have been watching closely events in Burma to determine whether conditions of the law have been met.

As indicated in the President's [Secretary's] statement, the regime has perpetrated a range of abuses over the past seven months, which have had the cumulative effect of triggering the requirements of the Amendment.

Q: What would it take to lift the sanctions?

A: We would expect to see progress by the Burmese authorities on critical human rights and democracy issues, which include the lifting of restrictions on Aung San Suu Kyi and the political opposition, respecting the rights of free expression, assembly and association, and undertaking a dialogue on Burma's political future that includes leaders of the NLD and the ethnic minorities.

[Note: Lifting of the sanctions could be accomplished in a number of ways, including through a waiver provision in the law, which requires a Presidential determination that application of sanctions would be contrary to the national security interests of the United States.]

Q: What are Aung San Suu Kyi's views on sanctions?

A: We are reluctant to attempt to characterize Aung San Suu Kyi's position on sanctions; rather we would encourage you to refer to her many public statements on this issue.

Q: Why are sanctions appropriate for Burma but not for China?

A: Our values and goals in the area of human rights promotion are constant, but our approach from one country to another can and does vary based on our judgment on what may be effective.

In case of Burma, there is a stronger international consensus on the need to bring pressure to bear upon the government. For example, the European Union has imposed a visa ban and restricted trade preferences, and all members of the UN General Assembly and Human Rights Commission have joined consensus in resolutions critical of Rangoon. Thus, our action on Burma is part of a collective effort to pressure the regime, and may encourage other governments to take stronger actions. Moreover, given the relatively high degree of repression and state control over aspects of civic and economic life in Burma [i.e., greater than in China], a policy of engagement with Rangoon is less likely to bring about positive change over time.

BOSNIA

Train and Equip Program (NYT)

- The international Train and Equip program is successfully helping to establish a stable military balance in Bosnia, which is one of the keys to establishing a lasting peace in the region. The recently announced delivery order of 116 refurbished howitzers and 21 heavy equipment transporters from U.S. Army excess stocks to Bosnia is part of the ongoing program to meet the defense requirements of the Federation, as identified shortly after Dayton, and within the parameters of the Bosnia arms control agreements.
- The T&E program continues to facilitate concrete progress in the formation of joint Federation defense structures that will be critical to strengthening the Bosniak-Croat Federation. The latest step forward in this regard, announced in Sarajevo last week, are the agreements between Presidents Izetbegovic and Zubak on a joint Federation Military Strategy and on key commands.

Tudjman Letter

- The President and Croatian President Franjo Tudjman have exchanged letters on our overall bilateral relationship. In his response, the President reiterated our support in principle for Croatia's PFP membership while noting that there is a lot of work to be done together in implementing Dayton/Erduť agreements before we get there.

Problems with Dayton Implementation

- Implementation of Dayton and bringing long term peace and reconciliation to Bosnia remains a long term process and much work remains to be done. Nevertheless, we should not lose sight of how far we've come.
- Only 18 months ago, the bloodiest conflict in Europe since World War II continued to rage in Bosnia. Today, the market massacres, sniper alleys, and grim campaigns of ethnic cleansing are over; since Dayton, we have maintained a secure peace, separated and demobilized the former warring parties, held successful national elections, created new national institutions that are beginning to govern, and made real progress toward the difficult long term challenges of political reconciliation and economic reconstruction.
- More recently, the parties agreed on a new central bank and common currency. So we continue to see progress on a day-to-day basis but our work in Bosnia is not yet done.
- The Dayton process brought peace to Bosnia and remains the best hope for long-term stability and reconciliation. We continue to reexamine our implementation efforts and look for ways to more effectively bring about the conditions needed for a self-sustaining peace. But it is the Bosnian parties themselves who bear primary responsibility for fulfilling the vision of the Dayton Accords.

War Crimes Verdict

- We welcome the historic verdict by the International Criminal Tribunal convicting Dusan Tadic of crimes against humanity. There can be no peace without justice in Bosnia and this conviction is an important step toward that goal.
- With this conviction and the recent delivery of indicted war criminal Zlatko Aleksovski to the Hague, it is clear we are making slow progress on war crimes. We will not be satisfied, however, until all indicted war criminals stand trial at the Hague.

War Criminals

- We continue to remain deeply concerned with the slow progress on war crimes front in Bosnia. We continue to press the parties to fulfill their obligations to turn over indicted war criminals. We are also examining a variety of ways we can help the Tribunal to bring indicted war criminals to justice. We have made no decisions on how to assist the Tribunal. We are reviewing many different options.

If pressed about sending teams of special police or commandos to arrest war criminals:

- We have been examining several options to assist and enhance the ability of the Tribunal to bring indicted war criminals into custody. One option may be to establish some sort of capability to execute the court's arrest warrants. We are studying the feasibility of these options but have made no decisions yet.

Radovan Karadzic

- Karadzic was removed from office and remains banned from any public or political role as agreed by Republika Srpska. We continue to monitor the situation and will insist that Republika Srpska live up to their agreement. We remain concerned about his potential influence and will not be satisfied until he is brought to justice in the Hague.

Supplemental Amendment for Date Certain Withdrawal from Bosnia (passed by Senate)

- We strongly urge that this legislation not be further pursued. President's senior advisors would recommend a veto to the bill if an amendment is adopted that would mandate a date certain for withdrawal of U.S. forces from Bosnia — even a date of June 1998, when SFOR's mission is scheduled to end.
- An amendment requiring a withdrawal by a date certain — with no regard for the situation on the ground or prospects for self-sustaining peace — would seriously restrict the flexibility of our military commanders in completing their mission and jeopardize the secure environment needed for civilian implementation.

- We continue to believe SFOR's mission (18 months) should provide sufficient time to establish the conditions to maintain security and stability without an outside military presence. We have no desire or plan to extend the mission beyond mid-1998, but we should not set an arbitrary deadline that would call into question our commitment to implementation of the Dayton Accords, our reliability as a NATO ally, and our commitment to peace and stability in Europe.

SFOR Mission Duration

- We continue to believe that SFOR's mission should be completed in 18 months. 18 months should give sufficient extra time needed to establish conditions to maintain security and stability without an outside military presence.

NORTHERN IRELAND

IRA Approved Off-Duty Policeman's Murder?

- Do not have any official confirmation of this press report.
- Understood that different group, INLA, claimed responsibility for this brutal murder.

BRITISH ELECTION -NI RESULTS

Background: Clear that Gerry Adams has won back the West Belfast seat he lost to the SDLP in 1992. That was expected. The biggest news is that Sinn Fein strategist Martin McGuinness has won a seat too, defeating hard-line unionist and DUP candidate Willy McCrea in spite of splitting the nationalist vote with an SDLP candidate. It looks like the UUP (mainstream unionists) will either keep 9 seats or get 10.

- Important election in Northern Ireland, fought on completely different issues than in rest of UK.
- If asked reaction to SF seats: Hope party leaders will conclude that democracy works, offers only way forward to just and lasting settlement in Northern Ireland. Time to take gun out of Irish politics forever and get down to work.

PEARSON DEPORTATION

Background: DOJ has decided to appeal the lower court's ruling that Brian Pearson is eligible to stay in the U.S. Pearson served time for an IRA bombing (of a military/ policy barracks--no one injured) before coming to the U.S.

- This decision was made by the Department of Justice on legal grounds. Questions concerning the case should be referred to DOJ.
- If asked: This is a deportation case; our policy toward Northern Ireland was not at issue. That policy is clear --we strongly condemn IRA terrorism and will continue to support efforts to achieve a just and lasting peace in Northern Ireland.

MITCHELL RESIGNATION AS SAPASS FOR ECONOMIC INITIATIVES IN IRELAND

[Background: It has not been made public yet but Senator Mitchell has submitted a letter to POTUS resigning his position as Special Advisor to the President and Secretary of State for Economic Initiatives in Ireland -- a position he has held since late 1994. Ideally, we would prefer to announce it at same time his successor is named, which will take a few weeks.]

- Yes, Senator Mitchell has decided to give up position as Special Advisor to President and Secretary of State for Economic Initiatives in Northern Ireland. Will of course continue as chair of Belfast peace talks; in fact, understand his decision to resign the economic job based on need to devote his time to the talks.
- We are moving to select a successor to Senator Mitchell to oversee Administration support for economic initiatives. Creating jobs through investment and trade is key to underpinning Northern Ireland peace process over long term.

CONTINUED IRA VIOLENCE

- Strongly condemn continued IRA violence in Northern Ireland and in Britain, urge immediate, unequivocal cease-fire.
- Belfast peace talks (now in recess until June) have best chance of long-term success if they are inclusive (that is, if Sinn Fein participates) but that can only happen after IRA cease-fire.

ON WHETHER IRA NEEDS TO DISARM BEFORE JOINING TALKS

- U.S., like British and Irish governments, have accepted the report issued last year by Senator Mitchell and his colleagues, which suggested decommissioning of arms in parallel with talks.

GULF WAR ILLNESSES

What is your reaction to the findings in the Presidential Advisory Committee (PAC) interim letter report that (1) there was information even prior to the Gulf War raising cause for concern about chemical weapons storage at Khamisiyah; and (2) that there was “substantial mismanagement and lack of communication” between the military and intelligence community on this information?

- Important here at the outset to note that we are where we are today -- with all of the recent and continuing document releases -- because of the President's direction to get out all of the facts, and DOD and CIA's commitment to carry out that direction...
- DOD and CIA have already stated for the record that their handling of Khamisiyah-related information should have been better, and they are both committed to capturing the appropriate “lessons learned”...
- Moreover, both agencies currently have their IG staffs investigating the related issues, and their reports are expected this summer...

Why was there, in the PAC's words, “no serious [executive branch] effort to examine the possibility of chemical warfare agent exposure of U.S. troops at Khamisiyah until late 1995” when there were documents available raising this concern by December 1991?

- No question that the recently-released documents should have been identified and released much earlier; this figured prominently in the President's decision in JAN 97 to extend the PAC he established in MAY 95 in order to provide independent oversight of the ongoing process...
- These documents are being identified and released now in response to the President's direction to get out all of the facts...
- As to why these documents did not come to light earlier, the various ongoing IG and other investigations at DOD and CIA should help us to understand what happened...

The PAC found that there is no single entity integrating the data for a comprehensive assessment of the government-wide response to Khamisiyah; the PAC also questioned how individual accountability will be addressed. What is the White House view?

- First, the PAC's recommendation that a “presidential-level” entity to integrate intelligence community “lessons learned” is consistent with the Administration's commitment to take full advantage of the Gulf War experience to improve our preparedness and planning for future deployments -- this recommendation will be carefully considered when the President receives the PAC's interim letter report and the accompanying agency responses...
- DOD and CIA have asked former SEN Warren Rudman to advise both agencies on the GWI problem. SEN Rudman is well-qualified to undertake a review of all investigative findings, and his efforts will enhance our ability to integrate the intelligence “lessons learned”...
- With respect to accountability, our understanding is that there is no evidence to date of individual misconduct. If and when any such evidence comes to light, the DOD and CIA IG and other investigators tackling the many issues involved would document and refer that evidence to their respective agency heads as a matter of course...

The PAC believes that an EPA-type approach would be appropriate for the long-delayed Khamisiyah modeling effort and that veterans deserve to learn the results of a full-range of modeling scenarios (including worst-case events). What is your reaction?

- DOD and CIA recently formed a joint modeling team to take this work forward to conclusion as rapidly as possible, with the projected completion date of 21 JUL 97...
- The PAC's assessment that EPA-type modeling may be useful or even more appropriate will need to be evaluated by the joint DOD/CIA team...
- In terms of targeted notification letters, DOD has already sent out letters to those personnel within 50 kilometers of Khamisiyah, and will conduct additional notifications if necessary...
- Most important here is that the issue of notification has no bearing on the eligibility of veterans for physical examinations, health care, and compensation -- and DOD and VA have strongly encouraged all Gulf War veterans to take full advantage of the available programs...

Is DOD using the Privacy Act as a "shield" to block the PAC's "unfettered access" to the critical information they need?

- Our understanding is that earlier this year DOD lawyers noted Privacy Act legal concerns about certain information being provided to the PAC in response to their requests...
- We have confirmed that the Privacy Act does have application and have been informed that the required legal steps are being taken to obtain the consent of individuals providing information for release of that information to the PAC...

Is the PAC likely to be extended again given the many problems still remaining?

- The PAC has a critical role to play -- the White House is relying on the PAC's expertise and independent assessments to enhance program quality across the full spectrum of government activity related to Gulf War illnesses...
- Any discussion of extending the PAC would be premature at this juncture given the many initiatives currently underway and the amount of time remaining before the end of the initial extension period (31 OCT 97)...

What about the statement in the recent CIA white paper that the CIA briefed the NSC staff in JAN 96 on the Khamisiyah evidence?

- The CIA white paper (and one of the accompanying documents containing briefing slides) reflects the classified CIA brief the NSC staff received in JAN 96.
- During the briefing -- which focused on the CIA's declassification initiative and ongoing study of potential exposures -- the staff was told that information had come to light about the possibility of chemical munitions storage and agent release at the Khamisiyah facility. This was briefed as preliminary information, and the NSC staff noted at the close of the brief that CIA needed to pursue this possibility aggressively together with DOD.
- Subsequent CIA and DOD efforts to investigate this concern eventually led to the JUN 96 DOD announcement of Khamisiyah.

The intelligence community admits making mistakes in its handling of the Gulf War illnesses investigation, and the many recently-declassified documents clearly should have come out much sooner. With much of the related activity occurring during George Tenet's tenure at CIA, does the Director-designate retain the President's full confidence?

- Absolutely.
- The CIA has contributed a tremendous amount to our knowledge about chemical weapons in the Gulf War theater and specifically about exposure incidents that might be related to undiagnosed Gulf War illnesses.
- George Tenet is fully supportive of the President's commitment to get out all the facts, and has increased the level of resources devoted to the Gulf War illnesses problem when new information indicated the need to do so.

What has the Administration done for Gulf War veterans who are sick?

- Through the dedicated efforts of DOD and VA personnel, veterans are receiving the care they need for Gulf War illnesses, whether diagnosed or undiagnosed.
- Overall, to date -- (1) DOD & VA toll-free help lines; (2) 80,000+ free medical exams; (3) 26,000+ compensation claims approved; (4) special legislation paying disability for Gulf veterans with undiagnosed illnesses, with an extension of the presumptive period for undiagnosed illness compensation forthcoming soon; (5) thousands of pages declassified; and (6) 90+ federally-sponsored research projects completed or underway.