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Daily Press Guidance

**Monday
May 19, 1997**

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Press Guidance Monday, May 19, 1997

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Press Guidance

May 19, 1997

WELFARE TO WORK PARTNERSHIP EVENT

- Tomorrow at 2:00pm, President Clinton will host a Welfare to Work Partnership event in the East Room.
- The Welfare to Work Partnership is an independent, nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector.
- This Partnership highlights an official commitment from American Businesses in response to the President's call for private sector participation in the welfare to work efforts.

SEQUENCE:

VPOTUS

Eli Segal, President, Welfare to Work Partnership

Gerald Greenwald, Chairman, Welfare to Work Partnership (United Airlines)

Governor Carper (D-DE)

Governor Thompson (R-WI)

George Stinson, Small Business Owner from Wisconsin

POTUS

Q: What is the status of the White House hiring of a welfare recipient?

A: In fact, just last week we hired Sheena Blunt, who is doing administrative support work for the White House Office of Public Liaison.

If asked: Sheena, a 35 year old mother of two (ages 1 and 2), lives with her parents and has been on the welfare rolls for a little over a year.

If asked: We expect to hire a total of 8 welfare recipients in the Executive Office of the President (3 at OMB, 2 at OA, and 1 each in-OPL and Correspondence). We are making a lot of progress and expect very shortly to have all 8 -- Maybe in a matter of weeks.

Silverman

per Eli Segal and Jodie Torkelson

Budget Questions
Monday, May 19, 1997

Q: ARE YOU WILLING TO COMPROMISE ON THE B-AVERAGE REQUIREMENT FOR THE HOPE SCHOLARSHIP?

A: The President believes that part of the higher education tax cut should be targeted to open the doors of college and encourage students to work hard and do well there. That's why he proposed the Hope Scholarship. We've gotten some feedback about that proposal, particularly that the grade requirement may be a little too complicated to implement. We are listening to those concerns, but no final decisions have been made.

Q: THE BUDGET DIRECTOR INDICATED YESTERDAY THAT THE WHITE HOUSE MIGHT BE WILLING TO MOVE TOWARD THE REPUBLICAN CHILD TAX CREDIT PROPOSAL. ARE YOU WILLING TO RAISE BOTH THE INCOME LIMITS AND AGE LIMITS?

A: The President proposed a \$500-a-year child tax credit in his budget that was available for children up to the age of 13 and targeted at middle-class families. The Republican child tax credit was more expensive. **The President is committed to seeing the bulk of this tax package goes to help middle-class families**, and we will work with Congress to see how big a child tax credit we can afford consistent with our agreement.

Q: WILL YOU ACCEPT THE SPEAKER'S PROPOSAL TO INCREASE THE ESTATE TAX EXEMPTION?

A: The President proposed estate tax relief in his budget that was designed to help family farms and small business owners pay estate taxes. The Republican proposal is very expensive, and benefits the most wealthy Americans. Only 1-2 percent of estates are subject to this tax at all. We understand that estate tax relief is a very high priority for Republicans, but the President will work hard to **ensure that the bulk of this tax package goes to help middle-class families**.

[Background on Child Tax Credit: Our tax credit covers children up to 13 years old and phases out beginning at \$60,000. The Republican proposal covers children up to 18 years old and phases out at beginning at \$110,000.]



Department of Energy
Washington, DC 20585

TALKING POINTS ON POWER-SUPPLY RELIABILITY

1. It is critical to our nation's economy and lifestyle that the reliability of electricity transmission systems is maintained as we move toward more competition in the electricity sector.
2. An Interagency group is considering the question of whether a federal backstop is needed to reinforce industry efforts to maintain reliability.
3. This is just one of the options that we are considering. No decisions have been made.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

Treasury Anti-Money Laundering Regulations

On Wednesday, May 21, 1997, the Department of the Treasury will publish three Notices of Proposed Rulemaking in the Federal Register designed to prevent and detect money laundering in the money services businesses -- money transmitters, issuers, redeemers and sellers of money orders and traveler's checks, check cashers, and currency retail exchangers. While these regulations are the result of the lessons learned from the New York Geographic Targeting Order ("GTO"), the regulations themselves are much broader than that order.

The GTO

Beginning on August 7, 1996, certain licensed money transmitters in the New York metropolitan area and their agents have been subject to an order requiring them to report information about the senders and recipients of all cash-purchased transmissions to Colombia of \$750 or more. Under Secretary of the Treasury for Enforcement Raymond W. Kelly issued the "GTO" pursuant to a provision of the Bank Secrecy Act (BSA). GTOs are intended to be temporary measures, and can be authorized for no more than 60 days at a time.

The El Dorado Task Force

The GTO's origins lie in the investigative efforts of the Treasury-led El Dorado Task Force, a joint federal, state and local effort that includes some 140 agents, police officers and support personnel from 13 agencies, including Customs, the IRS Criminal and Examination divisions, the Secret Service, the NYPD and New York State Banking Department.

El Dorado developed evidence that certain New York area money remitters and their agents were engaged in a scheme to move drug money to Colombia by breaking up large cash transactions to avoid the reporting and record keeping requirements of the BSA. Armed with this information, the U.S. Attorneys from the Southern District of New York, the Eastern District of New York, and the District of New Jersey, along with senior officials from Customs and IRS, presented Treasury's Financial Crimes Enforcement Network (FinCEN) with a compelling case that a GTO would be an appropriate step to take against these transmitters. FinCEN staff then worked closely with the primary Assistant U.S. Attorney and others from Customs, IRS and the Department of Justice to review the application and craft an appropriately tailored order, originally involving 12 licensed money transmitters and 1,600 agents.

The GTO was extended and expanded in October 1996 to include a total of 22 licensed transmitters and approximately 3,500 agents. The order was extended again in December and February, and extended again and expanded to include one more licensed money transmitter the first week of April, 1997.

Effects of the GTO

The GTO caused an immediate and dramatic reduction in the flow of narcotics proceeds to Colombia through New York City money transmitters. Treasury's analysis of data generated by the GTO is ongoing, but the targeted money transmitters' business volume to Colombia appears to have dropped approximately 30%. Business to Colombia dropped off even at the money remitters not subject to the GTO, suggesting that much of the money remitted to Colombia was controlled centrally by high-level cartel money brokers.

In the aftermath of the GTO, Customs has observed a marked increase in interdiction and seizure activity at the borders -- over \$50 million in the first 6 months since the GTO went into effect, approximately four times more than in prior years.

The GTO also has had a significant impact on money laundering activity among the targeted transmitters. Several stopped sending funds to Colombia. One went out of business altogether. One money transmitter agent has pled guilty to structuring transactions to avoid the reporting requirements, and the El Dorado Task Force has made numerous additional arrests. El Dorado is continuing to pursue investigations of this type, and FinCEN will consider imposing civil penalties against violators who are not pursued criminally.

In addition to the Proposed Rules, Treasury is considering whether, and under what circumstances, to issue additional GTOs. In late May, Treasury and the Department of Justice will be convening a meeting of US Attorneys and Special Agents from high-risk money laundering areas to introduce the GTO and other tools which Treasury has at its disposal.

Proposed Rules

In response to the results achieved through the GTO, President Clinton asked Treasury to look for ways to translate into a permanent solution the benefits realized through this interim measure. The rules announced today seek to achieve this goal.

Registration of Money Services Businesses (MSBs)

The most fundamental of these proposals is to implement the Congressional mandate to register "money transmitting businesses" generally, which includes money transmitters or remitters, money order issuers and sellers, travelers check issuers and sellers, retail currency exchangers, and check cashers. Treasury has redefined this class of businesses as money services businesses ("MSBs") to avoid confusion between the terms money transmitting business and money transmitter, and has drafted the registration proposal in a way that strikes an appropriate balance between law enforcement's need for accurate information about the owners and locations of MSBs against the concern that small businesses be spared of unnecessary and intrusive regulation.

Suspicious Transaction Reporting by MSBs

The second proposed regulation would extend the suspicious activity reporting requirements -- already in place with respect to banks -- to money transmitters and issuers, sellers and redeemers of traveler's checks or money orders. Because customers of these institutions do not maintain

account relationships, it is more difficult for these entities to know their customers well enough to spot suspicious transactions. To address this potential problem, the proposed rule provides guidance by listing specific indicia of suspicious transactions gleaned from money laundering investigations.

Lowered Threshold for Currency Transaction Reporting By Money Transmitters

The final proposed regulation essentially makes the New York GTO apply nation-wide and on a permanent basis. Under the proposed rule, money transmitters would be required to report currency transactions of \$750 or more that involve the transmission of funds to any person outside the United States. The rule also requires the remitters to verify the identity of the person sending the funds. Treasury does not believe that this rule will unduly burden legitimate business; the vast majority of legitimate remittances are between \$200 and \$500.

Press Guidance
May 19, 1997

Flag Burning

- The President abhors those who burn the flag and thereby show disrespect to our national symbol.
- The President has a long and vocal record in support of protecting the flag.

As governor, he supported legislation that would have outlawed all intentional desecration of the flag.

He also initiated a state-wide flag respect program designed to encourage a better understanding and appreciation of flag.

- The President cannot however support a flag-burning amendment to the Constitution. Such an amendment would change that part of our Constitution, the first amendment, which expressed the nation's best and deepest values. It would change the part of the Constitution that we should, at all costs, protect and preserve.

The freedom of speech protected by the first amendment is the freedom that has made this nation great and has earned the respect of all other nations aspiring to liberty.

The ability of Americans to speak their mind -- however reprehensible their views, however abhorrent their ways of expressing them -- is the defining freedom of this country. It is the freedom that protects all others.

We entertain changes to this Amendment at our peril. We should do so only in cases of real emergency. This is not such a case. Flag-burning is reprehensible, but it is also uncommon. We can deal with people who engage in such speech by disparaging them and their actions. We should not change the very foundation of this nation's greatness, to deal with these sad individuals.

How can you reconcile this with your support of the Victim's Rights Amendment?

First of all, Victims' Rights does not alter the First Amendment. The President believes that victims' rights is an issue which needed to be addressed and the most appropriate way to do this is through a constitutional amendment. As we said at the time, victim's of violent crime are the most deserving of protection in the criminal justice system and yet have no Constitutional rights.

Mellody per past guidance
approved by Bill Marshall, Counsel

PREVENTING INSURANCE DISCRIMINATION BASED ON GENETIC INFORMATION

In his commencement address at Morgan State University today, the President will highlight the great potential and possible perils of recent advances in genetic research. To address widespread concerns about potential abuses, the President Clinton will call upon Congress to pass bipartisan legislation that would prohibit insurance companies from using genetic information to determine premium rates or eligibility for health plans.

ADVANCES IN SCIENCE: POTENTIALS AND PERILS

Genetic testing has the potential to identify hidden genetic disorders and spur early treatment. Tests for genetic predisposition to certain diseases and conditions -- such as Huntington's disease and certain types of breast cancer -- are already available and more genetic tests are on the horizon. But genetic testing also can be used by insurance companies and others to discriminate and stigmatize groups of people. We know that genetic information has been used to discriminate against people in the past. In the early 1970's, health insurance coverage and jobs were denied to many African-Americans who were identified as carriers of sickle-cell anemia. Studies have shown that many Americans are extremely concerned with the possibility that their genetic makeup will be used to discriminate against them or a member of their family.

ADDITIONAL PROTECTIONS NEEDED

New legislation would build on the important anti-discrimination insurance laws in the Health Insurance Portability and Protection Act of 1996 (HIPPA). It would strengthen HIPPA by ensuring that in all cases genetic information will not be inappropriately used or disclosed by health plans. This would not only apply to health plans covered under ERISA but also provides blanket protections for all Americans who purchase individual policies.

More than a dozen states have already enacted laws to restrict the use of genetic information in health insurance and at least thirty-one others have introduced legislation in 1997. However, state legislation is insufficient to solve this problem. The variability among state bills will lead to a lack of uniformity across the nation as to whether and how genetic information may be used by health plans.

BUILDING ON THE EXISTING BIPARTISAN LEGISLATION

Several bills have been introduced in this Congress, which prohibit health plans from requesting or using genetic information as a basis to deny health care coverage or raise premiums. The President believes that the bipartisan legislation introduced by Rep. Louise Slaughter, H.R. 306, represents a strong foundation for this much-needed reform. The Slaughter bill contains strict protections against disclosure of an individual's genetic information by health plans. The President looks forward to working with Rep. Slaughter and other members in both parties to pass legislation on this important issue in this Congress.

QUESTIONS AND ANSWERS ON GENETIC TESTING

Q: DIDN'T WE ALREADY TAKE CARE OF THIS PROBLEM IN THE KASSEBAUM-KENNEDY HEALTH REFORM LEGISLATION?

A: The Kassebaum-Kennedy legislation did take important steps to prevent health insurers from discriminating on the basis of genetic information. However, this legislation builds on these provisions in three important areas: (1) prevents insurers in the individual market from discriminating on the basis of genetic information (2) assures the premiums setting is in no way based on genetic information both in the group and individual market; and (3) prevents insurance from disclosing genetic information.

- **Access in the Individual Market.** The Kassebaum-Kennedy law says that employers may not use genetic information as a pre-existing condition unless the illness associated with the pre-existing condition has already been diagnosed. In that case, the health plan could deny health care coverage for a maximum of twelve months.

However, Kassebaum-Kennedy did not address the issue of genetic information for Americans who are part of the individual insurance market. This legislation would take the next step by protecting Americans who have an health insurance in the individual market from being denied health care coverage based on their genetic information.

- **Affordability in the Individual and the Group Market.** The Kassebaum-Kennedy legislation did not address the issue of affordability in the insurance market. Thus it does not prevent insurers from increasing group premium rates based on knowledge about genetic information. (It would prevent health plans from charging an individual higher premiums based on their genetic information).

This new legislation would prevent health plans from setting premium rates based on genetic information, both in group health plans and in the individual market.

- **Disclosing Genetic Information.** This new legislation would also prevent health plans from releasing genetic information. If genetic information from health plans were accessible, it would make it much easier for other parties (probably employers and other non-health insurers) to misuse this information.

Q: AREN'T LOTS OF STATES TAKING ACTION ON THIS ISSUE. WHY DO WE NEED FEDERAL LEGISLATION?

A: More than a dozen states have taken action in this area and 31 more have proposed legislation. others have introduced legislation in 1997. However, state legislation is insufficient to solve this problem. The variability among state bills will lead to a lack of

uniformity across the nation as to whether and how genetic information may be used by health plans. Moreover, Employer Retirement Income Security Act (ERISA) exempts self-funded plans from state insurance laws. Thus even if states enact legislation to build on Kassebaum-Kennedy legislation, a large fraction of the population in self-funded plans would not be protected.

Q: IS THERE ANY EVIDENCE THAT INSURANCE COMPANIES ARE DISCRIMINATING AGAINST PEOPLE WITH A GENETIC PREDISPOSITION TO A DISEASE?

A: Medical researchers and physicians have reported that people are refusing to get genetic testing or to participate in medical research because they fear that this information could be used against them or a member of their family. We know that genetic information has been used to discriminate against people in the past. In the early 1970's, health insurance coverage and jobs were denied to many African-Americans who were identified as carriers of sickle-cell anemia. We also know that a leading reason women refuse genetic testing for breast cancer is because they fear that insurance companies may deny health care coverage for either themselves or members of their families or charge excessively high premiums. Moreover, 22 percent of people who live in families where someone has a genetic disorder report that they have been discriminated against by an insurance plan. (Lapham et al., Science, Oct 1996).

Q: HOW WAS GENETIC TESTING USED IN THE 1970s TO DISCRIMINATE AGAINST AFRICAN-AMERICANS?

A: Genetic testing was used both by employers and health insurance plans to discriminate against African-Americans who had one or two altered copies of the sickle cell gene. There were newborn screening programs, pre-employment tests done, and other widespread screening done to test for this genetic disorder. However, most people mistakenly believed that if an individual had at least one altered gene, they would likely develop sickle cell anemia. In fact, both of the genes must be altered to be vulnerable to this disorder.

Q: THERE ARE LOTS OF BILLS OUT ON THE HILL ON THIS ISSUE. WHY DOES THE PRESIDENT LIKE THE ONE INTRODUCED BY REPRESENTATIVE SLAUGHTER?

A: The Slaughter Bill is based on the joint recommendations made by the National Institutes of Health's Working Group on Ethical, Legal, Social Implications of Human Genome Research (ELSI Working Group) and the National Action Plan on Breast Cancer (NAPBC) to address the issue of genetic discrimination and health insurance. It addresses all of the central issues: using genetic information to deny or limit any coverage; establishing premium payments based on genetic information or an individual's request for genetic information; and disclosure of genetic information.

Q: HOW MUCH WOULD THIS LEGISLATION COST?

A: We do not have any formal estimates on how much this legislation would cost. However, states who have enacted legislation in this area have not experienced any major costs associated with this.

Q: HOW MANY AMERICANS WOULD BE AFFECTED BY THIS LEGISLATION?

A: This legislation would protect all Americans from having to pay higher premiums based on genetic information and from having their genetic information disclosed.

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

Press Guidance

May 19, 1997

GREEN BAY PACKERS EVENT

Tomorrow at 4:45pm on the South Portico of the White House, President Clinton will honor the 1997 Super Bowl Champion Green Bay Packers.

SEQUENCE:

POTUS

Robert Harlan, President and CEO, Green Bay Packers

Mike Holmgren, Head Coach, Green Bay Packers

Brett Favre and Reggie White present POTUS with jacket.

Q: What does the President think about All-Pro Tight End Mark Chumura's decision not to come to the White House?

A: The President has been looking forward to honoring the Green Bay Packers for their outstanding '97 season and it is obviously up to each team member as to whether they choose to participate in this annual White House event.

AIDS VACCINE Q&AS

Q: DOESN'T THE PRESIDENT'S CHALLENGE RING HOLLOW SINCE YOU ARE NOT INVESTING ANY NEW RESOURCES DEVELOPING AN AIDS VACCINE?

A: The President has committed additional resources to developing an AIDS vaccine. In the last two years, he has increased funding for the AIDS vaccine by 33 percent and his FY 1998 budget increases spending for AIDS vaccine research by \$17 million.

Moreover, scientists have informed the President that it is not only money that we need to meet the challenge of finding an AIDS vaccine, but that we also need to promote collaboration between experts in this area. That is why the President has announced that there will be a new AIDS Vaccine Center at NIH which will unite scientists in immunology, virology, and vaccinology to join in a highly collaborative effort to develop an AIDS vaccine.

That is also why he is calling on the leaders of the eight major industrialized nations meeting at the Denver summit in June to support a worldwide AIDS vaccine research initiative. These important initiatives are what scientists believe we need to do to fully commit ourselves to the goal of developing an AIDS vaccine.

Q: IN 1985, MARGARET HECKLER PREDICTED THAT WE WOULD HAVE AN AIDS VACCINE IN TWO YEARS. THAT WAS OVER TEN YEARS AGO. MOREOVER, AT A RECENT CONFERENCE, DR. ROBERT GALLO INDICATED THAT WE MAY NEVER SEE AN EFFECTIVE AIDS VACCINE. WHY SHOULD WE BELIEVE THAT THE PRESIDENT'S PROMISE THAT WE CAN DEVELOP AN AIDS VACCINE IN A DECADE?

A: We know much more about the AIDS virus today than we knew in 1985 or even in 1995. Recent scientific advances have taught a great deal about how the AIDS virus infiltrates the human and begins to destroy the human immune system. We have developed a whole new series of drugs that inhibit the reproduction of the AIDS virus.

There are many credible scientists and medical researchers who believe that it is not a question of whether we will ever get an AIDS vaccine but when. The scientific leaders at the National Institutes of Health have said that they are extremely encouraged by recent progress in the AIDS vaccine and believe that the development of a vaccine is feasible. In fact, there were numerous presentations at the conference that spoke about the tremendous progress we have made in the AIDS vaccine development and in vaccine development in general.

The President announced today that we should commit ourselves to developing an AIDS vaccine in the next ten years. He acknowledged that there are no guarantees. But he believes that we should commit our energy, our focus, and the efforts from our greatest minds to finding an AIDS vaccine.

Q: HOW ARE THE INITIATIVES THE PRESIDENT ANNOUNCED TODAY BEING PAID FOR? ARE THEY A PART OF THE BALANCED BUDGET AGREEMENT?

A: All of the costs for developing an AIDS vaccine are being paid for by NIH's existing budget. NIH has already increased funding for AIDS vaccine research by 33 percent in the last two years -- from \$111 million in FY 1996 to \$148 million proposed in the President's FY 1998 budget. The President's FY 1998 budget alone calls for a \$17 million increase.

Q: IF WE ARE INVESTING MORE TO DEVELOP AN AID VACCINE AREN'T WE TAKING AWAY FROM INVESTMENTS ON TREATING PEOPLE WHO ALREADY SUFFER FROM THIS DISEASE?

A: Since he took office, the President has made an extraordinary commitment to increasing our investments in AIDS. Funding for AIDS research, prevention and care increased by more than 50 percent in the first four years of the Clinton Administration. Funding for AIDS Drug Assistance Programs (ADAP), which help low-income people purchase needed therapies, has tripled, while funding for the Ryan White CARE Act increased 158 percent. The President believes that we need to continue to increase our investments in all of these areas and his FY 1998 budget reflects that commitment, with additional investments in AIDS research, prevention and care.

Q: THE BALANCED BUDGET AGREEMENT CALLS FOR CAPS ON DISCRETIONARY DOMESTIC SPENDING. WON'T ADDITIONAL FUNDING FOR AN AIDS VACCINE MEAN LESS FOR OTHER IMPORTANT PRIORITIES? WHY NOT EXPEND THIS KIND OF ENERGY AND RESOURCES ON A CURE FOR BREAST CANCER OR HEART DISEASE OR DIABETES?

A: This Administration has made a strong improving biomedical research an extremely important priority. We have increased investments in biomedical research at the National Institutes of Health by an impressive 16 percent since the President took office.

These additional investments has been used to increase investments in biomedical research in a number of important areas. For example, funding for breast cancer research has increased by 76 percent since the President took office .

Developing an AIDS vaccine is one important priority in our investments in biomedical research. Without an effective vaccine, AIDS will soon take over as the leading cause of

death for persons between the ages of 25 and 44. Between 650,00 and 900,000 Americans are estimated to be living with HIV and over 300,000 have died of AIDS.

While we have made enormous strides in the last year in treating AIDS, these treatments are not always effective and are often prohibitively expensive both for Americans and throughout the world. Also scientists at NIH believe that it is only a matter of time before we develop an AIDS vaccine. Increasing our commitment to developing a vaccine could make an enormous difference and save millions of lives both in this country and throughout the world.

ZAIRE

Q: What is the situation like in Kinshasa?

A: Alliance forces are in effective control of the capital.

Kinshasa is returning to calm, but a festive atmosphere still prevails.

We have seen reports of sporadic looting and of some deaths of looters and former government soldiers at the hands of the Alliance.

Q: Reaction to Kabila's pledge to hold internationally observed elections and write a provisional constitution?

A: Kabila has announced plans to form an interim government within 72 hours (i.e., by tomorrow night, May 20) and to convene a constituent assembly within 60 days.

We continue to urge the establishment of an inclusive transitional government leading to elections.

Q: Do we recognize the Democratic Republic of the Congo?

A: The United States maintains relations with states, not governments. We have had a long relationship with this country since independence, and we expect that relationship to continue

Q: Do we recognize Kabila as President?

A: Mr. Kabila is in effective control of the country.

We have maintained contacts with him since last October and will continue to maintain a dialogue.

Once an interim government is established, we will deal with the new leadership.

Q: What are we calling the former Zaire?

A: The government now refers to the country as the Democratic Republic of the Congo. We accept that.

What is important is that we will base our relationship with the new government on continuing progress toward shared goals.

Q: Where is Mobutu?

A: Mobutu is reported to be in Marrakesh.

Q: Has any USG official met/spoken with Kabila? Have we congratulated him?

A: Kabila is in Lubumbashi. The senior Alliance official in Kinshasa, Secretary-General Deo Bugara, met with Ambassador Simpson today.

On Saturday, we issued a statement welcoming reports that the transfer of power in Kinshasa occurred with minimal disorder and unrest.

Q: Reaction to reports of intra-military fighting in eastern provinces?

A: We believe these reports refer to incidents which occurred in early April following the arrival of the Alliance into Shaba province.

Q: Reaction to reports of rebels executing ex-Mobutu guards?

A: Overall, there has been only minimal violence. We have seen reports that some Alliance forces have executed some members of the presidential guard, but we cannot confirm these reports and the circumstances are not known.

Obviously, we believe due process and respect for human rights should prevail in cases where the Alliance believes a crime has been committed by Mobutu's military.

Q: Do we expect to extend economic assistance to the Democratic Republic of Congo?

A: We expect to work with the new authorities, but the nature and extent of our cooperation will depend largely on their demonstrated commitment to political inclusiveness, democratic reform and respect for human rights.

NATO -- SOUTHERN FLANK

Q: Any reaction to the Drozdiak piece in the WP about instability on the southern flank of NATO?

A: We agree that the southern flank of NATO has emerged as one of the greatest sources of potential instability in the wake of the end of the Cold War.

Bosnia is the prime example of this. It is also the prime example of how NATO can act effectively in the region to restore stability.

We believe that the NATO involvement in Bosnia will serve as a deterrent to aggression elsewhere in the region.

At the same time, we need to assure that NATO retains its active presence, including the U.S. Sixth Fleet based at Naples.

Q: (If asked) Is the instability in the southern region a key factor in the desire of the U.S. to retain command of AFSOUTH headquarters in Naples?

A: Yes, we believe the potential instability in the region, its great strategic importance, and the preponderance of U.S. forces in the Mediterranean strongly dictate in favor of retention of command of AFSOUTH.

A: At the same time, we welcome increased European participation in AFSOUTH and throughout the NATO command structure to provide for greater burdensharing consistent with the maintenance of overall security in Europe.

QUADRENNIAL DEFENSE REVIEW/NATIONAL SECURITY STRATEGY

- The QDR's origins go back to the 1995 Report of the Commission on Roles and Missions (CORM), which was chaired by John White, now the Deputy Secretary of Defense.
- The CORM concluded that there was a need for each administration to fundamentally reexamine defense needs at the outset of a new term in order to provide a road map for defense efforts in the years ahead. The rapid rate of change in the world since the Cold War's end -- even since our last major review of defense strategy, the 1993 Bottom-Up Review (BUR) -- highlights the relevance of conducting the QDR.
- The requirement for a QDR was subsequently incorporated in the Military Force Structure Review Act, which was included as part of the National Defense Authorization Act for FY 1997.
- This legislation also directed the creation of the National Defense Panel (NDP), to assess the QDR and conduct an independent assessment of the defense plan through 2010 and beyond. The QDR will be formally released on May 19; the NDP reports to Congress by December 15.
- By design, the QDR is a comprehensive examination of America's defense needs. The review is looking at potential threats, strategy, force structure, readiness, military modernization, defense infrastructure, and other elements of the defense program.
- It is a collaborative effort between the Office of the Secretary of Defense and the Joint Staff, with full participation from the Military Services and the Commanders in Chief (CINCs). It reflects the efforts of both uniformed and civilian members of the Department of Defense.
- The release of the QDR on Monday is not the end of the process. It will provide a DoD blueprint for Congress to study, in concert with the NDP's report, as the Administration and Congress seek to better shape our military to respond to the challenges of the twenty-first century.
- An updated U.S. defense strategy was formulated as the first step of the QDR and provided the conceptual foundation for the rest of the review. The QDR was developed in parallel with and draws on the President's 1997 National Security Strategy Report, which we released today.
- Understand that Secretary Cohen planned to have breakfast this morning with top congressional defense leaders to discuss the QDR.

If asked:

- As the QDR entered its final stages, the President was briefed twice by Secretary Cohen and General Shalikashvili on its conceptual underpinnings and principal force structure and programmatic recommendations. Some final details are being worked out, but the President has approved the basic elements of the report.

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.

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 unduly harsh, unanticipated consequences.
- Especially true for individuals who have resided in the US for years under temporary status and for whom deportation would mean severe 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

AID FOR JORDAN

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.

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

- **On the Founding Act, it has not yet been released because work is still ongoing in conforming the texts from English into French (the other official NATO language) and Russian. This is a technical process which we expect to be completed before the end of the week.**
- 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.

RUSSIA/NIS

Current

NATO-Russia Agreement (see also NATO-Russia, above)

- NATO and Russia announced they reached agreement -- on final draft of document defining terms of new partnership between NATO and Russia.
- **Summit of NATO heads of state and government and Russian president Yeltsin to be held May 27 in Paris -- to sign Founding Act.**

NATO-Russia

- 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.

Prospects for START II Ratification by Russian Duma

- At Helsinki summit, President Yeltsin made clear his firm commitment to press Duma to ratify START II -- without conditions.
- START II ratification in both U.S. and Russia's best interests -- provides for stabilizing reductions in strategic forces, reduced costs, and opens the door to negotiations on further reductions in "START III," as agreed in Helsinki.
- The ratification of START II by Russia remains an essential prerequisite to begin START III negotiations toward further reductions in nuclear forces.

IRAN

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

Q: In last week's Wall Street Journal, an article entitled "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.

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

- President has invited NATO Secretary General Solana to meet at White House on May 19
- 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.

HONG KONG

Q: What will the United States do should the Hong Kong transition not proceed smoothly and successfully?

A: It is important not to prejudge the outcome of Hong Kong's transition. The transition agreement was arrived at properly in lengthy negotiations between Britain and China and provides for the preservation of Hong Kong's unique system and way of life. We expect China and the future Hong Kong government to abide by that agreement. We will monitor closely the way in which the transition proceeds. Finally, I now China views the transition as a great opportunity to demonstrate to the entire world that it abides by its agreements.

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 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.

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/Erdut 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/ police 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.

ZAIRE

Q: What is the situation like in Kinshasa?

A: Alliance forces are in effective control of the capital.

Kinshasa is returning to calm, but a festive atmosphere still prevails.

We have seen reports of sporadic looting and of some deaths of looters and former government soldiers at the hands of the Alliance.

Q: Reaction to Kabila's pledge to hold internationally observed elections and write a provisional constitution?

A: Kabila has announced plans to form an interim government within 72 hours (i.e., by tomorrow night, May 20) and to convene a constituent assembly within 60 days.

We continue to urge the establishment of an inclusive transitional government leading to elections.

Q: Do we recognize the Democratic Republic of the Congo?

A: The United States maintains relations with states, not governments. We have had a long relationship with this country since independence, and we expect that relationship to continue

Q: Do we recognize Kabila as President?

A: Mr. Kabila is in effective control of the country.

We have maintained contacts with him since last October and will continue to maintain a dialogue.

Once an interim government is established, we will deal with the new leadership.

Q: What are we calling the former Zaire?

A: The government now refers to the country as the Democratic Republic of the Congo. We accept that.

What is important is that we will base our relationship with the new government on continuing progress toward shared goals.

Q: Where is Mobutu?

A: Mobutu is reported to be in Marrakesh.

Q: Has any USG official met/spoken with Kabila? Have we congratulated him?

A: Kabila is in Lubumbashi. The senior Alliance official in Kinshasa, Secretary-General Deo Bugara, met with Ambassador Simpson today.

On Saturday, we issued a statement welcoming reports that the transfer of power in Kinshasa occurred with minimal disorder and unrest.

Q: Reaction to reports of intra-military fighting in eastern provinces?

A: We believe these reports refer to incidents which occurred in early April following the arrival of the Alliance into Shaba province.

Q: Reaction to reports of rebels executing ex-Mobutu guards?

A: Overall, there has been only minimal violence. We have seen reports that some Alliance forces have executed some members of the presidential guard, but we cannot confirm these reports and the circumstances are not known.

Obviously, we believe due process and respect for human rights should prevail in cases where the Alliance believes a crime has been committed by Mobutu's military.

Q: Do we expect to extend economic assistance to the Democratic Republic of Congo?

A: We expect to work with the new authorities, but the nature and extent of our cooperation will depend largely on their demonstrated commitment to political inclusiveness, democratic reform and respect for human rights.

NATO -- SOUTHERN FLANK

Q: Any reaction to the Drozdiak piece in the WP about instability on the southern flank of NATO?

A: We agree that the southern flank of NATO has emerged as one of the greatest sources of potential instability in the wake of the end of the Cold War.

Bosnia is the prime example of this. It is also the prime example of how NATO can act effectively in the region to restore stability.

We believe that the NATO involvement in Bosnia will serve as a deterrent to aggression elsewhere in the region.

At the same time, we need to assure that NATO retains its active presence, including the U.S. Sixth Fleet based at Naples.

Q: (If asked) Is the instability in the southern region a key factor in the desire of the U.S. to retain command of AFSOUTH headquarters in Naples?

A: Yes, we believe the potential instability in the region, its great strategic importance, and the preponderance of U.S. forces in the Mediterranean strongly dictate in favor of retention of command of AFSOUTH.

A: At the same time, we welcome increased European participation in AFSOUTH and throughout the NATO command structure to provide for greater burdensharing consistent with the maintenance of overall security in Europe.

QUADRENNIAL DEFENSE REVIEW/NATIONAL SECURITY STRATEGY

- The QDR's origins go back to the 1995 Report of the Commission on Roles and Missions (CORM), which was chaired by John White, now the Deputy Secretary of Defense.
- The CORM concluded that there was a need for each administration to fundamentally reexamine defense needs at the outset of a new term in order to provide a road map for defense efforts in the years ahead. The rapid rate of change in the world since the Cold War's end -- even since our last major review of defense strategy, the 1993 Bottom-Up Review (BUR) -- highlights the relevance of conducting the QDR.
- The requirement for a QDR was subsequently incorporated in the Military Force Structure Review Act, which was included as part of the National Defense Authorization Act for FY 1997.
- This legislation also directed the creation of the National Defense Panel (NDP), to assess the QDR and conduct an independent assessment of the defense plan through 2010 and beyond. The QDR will be formally released on May 19; the NDP reports to Congress by December 15.
- By design, the QDR is a comprehensive examination of America's defense needs. The review is looking at potential threats, strategy, force structure, readiness, military modernization, defense infrastructure, and other elements of the defense program.
- It is a collaborative effort between the Office of the Secretary of Defense and the Joint Staff, with full participation from the Military Services and the Commanders in Chief (CINCs). It reflects the efforts of both uniformed and civilian members of the Department of Defense.
- The release of the QDR on Monday is not the end of the process. It will provide a DoD blueprint for Congress to study, in concert with the NDP's report, as the Administration and Congress seek to better shape our military to respond to the challenges of the twenty-first century.
- An updated U.S. defense strategy was formulated as the first step of the QDR and provided the conceptual foundation for the rest of the review. The QDR was developed in parallel with and draws on the President's 1997 National Security Strategy Report, which we released today.
- Understand that Secretary Cohen planned to have breakfast this morning with top congressional defense leaders to discuss the QDR.

If asked:

- As the QDR entered its final stages, the President was briefed twice by Secretary Cohen and General Shalikashvili on its conceptual underpinnings and principal force structure and programmatic recommendations. Some final details are being worked out, but the President has approved the basic elements of the report.

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.

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 unduly harsh, unanticipated consequences.
- Especially true for individuals who have resided in the US for years under temporary status and for whom deportation would mean severe 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

AID FOR JORDAN

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.

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

- **On the Founding Act, it has not yet been released because work is still ongoing in conforming the texts from English into French (the other official NATO language) and Russian. This is a technical process which we expect to be completed before the end of the week.**
- 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.

RUSSIA/NIS

Current

NATO-Russia Agreement (see also NATO-Russia, above)

- NATO and Russia announced they reached agreement -- on final draft of document defining terms of new partnership between NATO and Russia.
- **Summit of NATO heads of state and government and Russian president Yeltsin to be held May 27 in Paris -- to sign Founding Act.**

NATO-Russia

- 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.

Prospects for START II Ratification by Russian Duma

- At Helsinki summit, President Yeltsin made clear his firm commitment to press Duma to ratify START II -- without conditions.
- START II ratification in both U.S. and Russia's best interests -- provides for stabilizing reductions in strategic forces, reduced costs, and opens the door to negotiations on further reductions in "START III," as agreed in Helsinki.
- The ratification of START II by Russia remains an essential prerequisite to begin START III negotiations toward further reductions in nuclear forces.

IRAN

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

Q: In last week's Wall Street Journal, an article entitled "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.

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

- President has invited NATO Secretary General Solana to meet at White House on May 19.
- 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.

HONG KONG

Q: What will the United States do should the Hong Kong transition not proceed smoothly and successfully?

A: It is important not to prejudge the outcome of Hong Kong's transition. The transition agreement was arrived at properly in lengthy negotiations between Britain and China and provides for the preservation of Hong Kong's unique system and way of life. We expect China and the future Hong Kong government to abide by that agreement. We will monitor closely the way in which the transition proceeds. Finally, I now China views the transition as a great opportunity to demonstrate to the entire world that it abides by its agreements.

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 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.

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/Erdut 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/ police 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.